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Environment, Housing and Infrastructure Scrutiny Panel

Proposed Budget 2027-2030

Witness: The Minister for Infrastructure

Monday, 9th November 2026

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Panel:

Deputy H.L. Jeune of St. John, St. Lawrence and Trinity (Chair)

Deputy T.A. Coles of St. Helier South (Vice-Chair)

Deputy A.F. Curtis of St. Clement

Witnesses:

Deputy J. Renouf of St. Brelade, The Minister for Infrastructure

Mr. A. Scate, Chief Officer, Infrastructure and Environment

Ms. E. Gallichan, Group Director, Operations, Transport and Sport

Mr. T. Daniels, Director, Jersey Property Holdings

[15:00]

Deputy H.L. Jeune of St. John, St. Lawrence and Trinity (Chair):

Thank you. So welcome to this public hearing of the Environment, Housing and Infrastructure panel. Today is 9th November 2026 and this is our budget hearing with the Minister for Infrastructure. I would like to draw everyone's attention to the following. This hearing will be filmed and streamed live and the recording and transcript will be published afterwards on the States Assembly website.

Please make sure that all electronic devices are switched to silence. To start with the introductions, my name is Deputy Hilary Jeune and I am the Chair of the scrutiny panel.

The Minister for Infrastructure:
Deputy Jonathan Renouf, the Minister for Infrastructure.

Deputy T.A. Coles of St. Helier South (Vice-Chair):
Deputy Tom Coles, Vice Chair.

Deputy A.F. Curtis of St. Clement:
Deputy Alex Curtis, panel member.

Chief Officer, Infrastructure and Environment:
Andy Scate, the Chief Officer for Infrastructure and Environment.

Director, Jersey Property Holdings:
Tim Daniels, Director of Jersey Property Holdings.

Group Director, Operations, Transport and Sport:
Ellen Gallichan, the Group Director for Operations, Transport and Sport.

Deputy H.L. Jeune:
Thank you. We have introduced an extra step where we would like to ask, from our side, but also from your side, Minister, if there is any issues to declare or interests to declare ahead of the hearing related to matters that will be discussed, please do so. So I invite anyone who has interests to declare now.

The Minister for Infrastructure:
I do not think so.

Deputy H.L. Jeune:
Thank you. We have 2 hours for this budget hearing. Hopefully we can stick to time but, if not, we will obviously send more letters to gather more information for our review. But I would like to ask if both my panel members and yourselves would keep the time as succinct as possible so that we can get through as many questions as possible. Starting with the overview of departmental expenditure, savings and incomes, at the top-level view, Minister, Infrastructure's net budget is effectively flat at £64.3 million from 2028 to 2030. While the panel was informed at the quarterly hearing on 16th September that construction inflation is reported to be around 5 per cent annually, do you accept

that this represents a real terms reduction in the department's spending power and, if so, how will the department manage that pressure?

The Minister for Infrastructure:

The situation with the budget is obviously it is tight. Obviously, any Minister for Infrastructure would like more. I draw comfort from 2 things in relation to the budget, which may not have been forefront of your considerations. One is that we have a £5 million fund which is designed to enable us to get to a better position in terms of future capital investment. That is a recognition that we have planned poorly in the past and recognises that, because of the Jersey Capital Investment Fund, and because we have ambitions to scale up our investment, we have to invest in advance to be in a position to meet that workstream. The second point is that we have, and it is not in the Infrastructure budget, it is a Treasury facility but there is a £10 million inflation reserve held by Treasury for Infrastructure. That is not just for the Infrastructure Department, other departments do infrastructure as well, but it is fair to say that the lion's share you would anticipate would go to Infrastructure. So that represents a flex within the budget. The third thing is to just note that we have put in place very good working relationships between Treasury and department officers in terms of making sure that, when pressures do arise, that we are in a position to get a good hearing from Treasury about responding to those. I put on record thanks to my Assistant Minister, the Minister for Treasury and Resources, for his help with that and for his officers. So for those 3 reasons, the position that you just read out there is not quite as bad as you suggest.

Deputy H.L. Jeune:

Thank you. The budget provides a 4-year funding settlement for Infrastructure. What are the principal risks that could cause the department to overspend even though taking on board what you have just said?

The Minister for Infrastructure:

Inflation is clearly a risk, and not just headline inflation, but inflation in the sectors in which the Infrastructure Department operates, the construction sectors and chemicals, all sorts of import costs of things that the department relies on are rising above inflation, and that has put in considerable costs, considerable pressures rather. There are pressures on income, we have to keep our fee rises and so on and charges mindful of the pressures on the cost of living, and there are various other pressures, for example increased savings that we are in line to meet, they are all pressures within the budget. So it is a tough time, but for the reasons I gave in my first answer, it is not quite as tough as it might first appear.

Deputy H.L. Jeune:

We had the Minister for Treasury and Resources hearing this morning in Corporate Services and he was very clear that this is just a one-year transitional period and then there could be a lot of change happening with the multi-year financial budget if that is agreed going forward. Do you see there could be a big difference? At the moment of course in the budget we see 2027, but we see it to 2030, so we do see figures to then. Do you see those figures being substantially changed, not necessarily 2027, but going forward?

The Minister for Infrastructure:

Yes, that is the point. We were very clear when we came in as a Government that the first year we could make use of the fact that a budget had already been passed last year, which had figures for 2027, and make adjustments that were necessary to preserve that kind of settlement, reprofiling of capital where necessary and a few growth bids that came in that were deemed to be essential. The real action, frankly, would come in 2028 to 2030, and that has been the case all along, it is my anticipation. I would just say about that, I do feel relatively lucky to be the Minister for Infrastructure at the moment when this is happening because it has been a long time; the Infrastructure Department has been the victim of being an easy target. When revenue expenditure has gone up, it has been squeezed, it has been impossible to squeeze capital expenditure, and we are going to have a situation where that is going to be much harder in the future. Everybody has signed up to that, on paper of course, but we have not lived it yet. It may prove more difficult in some cases than people have thought, but that is the discipline that Government as a whole has accepted, and to an extent the Infrastructure Department is potentially a significant beneficiary of that. We will be protected from some of those squeezes from other areas and we have a Capital Investment Fund being set up whose main aim is to fund the things that this department is trying to do. The funding of it of course is still open, but I do think those are reasons for relative optimism.

Deputy H.L. Jeune:

Thank you, Minister. I suppose looking back at the 2026 budget, and as you said, this is really the 2026 budget plus a bit of R.P.I. (Retail Price Index), and you talked about the reserve, et cetera. But was the department able to keep within that 2026 budget, as in knowing that within 2027 do we feel that you will also be able to keep within that budget?

The Minister for Infrastructure:

We are forecasting a very small overspend at the moment, but we have plans in place. I do not know if you can put any flesh on the bones for me?

Chief Officer, Infrastructure and Environment:

Yes. So, currently we are looking at about £600,000 overspend for the year that is split between ops and transport, it is about £200,000, and about £400,000 into property. We are quite comfortable

that we are likely to be able to balance that off, mainly because the costs that make up the £600,000 are more corporate costs rather than governmental costs. So one of them is a capital recharge to the capital programme and that should be able to be solved with discussions with Treasury. The other one is some rental costs for some Government property that is not ours that we inhabit, but because it is Government property we bear the cost of that through our property estate. So it is that the lease has not been able to be broken as quickly as we had hoped. So I am fairly comfortable that we will get a situation and, again, going back to what the Minister said about working with our Treasury colleagues, that we could get a balancing off of those this year.

Deputy H.L. Jeune:
Working on that and knowing that there is inflationary elements, of course you have been asked to do savings like every other department, where have those savings come from and what would be the impact on services of those savings?

The Minister for Infrastructure:
I may lean on colleagues here a little bit. The savings targets increase in the next few years, the qualification being that we do expect to see a revisiting of the budget, but it is a racing certainty that we will be asked to make bigger savings. Some of that arises, if memory serves me right, from the fact that there is no longer a compensation for the fact that we do not have liquid waste charging. That has been taken out of the budget and that awaits a decision on whether we will get liquid waste charging or not. So that is my recollection of the main cost driver in terms of the main savings element.

Chief Officer, Infrastructure and Environment:
Yes, the main savings have been from either vacant posts, and we are trying to keep some staff costs down where we can, and we have had some savings from property where we have exited buildings. Because we get charged for property, the Government property portfolio sits with us, so there has been some savings through property. We had got some coverage previously on our solid waste charges, but that is coming away going into next year, so that is an additional pressure, as the Minister said, that we are going to need to find next year. So the position swings from about a £1.8 million target this year in infrastructure to the best part of £6.5 million target next year . That is made up of either some corporate savings, but also some of the pressures we are seeing around our income loss and some of the other inflationary pressures that we see from things like chemicals and the like.

Deputy H.L. Jeune:
That is a big chunk, from £1.8 million to £6.5 million.

The Minister for Infrastructure:

Yes, and I would take Andy's answer rather than mine as the true position there. I was trying to remember.

Deputy H.L. Jeune:

I suppose then that comes into, Minister, you have talked about the Jersey Capital Investment Fund when we talk about income, I suppose, to try to balance the funding coming into the department. For example, the rental income will go into the Capital Investment Fund. How will that then work with the department in the sense of how that feeds back into the department's budget when you have the Capital Investment Fund taking some of the income and then how will that feed back into making sure that the department has the ...

The Minister for Infrastructure:

I do not know the accounting details, but what I would say is, from my point of view, the central value of that is that it is protected, so that income becomes part of the Capital Investment Fund and does not become available to meet cost pressures elsewhere. So that is the central point from my point of view. I do not know in terms of how accountancy-wise it gets split around the department.

Chief Officer, Infrastructure and Environment:

Certainly in terms of the costs, we would expect it to be a cost neutral approach effectively, so if we are putting things into the Investment Fund, so property income goes into the Investment Fund, we would expect property expenditure also to come from the Investment Fund. So it should not be hitting our revenue budgets and we should not be getting income in the capital budget and cost in the revenue budget, so to speak, so it should all be in the Investment Fund.

Deputy Alex Curtis:

Can I check, has that been tallied up against the current business as usual in this year and previous years so, where rental income from capital broadly matches the investment in capital, so that you will not be, to your point, short on funding revenue through capital income such as rental?

Chief Officer, Infrastructure and Environment:

Yes, so the property income is not that big a number, it is around £5 million property income that we receive, so that will go into the Investment Fund. The property expenditure is a bigger number than that. Certainly in terms of property maintenance we spend just shy of £9 million a year, so there should not be an imbalance. The bigger income streams that we see within Infrastructure are in the ops and transport budget, so incomes for some of our waste streams, for instance, our electricity supply sales and things like that.

[15:15]

Deputy H.L. Jeune:
Some that we will come on to, but you mentioned, Minister, about the future liquid waste charging regime. It assumes in the budget it will commence in 2028. However, in your letter to the panel, you advised that the implementation timeline would form part of a future policy development work. What progress has been made since that advice was provided and what gives you confidence that a 2028 implementation date remains achievable?

The Minister for Infrastructure:
The work that is ongoing is both political and operational, so clearly there has to be a political alignment to achieve that. There also has to be an understanding of how you would operationalise charges, what options are available, and so on. The view I take is that it has very much been seen as charges or nothing. The real issue that we have is that, from 2028 onwards, we have an anticipated gap of in the order of £10 million a year between the amount we want to spend and the amount that is allocated to it. That, it was assumed, would be met by charging. It does not have to be met by charging. It could be met from central Government funds, for example. The key point to me is that the funding gap is addressed. I would say that it is still an open question. I would not say which of those 2 options will be chosen is a confirmed political choice yet.

Deputy H.L. Jeune:
So, just to confirm, that £10 million, because it is an interesting way of seeing it, £10 million is that funding gap to support the liquid waste investment programme, and so is that the amount even with inflationary figures, that is the amount that will be put towards next ...

Group Director, Operations, Transport and Sport:
Yes, so, at the moment, that is the £10 million we have allocated per annum for the next 4 years to fund key infrastructure. As the Minister said, whether that comes via waste charging or via other reprioritisation within C.O.M. (Council of Ministers), that would be a discussion I assume that will happen next year before we tie into the 3-year cash limits.

Deputy H.L. Jeune:
What you are saying is, though, that £10 million needs to be an addition because the department cannot take that £10 million from the department's budget currently?

Group Director, Operations, Transport and Sport:
Yes.

Chief Officer, Infrastructure and Environment:
So it is a million over that 3-year budgeting period.

The Minister for Infrastructure:
Yes, that has always roughly been in there; it is just a rolling thing. It is just the assumption is that we need that kind of money to meet the infrastructure requirements we have in liquid waste.

Deputy Alex Curtis:
But it is a broad quantum. The Chair's point is £10 million 3 years ago is not in real terms what £10 million now. Is that number set by it is a good place to be or how is that assessed year on year as a budget?

Group Director, Operations, Transport and Sport:
It is already set. The Treasury hold the inflationary monies within that separate vote, so again if we have the inflationary element on that vote, then we should be bidding or requesting the money from the Treasury's inflation fund.

Deputy H.L. Jeune:
The budget for 2027 has a certain amount for the liquid waste programme, and was that business case an addition or was that found from within there?

The Minister for Infrastructure:
That was just continuation of ...

Group Director, Operations, Transport and Sport:
Yes, that was found within the capital vote and capital allocation, I believe.

The Minister for Infrastructure:
So from the Infrastructure rolling vote effectively

Group Director, Operations, Transport and Sport:
No, it is additional to that.

Deputy H.L. Jeune:
So it was an additional before and now we still need additional going forward, it cannot be taken out. Okay. Thank you. So the budget states that receipts from the liquid waste charge, if there will be liquid waste charging, would be paid into the Jersey Capital Investment Fund through that general revenue income. What safeguards, and I suppose this comes from all the income, what safeguards

will ensure that income raised through the charge is ringfenced for the liquid waste infrastructure so it cannot go on to other capital projects? I suppose that is the case, you will; be collecting a number of incomes coming into the capital fund, I suppose this question is saying how we ensure that they are ringfenced within, otherwise it becomes just the department's budget again and then it, again to your point, Minister, can be divided up into other areas.

The Minister for Infrastructure:

Clearly in the end the Assembly is sovereign on this. It is not going to be in our interests to have created a revenue stream or created income to do something we know needs to be done and then to hand it over to something else. I suppose there are circumstances in which you could envisage that might become necessary, there might be a project that does not come to fulfilment in the year that you think it is going. To me, the more significant thing is that all that money in the Investment Fund is ringfenced, but it would not be the intention to shift money around. I guess, through the budget, anybody could propose it in the Assembly. I do not know.

Deputy H.L. Jeune:

I suppose that is a question that maybe we will start tomorrow to have a discussion on, because we do not know, as an Assembly, how that fund will really work that is different than any other budgets. In the future, an Assembly could make amendments to that particular fund to take out ringfenced money and put it elsewhere.

The Minister for Infrastructure:

I will let Andy have a word in a moment, but the point is that money that previously went into overall income was allocated in the budget according to various headings that you see in the budget, Infrastructure rolling vote, capital investments, and so on and so forth. In a sense, that has not changed, except those allocations will now, instead of coming from that one account, it will now be headed under the J.C.I.F., under the Capital Investment Fund. It will still have the headings that it has now. I do not know, Andy, if ...

Chief Officer, Infrastructure and Environment:

Yes, the Capital Investment Fund effectively lifts the capital programme out and puts it in a ring fence. It would be protected for spending on capital. The income coming into that, we will have an expenditure line and an income line effectively, so we would be slightly daft to spend the money on something else when we have an expenditure line to say that is what we have to be delivering. So I am not concerned that, if we did receive money for liquid waste charges, that we would spend it on something else. We certainly would not be spending on our revenue side of things if it was particularly for capital. So I am fairly comfortable. But clearly the Assembly could make changes

through the next Government Plan to do different things, but it would have to be subject to a States debate.

Deputy H.L. Jeune:
Thank you. Just to be clear, any liquid waste charging mechanism or any other mechanism that comes, would be in a standalone proposition or would it be through a budget?

The Minister for Infrastructure:
It would be through a budget.

Deputy H.L. Jeune:
Okay, thank you. Moving on to ...

The Minister for Infrastructure:
So what you are saying is, if we were to introduce liquid waste charging, would that be through a budget or would that be through ...

Deputy H.L. Jeune:
Yes.

The Minister for Infrastructure:
You know, I have not given it much thought.

Deputy H.L. Jeune:
We see a number of income generation that is proposed through a budget process rather than a particular ... but of course you have the multi-year financing fund.

The Minister for Infrastructure:
Yes, I do not see much difference in the sense that it would be debated one way or another. But I have not given it much thought, to be honest.

Deputy H.L. Jeune:
Thank you. Moving on to some of the trading funds, the Jersey Car Parking Fund is forecast to generate £9.9 million income in 2027 and incur expenditure of approximately £12.2 million, alongside capital investment of £2.1 million for refurbishment and enhancement projects. What are the key priorities for investment through the fund during the budget period?

The Minister for Infrastructure:

So the trading Car Park Fund is a really interesting fund when you come in as Minister for Infrastructure, because it is a proper little self-contained fund. I have been getting my head around it since I became Minister. It is a very good resource for Government in a way because it is the thing that allows us to do stuff like fund bus services, sustainable transport investments, and so on, as well as to have a standing amount of money to maintain car parks. That is a really useful thing to have. It also allows us to have a whole systems approach to car parks as a piece of infrastructure because that fund exists and is ringfenced for that purpose. So it is really useful, it is under pressure as other funds are because we have not been able to increase car parking charges at more than 2.5 per cent usually when inflation has been running higher than that. So it is it is under pressure. But it is really important and it does allow us also to think a little bit ahead. So, as a long-term plan, for example, I have told officers I would like us to move to a situation where we have a Sand Street style automatic number plate recognition system in all our multi-storey car parks, which would allow us to be more flexible in terms of our charging in car parks and so on. Again, that is a really interesting innovation which can be at least partly funded through that Car Park Trading Fund potentially.

Deputy H.L. Jeune:

How would it link with the Capital Investment Fund, because that strategy or the document that was provided to us has there should be a new car park, for example, how does that ...

The Minister for Infrastructure:

That is a very good question, because I think it is still a live debate. The aim will be to move the Car Park Fund into the Capital Investment Fund, so it will sit under that jurisdiction.

Chief Officer, Infrastructure and Environment:

Yes, it is currently not in, but over the next year or 2 years, various elements of other funds will move into the J.C.I.F. effectively, including this one, yes.

Deputy H.L. Jeune:

How does that work with what the Minister was saying about the funds that are a bit different about the buses or about sustainable transport or active transport or policy areas that are not capital investment per se, how would that work if it goes into capital investment?

The Minister for Infrastructure:

The way it works at the moment is, you can perhaps fill in the detail on this, but my understanding is the way it works is that there are transfers from the Capital Investment Fund to Government at the moment, so effectively there is money transferred to Government for the bus service.

Deputy H.L. Jeune:

Do you mean the Car Parking Fund?

The Minister for Infrastructure:

Yes, from the Car Parking Fund, so I do not know if it is similar to the Andium thing where a payment is made, and I do not know, could you fill in a bit more on how that works at an accounting level?

Group Director, Operations, Transport and Sport:

On the operating trading account for the Car Park Trading Fund, as it currently sits, there is a transfer that goes into the general fund, which sits within, for example, the Infrastructure revenue cash limit. So, effectively, that element funds the bus service and sustainable transport projects and funds that from revenue. In the future, what will happen, and again it depends what happens with the discussions with the Car Park Trading Fund moving to the J.C.I.F. (Jersey Capital Investment Fund) and that these are just discussions at the moment, the capital assets and the assets will move across to the Capital Investment Fund, the income will transfer across and the maintenance, that element that funds sustainable transport, because that is more of a revenue expenditure, there will be funds that will transfer across so it will then be funded from general funds moving forward. It is like a balancing.

Deputy Alex Curtis:

How does that balancing ...

The Minister for Infrastructure:

You are asking about something that has not been worked out.

Deputy Alex Curtis:

But I guess you can take it at high level.

The Minister for Infrastructure:

You can always give us your blueprint we will take it away.

Deputy Alex Curtis:

I guess it comes back to the philosophical point about why set up funds and hypothecate in the first place? The fact you are in these early stages, while we now have obviously the J.C.I.F. established, it is cause for questioning. From what I can see, the numbers for those listening, expenditure on transport initiatives in 2027 is planned to be £6.735 million and £8.153 million under 2028, so we are talking not insignificant amounts of money that act as an expenditure from that. I am just curious as to talking about moving it, also your point about diligence and spending and the pros and cons,

and maybe you can say it is just too early, but I am just curious, you are now the Minister and I am just trying to think more about what thought you have given it.

The Minister for Infrastructure:
It was literally raised for the first time in the officer meeting last week as a live discussion, so I did not know whether it was going to stay separate or not. It sounds like it will stay separate for the first year, by the sound of it, is most likely.

Group Director, Operations, Transport and Sport:
So, within this budget it is still separate and we are still in early discussions about what happens to the Car Park Trading Fund and how it transfers across to the Capital Investment Fund, if it does.

Deputy H.L. Jeune:
I suppose that is an interest going forward about how much some of that income will be spent supporting those wider policy or behavioural changes that are not necessarily a physical capital investment, especially if it is supposed to be ringfenced, it could become quite tight, and suddenly you cannot have those.

Chief Officer, Infrastructure and Environment:
Yes, whatever goes into the J.C.I.F., the J.C.I.F. cannot pay back out to the general reserve. So, once it is in, it has to be spent on capital. So, yes, there will be a discussion as to what the J.C.I.F. is spending money on and, if we are not spending, the public transport monies will be revenue, we will have to get the assessment for our revenue elsewhere in our general reserve. So that is a debate that we need to have either in this next coming budget or the one after that.

[15:30]

Deputy Alex Curtis:
Can I just ask one more question from me on the Car Park Trading Fund, which is, albeit we are very much looking at 2027 and other Ministers have set placeholder budgets to move forward, the closing balance of the Car Park Trading Fund is zero in 2030 and there is projected spend that, unless budgets are significantly different, would run the balance to zero. Did you give any thought to, in this budget-making process, whether that was a line you almost wanted to see for 2030 and were there any changes for the later year predictions needing to be changed?

The Minister for Infrastructure:
I do not think anybody thinks it is sustainable to run the Car Park Trading Fund down to zero in practice. That will have to be addressed in the next budget. It is an accountancy exercise. We

have to have a Car Park Trading Fund that has enough revenue in it to meet future liabilities. Those are likely to be considerable over a 30-year timeframe, so it is not like we have to find all the money in one year or even in a couple of years, we need a 30-year programme of investment in car parking infrastructure. All our multi-storeys are old, they are 50-plus years in most cases, 50 years is the standard lifespan. They have however been assessed, making absolutely clear, they are in good nick, they are not in a bad state. But they will require more and more money being spent on them to maintain them and at some point we will need to look at replacements. It will be much easier to do that if we have a Car Park Trading Fund that is able to meet those liabilities, or a significant portion of them.

Deputy Alex Curtis:

I presume from your position there could be a risk that, with a Capital Investment Fund that lumps the car parks in with other things, much as capital has been squeezed for revenue, the Car Park Trading Fund capital could be squeezed for other capital projects.

The Minister for Infrastructure:

It is as theoretical as anything else is theoretical, given that we have not even decided whether it is happening, so we are probably stepping too far down the risk, but your points are noted and well made.

Deputy H.L. Jeune:

But either way, the potential new car park is sitting not within the Car Park Fund to fund, but it is sitting in the Investment Fund.

The Minister for Infrastructure:

It could not at the moment, because, as Deputy Curtis has pointed out, the fund is empty in 3 years' time, as it shows at the moment. I do not know if you have anything to add on that; you have been closer to this over the years?

Group Director, Operations, Transport and Sport:

No, again, it is part of the conversations, if the Car Park Trading Fund does move across, then we have to be looking at the long-term capital replacement for the Car Park Trading Fund as we are looking at with all the assets. The J.C.I.F. is trying to protect that, so we are spending money on our existing infrastructure and assets, as part of that conversation on that funding.

Deputy H.L. Jeune:

Thank you. Moving on to the Jersey Fleet Management Fund, this includes capital expenditure of approximately £3.2 million in 2027. What are the department's priorities for fleet replacement and modernisation over the budget period?

The Minister for Infrastructure:
I am going to be really honest; I have not had a full briefing on the fleet management aspect yet, so I am going to rely on officers to answer that, because I just have not got the details, I apologise.

Group Director, Operations, Transport and Sport:
Jersey Fleet Management purchases vehicles and plant and equipment for all Government departments, so that £3 million is looking at those assets that are due to be replaced in that year. A lot of that could be things like the fire engines or heavy vehicles and plant that we use, for example, our solid waste sites, as well as cars and vehicles. What Jersey Fleet Management has, and has discussions with those departments to get that agreement about what vehicles do they want replaced within that year.

Deputy H.L. Jeune:
Okay, so it sits really much within the budget, they have £3.2 million, they then replace within that amount.

Group Director, Operations, Transport and Sport:
Pretty much, because all the assets are owned by Jersey Fleet Management, we know what assets are coming up for renewal, we know what needs to be maintained, and we have regular dialogue with those departments to make sure that we are understanding what their requirements are and to do that procurement.

Deputy H.L. Jeune:
Looking at policy coherence, what proportion of that is supporting the lower-emission vehicles replacement.

Group Director, Operations, Transport and Sport:
We have now got a policy within Fleet, so we have 75 per cent of our vehicles are either electric vehicles or using biodiesel or H.V.O. (hydrotreated vegetable oil) fuels and such. So, again, when we have that ability, we try to move towards that to meet our carbon emissions target.

Deputy H.L. Jeune:

With that £3.2 million, would that need to have further investment to be able to decarbonise more or to be able to change to using that biodiesel further, knowing that cost has risen quite a lot, or how does that balance?

Group Director, Operations, Transport and Sport:

We try to look at all those options when we are doing the vehicle replacements, to look at whether we can use electric, because a lot of our vehicles are heavy plant you do not have that option, so we can only use biodiesel. Now, all the Government of Jersey vehicles that were on diesel are using biodiesel, so in pretty much most of those circumstances we can. I still think we have more work to do in looking at how we can reduce our fleet size and become more efficient with our vehicles and doing more work as well with regards to route optimisation. So, again, they are projects that we would like to take forward because that is probably where we make our next big saving, is either using less vehicles or doing things differently.

Deputy H.L. Jeune:

Does is £3.2 million not just about the buying or changing of these vehicles and others, but is it also to pay for the cost of the energy of the use of the vehicles and the upkeep, et cetera, or does that come out on a different budget?

Group Director, Operations, Transport and Sport:

It comes as part of a different budget, so that does relate to the vehicle procurement, but obviously we get the income coming back in. So, when a department is purchasing a vehicle, they are paying for the annual charge for that vehicle, but they are also paying for the insurance, the annual maintenance, fuel costs as well, and that is the income that comes back into Jersey Fleet Management.

Deputy H.L. Jeune:

Thank you.

Deputy Alex Curtis:

Okay, Minister, we are going to move to a bit more of a deep dive on the J.C.I.F. or the Jersey Capital Investment Fund, given this will be the first budget with it in for the full year, and then touch on Investing in Jersey as something closely linked. I want to pull up first a wider view on capital expenditure that might flow into the J.C.I.F., which is one of the recommendations that the F.P.P. (Fiscal Policy Panel) have made, and that is that capital expenditure should only be regarded as investment where a project generates a positive net economic return. So, moving into the next year in the budget, have you and maybe the Minister for Treasury and Resources looked at whether that definition of investment plays into how you prioritise capital expenditure?

The Minister for Infrastructure:

There was a good discussion with the Fiscal Policy Panel when they briefed the Council of Ministers on that very point, as to how you judge that net economic value. It was quickly conceded that there are many different ways of doing that. I would take it back one step further and say, because there is always a focus on return, what is the return on the investment, and the point I made to the Fiscal Policy Panel, which they accepted, was you can go one step further back than that, which is a lot of the infrastructure we are trying to fund is basic infrastructure without which there is no economic activity in a way, ultimately. If we do not have a functioning drainage system, if our buildings start falling down, you are talking about the most basic foundations of society that are at stake here. So the question of what a net economic return is, is different depending on the type of infrastructure you are talking about. It is different for say Fort Regent compared to how it would be for investing in drains infrastructure or a new rising main, or whatever, the main pumping station infrastructure. A lot of what we are trying to do is get the Island back to a position where it has the basic foundations which allow a modern economy to function. So, yes, you can do calculations for that, but it is not as simple as saying what is the profit, if you like, which sometimes is what people interpret that.

Deputy Alex Curtis:

It sounds like you engaged in a dialogue to rebase what is essential for infrastructure full stop. One thing I was going to ask you on was a C.&A.G. (Comptroller and Auditor General) commentary that Jersey has not defined critical national infrastructure yet. Is that something then, in the context of the recommendations you have, would be a good starting point to us, as you say, take a step back and look at what is critical to be funded and to be secured before you even look at the economic.

The Minister for Infrastructure:

Yes, I would say that, but I would also say that you can do an awful lot without that definition. The things that we are talking about, everybody knows are critical in some form or other, by some definition or other. It would undoubtedly help to have some formal definition and it is possible that the fact that we have a Capital Investment Fund, and we have an Investing in Jersey programme, will mean that there will need to be more rigour around these sorts of things than there perhaps has been in the past. But I would not want to give the impression that you could not move into action without those definitions, because a huge amount of work has been done to identify what we need to do. There has not been much debate about whether or not we need to do it per se, there has been a lot of criticism about the impacts of some of it and maybe the operationalising of it. But in terms of what are we investing in, I do not think there has been a huge controversy about that, and so I accept the C.&A.G. point, but I do not think it handicaps us too much.

Deputy H.L. Jeune:

Minister, you were saying that this point from the F.P.P. was discussed at the Council of Ministers quite robustly. Do you feel that the Council of Ministers recognised your point about that positive net economic return being the definition, just from a case of understanding going forward how supportive other Ministers would be of this?

The Minister for Infrastructure:

It was not a robust discussion, it was a genuine curiosity around how do you define, they had made this point, other people picked up on it as well. They defined this and people wanted to be directed towards where good practice was, for example, and what lessons could we learn or how could we define it, did they have experience. So there was a discussion, one of the members of the F.P.P. was keen to point out that there was a tendency in the U.K. (United Kingdom), when these things are judged, to overvalue the social benefits and give them a notional financial value, which, when you looked back on programmes, were not justified. So she was arguing for more rigour in that and more realism around that, and the point was well taken. It was a useful discussion point and I suspect we have not reached the end of that discussion.

Deputy Alex Curtis:

In those conversations, just to pry, did the case for Fort Regent come up with regard to the rigour required to prove the investment?

The Minister for Infrastructure:

No, I do not think it did. I was not in the room; I was attending remotely, but, no, I do not remember it.

Deputy Alex Curtis:

Moving to another source of funding that will go into the Capital Investment Fund, the budget proposes that £15 million of excess Pillar 2 revenues may be allocated to the J.C.I.F. for feasibility work and the capital reserve. Have you got any information or more detail as to how or what share of that £15 million is going to the J.C.I.F. and on what is it going to be used?

The Minister for Infrastructure:

I do not have that in front of me. As I mentioned earlier, we have £5 million, I cannot remember, did that come out Pillar 2?

Chief Officer, Infrastructure and Environment:

Yes, effectively the £15 million is £5 million for feasibility and the £10 million for inflation reserve, effectively that is what makes the £15 million.

The Minister for Infrastructure:
Yes, that is what I thought.

Deputy A.F. Curtis:
So the £5 million is on feasibility projects?

Chief Officer, Infrastructure and Environment:
Yes, it is the feasibility to help us prepare for future capital projects.

The Minister for Infrastructure:
You will be aware of projects which have been stalled in the past, or not stalled, but delayed because they have reached a point ... but the preparations had not been done quickly enough to get them into ...

Deputy Alex Curtis:
So, is that £5 million for feasibility on top of the line items of feasibility such as a tunnel relining feasibility works, or is it the £5 million to fund those clearly identified feasibility projects within the budget?

The Minister for Infrastructure:
It is on top, it is the latter, yes.

Deputy Alex Curtis:
So it is feasibility ...

The Minister for Infrastructure:
It is designed to increase capacity, given that we are going to be doing more infrastructure projects. So I was probably wrong to say that it is a response to the past failings; it is more an anticipation of future demand and an acknowledgement that you cannot scale up to do that increase in work without preparation. We would just find ourselves falling behind if we did not prepare. So it is a very positive move from Treasury's point of view.

Deputy H.L. Jeune:
Just taking back feasibility, how many feasibility projects would £5 million basically fund and you have said that there is some that have been delayed, but in the budget it is not mentioned what those are. Do we know?

The Minister for Infrastructure:

I do not think I am able to say. I withdraw that. It is much more to do with increasing capacity for the future rather than past failures. But I do think it represents a general acknowledgement that we need to prepare well if we are going to have an Investing in Jersey programme that is going to work and deliver.

Deputy H.L. Jeune:

So, is there discussion of what that £5 million will fund, what feasibility projects are there ready to jump on that £5 million and how many would that realistically fund? I do not know how much a feasibility project costs.

[15:45]

The Minister for Infrastructure:

It depends on the scale of the projects. Even things like public realm projects require significant preparation, even though they are, in the great scheme of things, £1.6 million or whatever for next year, not a huge amount. But, if you do not do the preparation work, it does not happen in the year in which you have said it is going to. So that is absorbed within our normal budgets. What this is saying is, as we go forward, I do not know, Tim, if you have anything you want to say on this. How much it buys I guess depends on whether you are looking at a £10 million project or a £1 million project.

Director, Jersey Property Holdings:

Exactly that. It is simply a question of scale and there are a number of large projects that now are on the horizon. The rest of the hospital, we have talked about some of the big infrastructure projects that we are looking forward to, and at the same time there are also smaller projects that are enablers. So, how long is your piece of string?

Deputy Alex Curtis:

Can I check there, because a budget, as you say, Minister, £5 million for feasibility, but it is explicitly detailed as a pipeline of projects arising from Investing in Jersey, which of course is a document that the former Council of Ministers created. Does that mean that emerging projects that are not detailed in the plan published last year, August 2025, could not be funded by this £5 million?

The Minister for Infrastructure:

I would not say could not be, but there is a very strong desire, certainly on my part, the Chief Minister's part, to have continuity in this. This was a major change to the way that capital investment is going to be funded in the future. It got very widespread support through the Assembly and it therefore makes sense to achieve as much continuity as we can between the plans that were made

and approved and people saw and what we are continuing to do. I would not say that means that there is absolutely nothing that could be funded through that £5 million unless it had a line in the Investing in Jersey.

Deputy Alex Curtis:

I guess to take an example of what is in Investing in Jersey that was not explicitly voted on, the Chair has mentioned a new public car park. Now, Members have an ability to amend this year's budget and remove feasibility funding for tunnel relining, for example, because it is an item identified, but Members do not have a chance to amend and prioritise where the £5 million of other feasibility, which for context is 10 times the feasibility funding on the tunnel relining project. It is it is a significant fund. Do you see any question as to how ...

The Minister for Infrastructure:

I see what you are getting at. If you are looking at a new car park that is not within the horizon for the next year or 2, as far as I am concerned, we do not have a site. So those projects will emerge, but you are right to say that it will probably be decisions taken within year rather than decisions where you will get a line item.

Deputy Alex Curtis:

For the Members who will be voting either for or against this budget, do you have any idea on what prioritisation you have given to the £5 million on feasibility, given this is not for a multi-year funding, this is £5 million in 2027?

The Minister for Infrastructure:

I have not looked at a list of projects yet to allocate that to.

Deputy Alex Curtis:

Just so we are on common ground, we understand that £5 million is to be spent in 2027, in 12 months, on feasibility projects yet to be prioritised?

The Minister for Infrastructure:

Yes.

Deputy H.L. Jeune:

None of them have been mentioned that is in the budget. It is £5 million that is outside, so we are in the dark to know what that £5 million really is, because if we look at the Investing in Jersey document, it is an aspirational document, it is not ...

The Minister for Infrastructure:

We will respond to the circumstances we find ourselves in, in terms of what is possible, what can be put into flight, and no doubt what comes up in terms of political debate and so on.

Deputy Alex Curtis:

But political debate I presume is political debate within the Council, not within the Assembly, because we are not debating the ...

The Minister for Infrastructure:

The Assembly can propose anything the Assembly wants to propose. But I would say that, as those plans develop, I would be absolutely clear that we would want to bring them to scrutiny to inform you of what we are doing. I do not think there is any secrecy here, there is nothing going on hidden behind the scenes, we just get together.

Deputy H.L. Jeune:

It is when you link it with C.S.P. (Common Strategic Policy), for example, the C.S.P. is very broad, it says, for example, invest in sports and leisure facilities and community spaces. That is vast and we do not yet know, that £5 million, for example, does that go to supporting that 9.2, what would that be, what is it that is focusing on? We are near the end of 2026.

The Minister for Infrastructure:

The Minister for Education, Sport and Culture is doing a piece of work at pace to decide, essentially a gap analysis, to find where we have gaps in provision and where we have provision, but provision which is based on decrepit facilities that may need replacements. I would expect results to emerge out of that in terms of prioritisation pretty soon.

Deputy Alex Curtis:

I am interested in your ...

The Minister for Infrastructure:

Just before we move on, Andy, have you got anything to add to that?

Chief Officer, Infrastructure and Environment:

No. Certainly you have mentioned sports, we know that we will ultimately look to use some of that feasibility money, I am sure, on some sport facilities. But we have not yet at this point allotted funds to those pieces of work, but that is just one example. You are right in highlighting sport and community infrastructure as an area where we would expect to do some feasibility on what we need to do in our sports estate as an example. So, as things firm up over the budget debate, as we go

into to 2027, it will be a lot clearer then where we will be spending that feasibility money. As the Minister said, we are happy to bring that to the panel.

Deputy Alex Curtis:

I am going to push a bit more here, Minister, because you have just said that putting £5 million aside for feasibility is prudent financial planning. I am not going to disagree there, but I am curious, in your reading as a Minister now for the next 4 years on the political landscape of projects, we know that many capital projects have been plagued with the fact that indecision or a lack of buy-in from a wider Assembly causes delay and costs incurred on projects that are cancelled. Now, putting money aside may be prudent, but I am curious as to your view on the risk that you may fund feasibility into projects that do not have Assembly buy-in by not getting upfront agreement that that is the direction of travel. What is your risk appetite for investing without ...

The Minister for Infrastructure:

I do not agree with that. Investing in Jersey sets high-level aims. The exact projects which are feasible within the timeframe, in terms of doing feasibility within the next year, will emerge in the next few months. The money does not have to all be spent. It is there as an allocation to recognise that we will be doing this and we are serious about it. Had we not put it in there, you would be saying, hang on a minute, you are ramping up your expenditure but you seem to be going from a standing start to your Capital Investment Fund programme of investments without any preparation. It is there as prudent planning to ensure that we have the resources available to make plans when we have identified projects that are ready to go.

Deputy Alex Curtis:

I am not disagreeing that it is imprudent to put the money aside. I am curious, Minister, as to how you are going to make sure that, as you spend money, that you are spending it prudently and not just putting it aside and spending on projects that have a high chance of, for example, not being pursued. You may say you do not have a methodology yet, which is fine, I am just curious as to how you want ...

The Minister for Infrastructure:

Any significant capital project would be going to the Council of Ministers first and then to the Assembly in some form or other, whether it is by answering questions or coming to scrutiny first and reporting on it or whatever. So I am not ...

Deputy Alex Curtis:

So, are you happy to explore a new way of working with the Assembly to ensure that you do not fund feasibility?

The Minister for Infrastructure:

I do not think it is a new way of working, it is not a new way of working, it is the same as capital investments has always proceeded, which is capital investment projects come forward, mostly from the Council of Ministers, occasionally from Backbenchers. Capital investment projects come forward, they are discussed in the normal way, and they will be, depending on how big and high profile they are, will determine what way that we engage with the Assembly and with scrutiny. I do not think there is anything different there except that we have an explicit fund that is there to signal how serious we are about this.

Chief Officer, Infrastructure and Environment:

What I can add on feasibility, it is really important to undertake degrees of feasibility, some have been more detailed than others, but it gives colour on the future decision making on that capital project. So, when a capital project is put into the Government Plan and we put it into the capital programme, it is vitally important we have done some feasibility on it in advance so we are clearer then on what the project is, the size of it, the cost of that project, and so it will help inform that future decision making.

Director, Jersey Property Holdings:

I do think that is a very important point to make, if I may, that a number of the projects that have been challenged in the past have arisen because there has been a finger in the air assessment of what the cost is and a more detailed analysis would show if it is feasible because it is affordable or not. So I do think that that is a very important consideration.

The Minister for Infrastructure:

You are in danger of blowing a mountain out of a molehill, if I may say so. There is nothing fundamentally going to be different here about the way we approach capital projects. There is an extra layer of budget transparency around the fact that we think that it is prudent to have this £5 million fund to help us prepare; that is all.

Deputy Alex Curtis:

Okay, well, looking to another part of the investment, Minister, liquid waste key infrastructure. Now, we have talked about the funding and perhaps a funding gap in the order of magnitude of £10 million a year needed. But of course we know that the figures under which the liquid waste infrastructure investment for new housing or capacity requirement no longer aligns with perhaps a housing need. So, in the budgetary period, have you taken any look with officers as to the scale of investment needed, back to the earlier predictions of £10 million, and whether they still align with the urgent need for investment and upgrades?

The Minister for Infrastructure:

Funnily enough, yes, and I can say that we are making a small adjustment, or maybe not small, maybe a significant adjustment to the investment in the sewerage upgrades that are currently underway. You will be aware that we are doing 1a and 1b in the northern sewer upgrade programme, which is underway. We have decided, following the dismissal of an appeal into the Maufant housing project, to switch funding from 1c in the northern sewer network to the Maufant upgrade.

Deputy Alex Curtis:

You might have to explain to those listening, less familiar with what 1a, 1b, and 1c are.

The Minister for Infrastructure:

So for those listening or watching, you might be able to explain this better, but 1a and 1b are the sewer upgrade roadworks which people will be very familiar with heading north out of town, and they had been planned to continue with a third sequence of improvements further north. Those will be postponed, which will give people a sense of relief that the roadworks will come to an end without another lot beginning, and we will instead move developments over to Maufant where we will enable a housing development that has just gained planning approval there.

Deputy H.L. Jeune:

So you mean north of the 1c there will be stopped and it will be going for now, paused, and go ...

The Minister for Infrastructure:

Yes, because there is a more pressing need at Maufant. Ellen, you have been instrumental in this, in the discussions around this, so I do not know if you want to correct me in any way.

Group Director, Operations, Transport and Sport:

Yes, gave us a great opportunity to relook at the programme, relook as well at the additional housing needs in St. John and part of that northern network. So we will still do more modelling, but also looking at how we could reprioritise the funds to be able to support that local scheme that is meant to be coming live in 2028. We will not finish our work probably in Maufant until 2029, but that is in there to try to just support the affordable housing scheme and the project that we want to work on.

The Minister for Infrastructure:

So, I guess the broader point is you may be talking about a much wider reassessment to do with population figures and so on, but in terms of operationally, do we look at the scheme and see how does it best respond to where housing approvals have been given, where the work has been

concentrated in the past, and it is also worth saying what the work is that we are going to do. Because the Maufant scheme went through a considerable redesign to try to minimise the impact.

Group Director, Operations, Transport and Sport:
Yes, definitely very mindful to try to minimise the disruption on residents and businesses within the area, so a lot of the work that we are doing on Maufant will be through fields and we are able to do that, which we were not able to do on St. John's, so again looking at all those opportunities to try to minimise the impact and from the learnings that we have had as part of the St. John's project.

Deputy Alex Curtis:
Can I check, Maufant, one of the interventions into the Maufant area was going to be an attenuation tank, which received planning permission. Is that now still forming part of the planned works?

Group Director, Operations, Transport and Sport:
Because of doing the review of the costs, it prohibited us moving that forward at the moment as part of the attenuation tank. Now we are looking at upgrading pumping stations and some of our drainage network in order to be able to create the capacity that we need within that area.

[16:00]

Deputy Alex Curtis:
I remember, I believe I saw Standing Order 168 notifying a plan to purchase. Did that site ever get purchased where the land was going to go on, or was it intervened prior to purchase?

Group Director, Operations, Transport and Sport:
It got intervened prior to purchase.

Deputy Alex Curtis:
So no land was purchased for that. Okay.

Deputy H.L. Jeune:
Just to check, because I am sure for those who have been affected by the 1a, b, and c, would the end plans are still for May or June next year for that, for 1a and b, to finish then?

The Minister for Infrastructure:
The last I heard it was end of May.

Group Director, Operations, Transport and Sport:

Yes, and we are still working towards the end of May.

Deputy Alex Curtis:

Okay. My last question is on priorities that remain unfunded. What infrastructure projects do you consider the department is carrying with the highest risks of being unfunded by existing allocations?

The Minister for Infrastructure:

I do not have that off the top of my head. I do not know if you want to hazard something from an operational point of view?

Chief Officer, Infrastructure and Environment:

All I can say, we hold a lot of assets, so whether they be building assets or in-ground infrastructure, we have good capital funds to spend where we can, we would always do more with more. That would be the honest answer on that. So the biggest risk we face is any other faults or breakages that occur, if I use that term, that always provides an emergency scenario. If we have a piece of infrastructure that fails, that is also a risk. Some of our longer-term infrastructure is also a subject to debate as well, certainly around sea defences and coastal defence. So that is a bit of work we have been doing certainly for the south coast of the Island. That is not yet funded, so that is a risk, it is a longer-term risk for the Island and it is a longer-term risk for the department. So we have long-term risk and we have short-term risks. Where we have funding pressures is if we have a failure or if we have a big weather event, a storm event, and things like that, then that can also create risks in our infrastructure. But the underlying risk is a lot of our buildings and infrastructure, they are just all getting on a bit, so it there is an inherent risk in all of that.

Deputy H.L. Jeune:

Just coming back to a question that Deputy Curtis asked earlier about that wider liquid waste key infrastructure programme, about the wider assumptions of the amount of homes or amount of people that it is supporting, and I suppose it is looking to the next budget not for 2027. But how you will be reassessing that assumption underlying it and will that then change the programme going forward differently, you said it changes more than just right now for this current budget, but for the future.

The Minister for Infrastructure:

We are still in flight with the things that are needed to meet the current Island Plan and the rezoned housing and the upgrades of facilities. A new objective assessment of housing need, all of those sorts of building blocks for a new or heavily revised Island Plan, depending on which route we end up going down during this Assembly, will all trigger reassessments. But it is too early to say what the implications of that would be; it is just a hypothesis.

Deputy H.L. Jeune:

But it will be for the 2028, the multi-year, so we will see.

The Minister for Infrastructure:

Yes, and then that work will be done appropriately to respond to that.

Deputy H.L. Jeune:

Okay, thank you. Moving on to Government estate and property management.

Deputy T.A. Coles:

Certain points of this I believe have already been covered, so it might be a smaller section than we originally anticipated. But just going back over some basics, just to keep it clear for the public as well, in our September hearing we heard that the public estate and maintenance spending on it sits below one per cent of asset value compared to with most commercial benchmarks being 2.5 to 3 per cent. I probably already know the answer to this, but does this budget close that gap at all?

The Minister for Infrastructure:

It does not. It does not really. We spend, as Andy said, close on £9 million. The target would be £25 million. That is the long term; that is something we know we have to address, everybody has known we have to address it for a while, and as part of the ongoing work looking at the future of J.P.H. (Jersey Property Holdings), that will have to be addressed. If you are going to look at the future of J.P.H., you cannot look at it without addressing that problem. There is no way to the future that does not involve an addressing of that problem, in my mind at least.

Deputy T.A. Coles:

So, as the Government estate and property management includes some critical infrastructure, schools, police, and all sorts, how do you assess the risk then with such a limited budget?

The Minister for Infrastructure:

You will be pleased to know that I do not sit around assessing the risk, but our professionals do. With all these things, yes, we carry risks, some of them are bigger than others. Professionals assess those risks and, to the extent that we can, we mitigate them. These are risks that sit there of failures or breakdowns or other weaknesses in infrastructure, but they are known about for the main part. I am touching wood here. We have a pretty good system for assessing the state of infrastructure and the capital programme tries to respond to that and mitigations are put in place. Andy, you have been doing this for a lot longer than me.

Chief Officer, Infrastructure and Environment:

Yes, there is inherent risk across everything, so that is our base position. Certainly from a building's perspective, we have an asset condition survey, so that is done on a regular basis, so we are very clear on what buildings are in better state than others. So that guides our investment decisions. Clearly, the reactive side of our maintenance budgets, also that is reactive, so that is based on events. We also factor in any future plans for a new capital investment that is a new project. So, if you are building a new building, then that will inform how much you are spending on the old building. If you are going to be building a new one, as an example, but it is a bit of a cocktail of many things really. The money does get spent well. We would do more with more, but we look at our health and safety indicators, we look at a number of functional things in terms of compliance, whether it be water safety, fire safety, and things like that. So fire safety in schools has been a big project for us and it still is a project. That is based on a risk assessment of that, as an example. So there are a number of things that go into that. The overall answer is that we are living in a risk environment all of the time, so we cannot ever mitigate all of the risks fully, so that is just a risk that the department bears.

Deputy H.L. Jeune:

When we were in the old Assembly, assessing the budget for 2026, we talked with the former Minister for Infrastructure about having the issue of that there are different budgets for maintenance in different portfolios, so it is not just sitting with you, Minister, but it is also in the Education Department, for example, and Health. How has this been looked at to try to streamline this and will it be, if this piece of work has not finished yet, will this be ready for the Capital Investment Fund and also for the next multi-year finance.

The Minister for Infrastructure:

The most relevant place for examining that issue will be as we look at the future of J.P.H. and trying to work out where those mismatches occur and where the best solution to that is. It is not automatically the case that you would say that we should bring everything, for example, into J.P.H. You might say Health has a different set of requirements, you might say Education does, I think those things are all up for grabs in terms of the discussions we need to have about how we deal with the future of those assets that are held in those departments. It was correct of the former Minister to identify the issue. It is a known issue. The solution to it is a political one really.

Deputy H.L. Jeune:

Do you see this happening within 2027 so that we will be having a different conversation, I suppose, in the budget review for next year?

The Minister for Infrastructure:

Yes, I think so. Whether though what we do in the next year is point the way forward. I could easily imagine this being an incremental or staged series of solutions, if you like, but if we have not made progress next year we are in trouble.

Deputy H.L. Jeune:
Yes, thank you.

Deputy T.A. Coles:
With the estate as it sits as well and looking at again future budgeting and potentially going into a 3-year budgeting cycle, you mentioned the condition report, has that led to any future funding programme for clearing this backlog and addressing the maintenance backlog?

The Minister for Infrastructure:
You addressed that, did you not? That is what the work has been that has been ongoing. That is why we are doing the safety and fire safety in schools and so on, because it has responded to the identification of an issue. Then it is about prioritising that against all the other things that the condition surveys have helped identify.

Deputy T.A. Coles:
But have you got any sort of idea or ambition over how much that backlog of maintenance might cost and what is the ...

The Minister for Infrastructure:
There is a figure in the public domain of £67 million is the backlog of maintenance. Then there is an ongoing annual gap between what you would ideally do according to best practice and what we are doing.

Deputy T.A. Coles:
When we look at the budget again with regards to that rental income, you mentioned that earlier, you have a rental income of about £5 million. Was that across the estate or is that just in any particular items, is that external or is that the wooden dollars of the idea of education?

Chief Officer, Infrastructure and Environment:
Yes, it is a bit of both. Some of it is external income. We have a number of properties that are rented out to the wider market, and some of it is internal income where we get paid for certain Government premises that have a rental income associated with them. The vast majority of Government premises do not attract a rental for Government occupiers though, so that is why that number is not a very big number if you look at the estates as a whole.

Deputy T.A. Coles:

You also explained earlier that you spent about £9 million on expenditure out of that and that will all be going in through the Capital Investment Fund. Is that the sort of model hoping to go forward that all property maintenance will be through the J.C.I.F. or is it out of it. Because if you get those issues of reactive maintenance and sometimes you have reactive maintenance that might be beyond ...

The Minister for Infrastructure:

There is all the maintenance that falls within Infrastructure's remit, obviously as you have identified, there are some buildings that sit outside Infrastructure's control at the moment.

Deputy T.A. Coles:

Are there any particular categories of Government asset that at present provides the greatest level of risk and need of investment over the next 4 years?

The Minister for Infrastructure:

I feel like I have to stop officers going and talking for the next 10 minutes at this point, because they are the ones who live with risk all the time. I will let Ellen and Tim perhaps have their say, but, as Andy said, we carry risk, we mitigate as much as we can within the resources we have. We have a good relationship with Treasury and if there is a severe crisis that appeared in some way, then I would hope to be able to resolve it. There are a number of risks, one that I have been addressing recently sits around the crematorium, we need new cremators and the questions sit around how much we spend maintaining what we have versus investing in the current building or investing in a new site. That is a kind of a thing which sits with a level of risks, cremators breaking would be a very bad thing for the Island, but we mitigate it. We have plans in place and we are continuing to make plans. That is the normal business of Government in this area. Ellen, I do not know if you want to pick out your cause célèbre?

Group Director, Operations, Transport and Sport:

Probably our biggest challenge is the big key assets, energy recovery facility requires a lot of money to do its maintenance.

The Minister for Infrastructure:

Spending £2 million a year at the moment, just on that.

Group Director, Operations, Transport and Sport:

£2 million, but you could be spending significantly more in future years as the asset is getting older, so we need to be doing that work on the asset to understand what that investment's needs are so

we can get the best use out of it. It may require additional monies. That is the work that we need to start doing up front. We have a lot of ageing assets. We have also had big investment in new assets as things like sewerage treatment works, we have had the big savings, but we do need to update the drainage network. We have some of that money on key infrastructure; there is still a lot more we could do. We have still got a lot of mixed systems at the moment. We would still like to separate a lot more of our surface water systems, we are getting a lot more flooding events. All of that type of investment, and there is more required in the future.

Director, Jersey Property Holdings:
Our challenge is the unknowns, the unexpected. We work very closely with the other departments, with Education, with Health, so we are trying to get to a position where our pre-planned maintenance mitigates against those unknown shocks coming out of the woodwork. However, when something does happen, and it does not have to be catastrophic, but a leaking roof somewhere means that we have to spend time and effort in sorting it and solving it.

[16:15]

So, communication, a better understanding of the state of the estate, and trying to get to a position where expectation management is important, because there are some things that there may be a leaking roof in a particular area is something that you can live with for a couple of weeks, in other areas it may be something you cannot live with. So it is having the relationship with the departments and being able to talk through and prioritise.

Deputy T.A. Coles:
Thank you. You mentioned the crematorium, that leads me nicely on to my next question. In the 2025 budget, the amount allocated, I have been quoting here, have not proved to be commercially deliverable. Why did those estimates prove unrealistic and what assurances you can provide that the revised £4.7 million in this budget is now more robust?

The Minister for Infrastructure:
There has been a lot of talk about the future for the crematorium and it is still a live discussion about what we do with the crematorium. So that is the current plan, but I know that there is considerable disquiet in the Health team about having a crematorium right next door to your main hospital. I am told that nowhere in the U.K. is a crematorium within 2 miles of a hospital, so that debate may well be reopened about what we do with the crematorium. I do not know for sure, but I want to signal that, but then I will let Andy or Ellen talk, because you know the history of how we got to that £4.7 million figure; it pre-dates me.

Chief Officer, Infrastructure and Environment:

What I can say is that the number in the Government Plan now has been a number that has previously been allocated for the crematorium, so that the one prior to that was taken down effectively to balance out our capital programme. But we have always estimated it would be about £4.5 million worth of expenditure, so what we are now seeing in the Government Plan is the realistic figure as to what we now need to invest. The key point is that, again, it is just another study of an ageing asset really we have, so cremators which are out of service now and they are no longer being made, so we have to keep those running, and we have air quality standards and people are getting heavier and bigger and we just need more space, and it is just a practical solution effectively. So, whether we do it there or whether it is at another location, that is still to be determined, but we are fairly confident that we would take the opportunity to spend that money wisely and that it would do the job.

Deputy Alex Curtis:

Can I just ask about that dip to £1 million and rise back to £4.7 million again? It sounds like that was an accounting quirk to profile the spend or profile their previous budget. You may guess my question. Does this year's budget feature any accounting profile quirks like a £3.7 million reduction in a capital project to balance out this year's budget that we would then see changes to next year that the department know about?

The Minister for Infrastructure:

My impression is that one of the things that we have been very keen to achieve with the discussions with the Treasury is a realistic basing of this budget to reflect real costs, because we are moving to a J.C.I.F. situation where that should not be possible. The funding allocated into the capital fund will be what it is allocated. So my impression is that there is a fairly robust examination gone on of all those figures. I could not tell you line by line what work has been done on each one. That is officers talking to Treasury and putting their case and explaining why it costs what it costs. But you are right that in the past things would just be squeezed to make the figures add up.

Deputy T.A. Coles:

Highlands College, in the budget that includes a £350,000 allocation for Highlands College within the estates refurbishments and upgrade programme. Is this investment intended primarily to maintain the existing campus or is it to design and support longer-term plans for the future of the site.

The Minister for Infrastructure:

That is just to maintain it.

Director, Jersey Property Holdings:

It is absolutely to make sure that it keeps running and keeps functioning in its current form.

Deputy T.A. Coles:

But to link back to again, which we were on Highlands College and public buildings, obviously there is a C.S.P. commitment about the Highlands College campus. Has any feasibility been done out of that £5 million allocation, is there a consideration of that?

The Minister for Infrastructure:

To Deputy Curtis's point earlier, this is not going to happen without considerable further debate. We have, as a Government, agreed to remove the reference to the siting of where a potential new campus might be, precisely because we recognise that there is still debate to be had. So it is too early to be saying what are you spending now on feasibility because we have not had the political debate even in the Council of Ministers fully yet about what the options might be. So you are basically correct to identify the issue, but it is too early to give you a definitive answer.

Deputy T.A. Coles:

Just holding on to that feasibility study so once you have had all the discussions through C.O.M. then that budget will be allocated.

The Minister for Infrastructure:

The point is that we now have a budget mechanism for doing that work should that be the project that goes forward and in that timeframe.

Deputy T.A. Coles:

Obviously, we have heard about the sewerage network upgrades and the plans and deviations from those. Has there been any assessment around other infrastructure investment to support the Island's housing delivery ambitions over the next decade? So, the sewerage been re-evaluated, so you have these 1c that you said before going to the north, you have Maufant, then road infrastructure, other critical infrastructure that might need to be ...

The Minister for Infrastructure:

I do not think there is a major element of that in the programme. The housing sites that were identified are now coming through, mostly, there is still some that have not. I am not aware of any other major infrastructure upgrades tied to the housing delivery. Are you?

Chief Officer, Infrastructure and Environment:

No, we will need to respond and work hand in glove with the planning policy function in terms of if there are any future allocations and where they are best located to be supported by infrastructure. But, no, we have not done any of that.

The Minister for Infrastructure:

One thing you can say is that we will not make the same mistake twice hopefully of allocating development to places without understanding the full implications in terms of what infrastructure is required to realise them.

Deputy T.A. Coles:

Excellent, good to know. So, moving on to the questionnaire around public realm and community spaces. The C.S.P. commits to investing in sport, leisure, and community facilities, yet within your written response it states that the budget does not make provisions for enhancing the sport offering beyond the replacement equipment. How does the budget support the delivery of the C.S.P. commitment?

The Minister for Infrastructure:

It will be delivered through Investing in Jersey and the capital investment programme, as I said earlier, the Assistant Minister working in this area is doing amazing work, is looking at all the assets, the condition of them, and where we have gaps. That is the right basis on which to make decisions for significant infrastructure projects. They will be in the mix along with other significant infrastructure projects, although it is brilliant news that we have Capital Investment Fund, we still do not know how big it is, where the money is all going to come from, and therefore what we will be able to afford. Therefore, it is still going to be a very difficult conversation around prioritisation and sequencing.

Deputy T.A. Coles:

Back through that, the Assistant Minister stated in our last hearing that potential closure to facilities could be a ...

The Minister for Infrastructure:

To what, sorry?

Deputy T.A. Coles:

That potential closure to facilities, so sports facilities, could be a possibility if continued to underinvest in that space, that the closure could be a potential if underinvestment continues. Given it is approximately £100 million investment identified through the Aspiring Active Places, what specific provision in the budget reduces the risk of facilities closure.

The Minister for Infrastructure:

The normal maintenance programme is targeted on facilities that are in the most need of it. But in terms of the major capital investment that might be required, I do not know if you are talking about major plant in a swimming pool or something like that, but we are doing the investment in Aqua Splash, perhaps that is one example to highlight where there has been a very specific commitment to fund something that previously had not been.

Group Director, Operations, Transport and Sport:

As much as we are doing the gap analysis to look at what our sporting requirement is, it is just looking as well at the age and condition of our assets. A lot of the sports assets now, and look at Les Quennevais, are over 30 years old and need significant investment. So, for things like the pool, the big cost of that is the boilers and all of those systems, and that has a life, so it is a question about when and how we have to start maintaining that or looking at what the future is for Les Quennevais.

The Minister for Infrastructure:

But in terms of 27 and Aqua Splash, we are investing now in the control panels and the equipment there, are we not?

Group Director, Operations, Transport and Sport:

We are, and updating a lot of the electronic equipment, as we do on all of our assets. So, sport gets £500,000 a year for replacement assets and we use that to invest in the equipment so it can continue.

Deputy T.A. Coles:

So now that the Government, because you mentioned the Aqua Splash and it was on my next question, this transfer to the department from 1st October, because obviously there was a cost for Government to have that being run by a private company, you talk about those key investments to update and modernise some of the equipment that is going on there, how is that then working around the anticipated savings that was initially reflected? Do you think this is going to be a break-even over a certain point or is this ...

Group Director, Operations, Transport and Sport:

I think it will result in significant savings in the future, so we are already generating a lot of additional income as part of Aqua Splash joining the active offering on that side, and we have seen numbers increase significantly. We knew that there would be additional costs in the first year while we were doing that work, and we would have had to spend some of that money replacing things like the electrical panels, which we will be doing in December, would have had to have been done at some point in the future, so it would have been a cost to Government anyway on that side. But I think that

we will be able to demonstrate that we can run the pool and the facilities down there more efficiently and generate more income and we will be confident that we can demonstrate that.

Deputy T.A. Coles:

Do you believe that this facility will still be operational and running and if the Island gets the Island Games for 2035?

The Minister for Infrastructure:

That is impossible to say, is it not, we need to assess our swimming pool, the state of our swimming pools, and politically make decisions about whether we replace lots of pools with fewer bigger ones or whatever, or whether we just reinvest in exactly the places we are. I do not think that has been decided at all.

Group Director, Operations, Transport and Sport:

No, that is part of the pool review. We just know that we have 4 pools that are probably over 20 years old, so are going to need that investment, and we will do that study to decide what our requirements are for the future.

Deputy H.L. Jeune:

Deputy Coles mentioned the Inspiring Active Places study, which looked at potential investments that are needed in public sports facilities over the next 10 years. What is different with this gap analysis that is happening now versus what happened there? Because of course that was a 10-year view. You have talked about facilities that are 30 years old, so these legacy issues, it is not that this is a new thing, so what is different with this gap analysis compared to being able to just carry on implementing the Inspiring Active Places?

Group Director, Operations, Transport and Sport:

With sports, what we would like to try to see is looking at, not just understanding what our requirements are from Government and what we provide as part of the sports estate, but also what is available within the secondary schools and their sporting infrastructure and how that is used. So our gap analysis is looking at all those clubs and facilities, looking at the assets they use across Government, whether it is the sport estate or whether it is within the secondary schools, to understand what is available out there and effectively where are those gaps that still need to meet in the future.

The Minister for Infrastructure:

There is an element of updating as well.

Deputy H.L. Jeune:
So it is building on this and also the work of course the former Minister worked with schools.

The Minister for Infrastructure:
Yes, absolutely, yes. What Serena has brought to it is a tremendous focus and energy to drive it forward on all fronts, in what will be a very coherent fashion. The fact that she is Assistant Minister across 3 different portfolios, all of which have relevance to it, gives her that direct ability to integrate and do that work.

Deputy T.A. Coles:
Moving on to the public realm, so given that the budget provides approximately £9.7 million for public realm investments over the next 4 years, do you consider this level of funding sufficient to achieve the Government's stated ambitions, but also what beyond Broad Street Phase 2A, what public realm projects do you currently have in development?

[16:30]

The Minister for Infrastructure:
So, a few things about public realm, first of all one of the things I have been very clear, small change, but a reasonably significant one, was that I wanted public realm to be a separate budget item, a separate budget line. It had always previously been within the infrastructure rolling vote and therefore intensely susceptible to cost pressures elsewhere, because nobody knew how much was going to be allocated to public realm in any given year because it was just going to be whatever was allocated within that budget. Giving it a separate budget line gives transparency. It tells you how much we plan to spend every year and, if we reduce it, you can see, because it will be reported on. Similarly, if we increase it, if we are able to increase it. So that is an important little signifier that public realm is really important in terms of the public understanding what we are doing. Certainly the town is the focus of the public realm improvements. The continuation of Broad Street, which does not just include what is going to happen next year but there is at least 2 more years, potentially, of work that is associated with that whole access of improvements. There is also ongoing work with the parish where we have neighbourhood improvement schemes and so on. Inevitably, the further out you get the more flexibility you want to keep in terms of what is coming next. I do not know if there is anything else that we have particularly highlighted up until now in the public realm beyond the town improvement stuff.

Group Director, Operations, Transport and Sport:
Not at this stage.

The Minister for Infrastructure:
No.

Group Director, Operations, Transport and Sport:
It is all investment in town I know.

The Minister for Infrastructure:
Yes. That is the programme that we have at the moment. The other thing to point out about that budget is you will see that it has been re-profiled, there is slightly less in 2027 and then it catches up in following years, which is unfortunate. But it is the kind of thing you need to do to make budgets balance.

Deputy H.L. Jeune:
Will we see more detail though for the 3-year project, what is the next plans?

The Minister for Infrastructure:
In terms of which projects would be funded each year.

Deputy H.L. Jeune:
Yes, yes.

The Minister for Infrastructure:
Yes, I think the aim would be to provide as much detail as we can. But there has to be an element of flexibility. If you are allocating money 3 years into the future on what in infrastructure terms are relatively small-scale projects, still pretty significant, you probably do want to maintain some flexibility into the future. But yet as you go through you will be updating it all the time.

Deputy T.A. Coles:
With this more transparent public realm investment funding, have you any idea when we are likely to see what projects are going to come forward? You talked about a neighbourhood improvement group but have you got a timetable or ...

The Minister for Infrastructure:
Those things are primarily a result of discussion with the Constable of St. Helier because she controls the other half of the funding, those being co-funded usually. I have not had a meeting with her formally about that. We have had a few informal discussions. In terms of the programme for the next 2 or 3 years in terms of the town, did we not put that in a letter to you?

Deputy T.A. Coles:

You were changing one section of Broad Street, you have 3 sections down there and you are not doing one, you are doing the area closer to Charing Cross first.

The Minister for Infrastructure:

Yes, yes. Obviously to reflect the smaller budget, we are doing a slightly smaller area this coming year but pushing the other work into the subsequent years and very importantly saving an apple press.

Deputy T.A. Coles:

Yes.

The Minister for Infrastructure:

At no extra expense I want to make clear.

Deputy T.A. Coles:

That is formal now that the apple press is staying or is it ...

The Minister for Infrastructure:

Is staying.

Deputy T.A. Coles:

It is staying, yes, okay, get something positive. How would the department prioritise regeneration projects when it comes to completing demands for a fund arising within the Capital Investment Fund?

The Minister for Infrastructure:

What do you mean by regeneration projects?

Deputy T.A. Coles:

This is more regeneration, so whether this is something that might ...

The Minister for Infrastructure:

A St. Helier regeneration.

Deputy T.A. Coles:

Yes, might be not quite as involved with the parish but whether there is things that can be itself with capital or is it all ...

The Minister for Infrastructure:

Is that essentially public realm are you talking about or is that what you mean by regeneration projects?

Deputy T.A. Coles:

It can be a mixture. Is there any Government-owned buildings which they might not be in St. Helier but might still need to be regenerated? There are still competing demands across. Because is public realm footpaths and roadways and like King Street ...

The Minister for Infrastructure:

Okay, right.

Deputy T.A. Coles:

... or is it other buildings which sit within ...

The Minister for Infrastructure:

Other departments do things in public realm in other places. Obviously Environment Department maintain footpaths, networks and so on. The main focus of where the public realm project is going to go it is going to be in town for the time being.

Deputy T.A. Coles:

Yes. The next question area is ...

The Minister for Infrastructure:

By the way, I do think that is important.

Deputy T.A. Coles:

Yes.

The Minister for Infrastructure:

When we go abroad and most of us are lucky enough to do so and we go to those lovely towns in Europe and you see them and you think that looks great, should we not be doing that sort of thing in our public realm? That is the sort of thing I have in my mind when people talk about the cost of doing public realm and so on. These things are for 50 years. We need to make our town into a place which people really want to come to, really want to live in, really want to do business in. I think it is one of those things again, as I mentioned earlier, that really underpin the whole strength of the Island's economy.

Deputy T.A. Coles:

Yes. There is also aspects around mobility and people's ability to navigate, especially down King Street with the older cobbles. As we see, there is a C.S.P. amendment again about the ageing population that can refer to inclusion and making public spaces more accessible.

The Minister for Infrastructure:

Which is integral to everything we do.

Deputy T.A. Coles:

Which is good. Moving on to Fort Regent, what will Phase 1 deliver, given that the £43 million allocation is primarily directed towards repairs, conservations and enabling work? What tangible facilities or public benefits will Islanders see at the completion of Phase 1?

The Minister for Infrastructure:

I think you have described fairly accurately what Phase 1 will deliver. It is an enabling piece of work. It puts the fort into a position whereby plans can be brought forward to use it creatively, use it for things. It is not a programme to reopen the fort. It will not bring the fort back into a position whereby it becomes publicly usable. It requires further money to bring it into public use. The exact amount of that extra money depends upon what you decide Phase 2 should be. There are many different versions of what that could be.

Deputy C.D. Curtis:

Can I ask about Phase 1 and the £43 million, Minister?

The Minister for Infrastructure:

Yes.

Deputy C.D. Curtis:

Written question 245 may be fresh in your mind ...

The Minister for Infrastructure:

It is, funnily enough.

Deputy C.D. Curtis:

... which gives us a little more detail than we have had in recent months.

The Minister for Infrastructure:

Of this morning ...

Deputy C.D. Curtis:

I am sure the Vice-Chair of the panel will talk about Phase 2 but it recognises costs inflating, being a challenge and one of the causes for delay in decision-making but notes that there will be a revision to Phase 1. It will still deliver largely the aim and the revision is to keep within the budget allocation. Scope will change to budget, not budget to scope. I know that you have now had 2 Regeneration Steering Group meetings, one in September, one in October, so you will be well briefed. What has changed within the scope to fit the cost envelope of £43 million, given the inflationary pressures?

The Minister for Infrastructure:

I think one of the key things that I did not appreciate was that the Phase 1 works that had previously been planned were based on a demarcation between Phase 1 and Phase 2. If you are not going to do Phase 2 or at least not immediately follow on, then some works had to be reallocated between those 2 phases. For that reason, for example, I think an additional planning application was required for Phase 1 that had not originally been planned. Because it was work that was brought from Phase 2 into Phase 1. The exact profiling of what that work is, it is something that J.D.C. (Jersey Development Company) ... I think we said in the letter, it is still something that is being worked on ...

Deputy C.D. Curtis:

For Phase 1.

The Minister for Infrastructure:

For Phase 1. The exact detail of what it will deliver in terms of micro detail is still being worked on. I do not want people to get alarmed by this, the overall delivery is going to be, essentially, very similar. We will repair the roof and I think it still includes stripping out asbestos. It includes dealing with the electrics, the basic infrastructure. You are welcome to correct me on this but if my memory serves me right it does not bring the utilities right to the point where they would be used. It brings the utilities, if you like, into the building. Because there was a previously Phase 2 which had fairly detailed plans about where a cinema was going to go and all the rest of it, because those plans are now being looked at again, it is a relatively easy decision to say we do not want to take electricity or piping to places where we do not yet know exactly where it will be needed. Andy, please correct me if I am wrong ...

Chief Officer, Infrastructure and Environment:

Yes, yes.

The Minister for Infrastructure:

... but I think there was delay with change if that is right.

Deputy C.D. Curtis:

Before questions on Phase 2, can I ask about that scoping work that S.o.J.D.C. (States of Jersey Development Company) will be ongoing doing it and no doubt I presume will bring to your next Regeneration Steering Group?

The Minister for Infrastructure:

Yes.

Deputy C.D. Curtis:

One part of the response was that the costs incurred by S.o.J.D.C. in project management both to date and for Phase 1 is still subject to refinement. Just for clarity, is there a signed contract for the current execution of work by S.o.J.D.C. with Jersey Property Holdings to govern how they are contracted to work?

Chief Officer, Infrastructure and Environment:

I can answer that.

The Minister for Infrastructure:

Yes, yes.

Chief Officer, Infrastructure and Environment:

There is a draft contract which is not yet signed but we are working on a contract for the future involvement of J.D.C. and so it is imminent.

Deputy C.D. Curtis:

Could you just confirm that all work done by S.o.J.D.C. to date had been done without a signed contract? What contracting rates has work been done without a contract between J.P.H. and S.o.J.D.C. to date?

Chief Officer, Infrastructure and Environment:

The commission to J.D.C. was done by the R.S.G. (Regeneration Steering Group) in the previous Government. Effectively, it has been an exchange of letters more than anything, rather than a contract.

Deputy C.D. Curtis:

It is a draft contract, when is it expected to be finalised?

Chief Officer, Infrastructure and Environment:
Imminently, yes, it is literally under debate at the moment.

Deputy H.L. Jeune:
That will be for Phase 1.

Chief Officer, Infrastructure and Environment:
Yes, it will, yes.

Deputy T.A. Coles:
Okay. What conditions need to be satisfied before subsequent phases are brought forward and considered for funding?

The Minister for Infrastructure:
I think we signalled in the letter that given that this has taken longer, given that the cost profiling has changed, I think it has probably gone up, the previous £110 million project would cost more to deliver now were it to be attempted. That this is a moment where we have to look at other options and consider different options. That pains me, it is a delay which I would rather not but I think you could not be reasonable in the current situation and say: "We are just going to plough ahead" with your head in the sand, ignoring the changes that have happened. We have already had some indicative discussions around figures, around different types of options that might be considered from what you might call a development light option, community-focused facility that is open to the public to use but does not necessarily have a vast number of pre-constructed things in it and then building up from that. The other thing that I think is going to be definitely done is we are going to ask J.D.C. or we have asked J.D.C. to look at a possible private sector involvement. Would there be any interest in a private sector operator taking over the development of the fort? That will be investigated as well.

Deputy C.D. Curtis:
Can I just check, when you say the costs have gone up, you have to stop and think now?

The Minister for Infrastructure:
Yes.

Deputy C.D. Curtis:
You mentioned it, the magnitude, I presume S.o.J.D.C. came back with revised costs from Phase 2. The States Assembly were last told it would be £67 million for Phase 2, which totalled £110 million,

with £43 million from ... what is the ball park that has caused, in your case unfortunately and necessary, to stop and think ...

The Minister for Infrastructure:
I think they did not have an absolute clear figure. I think it could have gone as high as £160 million in total.

Deputy C.D. Curtis:
For the whole thing, including Phase 1.

The Minister for Infrastructure:
Yes.

Deputy C.D. Curtis:
Yes, okay. Thank you.

Deputy H.L. Jeune:
We have been here before and are you confident, Minister, that you would get to a decision-making point and go ahead - whichever scenario is picked - of another term ending?

The Minister for Infrastructure:
Yes, yes, I know it is ...

Deputy H.L. Jeune:
But I think we are in the third or fourth time of saying: "The costs are increasing; we need to relook at this." This has happened a lot.

The Minister for Infrastructure:
It happens a lot and it is a function also of political cycles of course. We seem to always operate in a political cycle where we just get to a decision point at the end of 4 years and then there is an election.

[16:45]

In this case it does not go back to square one because we are doing all the things that were in Phase 1 pretty well, absent the small changes I have identified. We are just doing it later but there is still a delay and it, therefore, delays all the things that come afterwards. It is the very strong intention to

resolve the future of the fort within a much shorter timeframe than the end of this term of Government.

Deputy H.L. Jeune:
I suppose this panel we always wanted to know how Ministers work together and of course this is a decision-making that covers a number of Ministers in the Regeneration Group.

The Minister for Infrastructure:
Yes.

Deputy H.L. Jeune:
We hear from the written question and answer is that the group has not met that much. If it is a push to make a decision fast, will you be meeting more regularly than before?

The Minister for Infrastructure:
Yes, we have had 2 formal meetings with the R.S.G., which were heavily dominated by Fort Regent. That does not mean to say that is the only forum at which discussions happen and ...

Deputy H.L. Jeune:
No, decisions we are talking about, open decisions.

The Minister for Infrastructure:
Yes, but you asked, how do we work together?

Deputy H.L. Jeune:
Yes.

The Minister for Infrastructure:
Obviously there are discussions all the time and talking to officers, talking to Ministers and talking to J.D.C. I think everybody appreciates that it is disappointing to have a delay and disappointing that costs have risen, although in the current environment in which we live also not entirely unsurprising. I think we have to have an honest conversation. It will be a Government conversation, then we have Scrutiny and an Assembly conversation and a conversation with the public about what those options look like. I am not going to give any prejudging which one might emerge.

Deputy T.A. Coles:

Final question for me around this is that we have heard about this £43 million and some of the risks of costs going up. Are you confident that these risks are being managed appropriately for at least Phase 1 and that the costs should stay within that envelope that is budgeted for?

The Minister for Infrastructure:

Yes, I think I am. The contract I think is designed to give us some confidence around that; that is the whole point of having a contract. Now we are spending significant sums of money, there clearly has to be a contract that governs that relationship. Clearly, we live in a world of uncertainties but we are saying that £43 million, we are doing slightly less in order to stay within the budget but not massively less. It is not like that figure has ballooned, it was the costs more associated with Phase 2 that were the ones that gave us fright.

Chief Officer, Infrastructure and Environment:

If I could just put a bit of context around the original £110 million, if we look in context that was a figure that was raised. Again, dare I say it was a bit finger in the air, that was a 2 year-old figure and it goes back to the point we were saying about feasibility. That was done at a time when we had no real feasibility and what we have been doing, working with J.D.C., is working up the feasibility of the scheme. Invariably, whenever you have a capital programme figure added into the Government Plan, it is inherently wrong from day one because it is only an indicative figure. The moment you go through feasibility you get obviously market conditions and inflation can occur as well. You may get a bit of scope change, depending on what you are receiving feedback from the public and technical feedback on the project itself. Then, ultimately, the figure is only the figure once you go to contract with a constructor. There are lots of variables in any figures. I think one of the problems we have with the capital programme is we have to put numbers in. We have to put an indicative number in because people want to know the general scale of things. But inherently it was wrong because it is always prefeasibility and then you have got to go through various stages and, ultimately, go to tender on whatever you are going to build. That is the point that you really know what the cost is going to be.

The Minister for Infrastructure:

Yes. We are going through expressions of interest I think; this is now following.

Chief Officer, Infrastructure and Environment:

Yes, yes.

Deputy H.L. Jeune:

Thank you. The last set of questions in the last few minutes is really looking at the other infrastructure in the general rolling vote, what we have not covered already. Minister, one of your

stated priorities is sustainable transport and we looked a little bit when we were discussing about the Car Park Fund. But of course there is some potential capital investment for sustainable transport. Where in the budget does that investment sit for walking, cycling and sustainable transport?

The Minister for Infrastructure:
The thing that I am going to focus on most in answering that question is the Eastern Cycle Network. All States Members will be receiving an invitation to a briefing ...

Deputy T.A. Coles:
Just received it for ...

The Minister for Infrastructure:
Just received it, okay.

Deputy H.L. Jeune:
Just received it.

The Minister for Infrastructure:
To brief the States Members on the project, potential route options and so on. That will then go to a public consultation a week or 2 after. The interesting thing about that of course is it is not entirely dependent on Government funding in that we have planning obligation monies that are available for some of that. I think there is some very constructive engagement with the Minister for Planning and Regulation. We have, I think, been able to achieve some slightly greater flexibility in how those funds are used. In other words, there is a time limit on those funds when they must be used and that time limit has previously been interpreted as the finish of a project. We have achieved some flexibility around that which officers are working constructively to exploit, if you like. I am hopeful that we can make progress on that with that money. But I think the rest of the money for that comes out of, is it the I.R.V. (Infrastructure Rolling Vote) that funds ...

Group Director, Operations, Transport and Sport:
Car Park Trading Fund, so car park ...

The Minister for Infrastructure:
Car Park Trading Fund, that is right, yes. Sustainable transport, yes, yes, yes, sustainable transport, yes.

Deputy H.L. Jeune:

It does take it from the car park. If that arrangement was not with obligations from Planning, then the only way of funding sustainable transport or upgrades to cycle networks or anything comes from the fund.

The Minister for Infrastructure:
That is the way it is done at the moment, yes.

Deputy H.L. Jeune:
Okay.

The Minister for Infrastructure:
It is worth remembering of course that these things can be delivered in bits. You have got bits of infrastructure that are delivered on for the cycle network. It is not like you are going to build a motorway starting at one end and finish at the other. You are going to improve junctions and signage and things like that. There is discreet elements which can be funded.

Deputy H.L. Jeune:
The Infrastructure Rolling Vote maintains roads, drains and sea defences and of course we have talked a little bit about drains already. But looking at it overall, is there any deferred maintenance across that rolling vote or is all maintenance able to be identified in that time? What is the amount, I suppose, put on any deferred maintenance going forward?

The Minister for Infrastructure:
I am not quite sure what you mean by deferred maintenance. You mean maintenance we would like to do but cannot.

Deputy H.L. Jeune:
Yes, yes.

The Minister for Infrastructure:
I think Ellen would probably fill up the remaining time with that list. As we said earlier, it is really down to the prioritisation. I suspect what you are driving at is, is there anything that terrifies us?

Deputy H.L. Jeune:
Yes.

The Minister for Infrastructure:

It just feels like it is an unacceptable risk. I think, as we have said, we carry a high level of risk. We do our best to mitigate it. There is always the possibility that we are not quite staying on top of things and something will catch us by surprise. Ellen, what do you think?

Group Director, Operations, Transport and Sport:

I think that is fair but I think it is a part of us, as officers, is we have got to highlight what those projects are. We talk about Grands Vaux flooding; at the moment we do not have capital monies to be able to spend and do the work at Grands Vaux. That is just one of those projects and that is us to highlight that to, effectively, the Council of Ministers to make that decision with the money that is available on that side.

Deputy H.L. Jeune:

Will that come forward because that is known for a while? Will that come forward in the next budget? We saw lots of flooding this weekend, for example, and how are they, I suppose, going up the list when this budget does not cover those elements or concern?

The Minister for Infrastructure:

They are in the mix with everything else. Ellen has picked one but it is not the only one.

Group Director, Operations, Transport and Sport:

I think we have a lot of assets, whether they sit with property or with myself. I think we are working with our colleagues in the Treasury to work on this long-term capital plan and to go through and prioritise it based on the risks. I am confident, as well as the officers, that we are going to be able to work together to be able to understand what our risks are and how we prioritise that money on that side.

The Minister for Infrastructure:

Yes, I started by saying that I was optimistic because of that. It is probably a good point to circle back to, I do think we have better relationships in place, partly as a result of the J.C.I.F. and the work that has been necessary to create that. There had to be a lot of discussions about where things sit and how the monies are going to be managed and how that will address issues that we know we have had. From my point of view, I think there is a better relationship with Treasury. I think that is down to some very collaborative working, both on the part of officers in Infrastructure but also in Treasury, and a genuine desire to make the J.C.I.F. work and to see it begin to realise its potential, which is to address the long-term issues that we have had and also achieve some of the ambitions we have for Jersey.

Deputy H.L. Jeune:

Within the rolling vote we have talked about sea defences but there is also that long-term Shoreline Management Plan as well. The number is £150 million to £175 million estimate for the Shoreline Management Plan. Do you feel that they have confidence that those numbers are set or are we going to see an increase like we have seen on another ...

The Minister for Infrastructure:

It has already increased quite a bit I think over the years, the budgeting for that. But I think there has been a lot of very robust work done to work up that plan. I would be disappointed if those figures changed substantially, at least in terms of the design work. Because I think the design work has been done. I think a lot of work has gone on into that in terms of looking not just at what the work is but what the other options are and there are other options. Yes, so I think I am reasonably confident that the work has been fully developed. It is an impressive piece of work. I think it is a big sum of money and it is clearly going to have to be spread over a number of years. The question of when we start it and so on will depend on all the other priorities that we face. That is not just going to be my decision; that is also other Ministers and, ultimately, the Assembly.

Deputy H.L. Jeune:

I think that that is still probably a question that is not quite yet answered in that wider probably the Assembly as well, is understanding how to prioritise, even in the Capital Investment Fund.

The Minister for Infrastructure:

Yes.

Deputy H.L. Jeune:

How to prioritise all the different risks and you still have the competing push for funds there.

The Minister for Infrastructure:

That is true but I would keep coming back to the point that fundamentally Government has not changed as a result of the creation of the J.C.I.F. The processes around prioritising projects and so on are likely to be fairly similar. Certainly the political process around it will be very similar, as projects still get identified, Ministers have different political priorities. There are also priorities that come from officers in terms of things that have to be done. Then there is the layer that is choice, which things? We have a limited amount of money; do we spend it on a youth centre or school? Those sorts of choices are political and always will be. They will be surfaced in the same way they always have been. They will just be surfaced in the context of a budget that is set aside for that, as opposed to within a general revenue.

Deputy H.L. Jeune:

Will we see more detailed milestones now that, say, in 2027 we see more feasibility works supportive of the Havre des Pas, specifically within the Shoreline Management Plan? Will we see more specific milestones that then of course will have budget linked to that going forward? I suppose in the 3-year budget will we be seeing more details of that first spend that we need?

The Minister for Infrastructure:
I think a 3-year budget would not make sense unless it is set out in some detail, what is planned over 3 years, that is kind of the point, is it not? Yes, I think that follows logically from the 3-year budget, assuming that we have a 3-year budget. It has still not been ...

Deputy H.L. Jeune:
No. As you have said, it is a long-term project, the Shoreline Management Plan.

The Minister for Infrastructure:
Yes.

Deputy H.L. Jeune:
We are saying, what is next in the sense that once your feasibility happens it goes to more details and if that amount of money will be put in that budget and those milestones after?

The Minister for Infrastructure:
I think you can keep asking me about that as we go through. It is not going to be next year. We are not starting the Havre des Pas scheme next year, so obviously it is not in the budget. I think, as I say, it will go into the mix with all the other things we need to do and want to do, whether that is Highlands, all sorts of stuffs that Government wants to do. We will have to make choices.

[17:00]

Deputy H.L. Jeune:
The last on other infrastructure, we have not talked that much about La Collette waste site and the fact that there is funding put for that in 2027, £3.28 million. What assessment has been made for that long-term investment that is needed to the solid waste infrastructure?

The Minister for Infrastructure:
Do you want to talk to that? I do not ...

Group Director, Operations, Transport and Sport:

A lot of that is looking at the future demand with what we have got at La Collette and the investment that is required there. Some of that ties into the planning application for La Collette and to be able to make sure that there is access around the La Collette site. But it is also for the future cells that are required for our hazardous waste cells down at La Collette.

Deputy H.L. Jeune:
That is mainly what that £3.2 million will be for.

Group Director, Operations, Transport and Sport:
Yes.

Deputy H.L. Jeune:
Again, the last question of course is that 3 year ... of course this is this holding budget that everyone talks about and it is ...

The Minister for Infrastructure:
Still quite a lot in it for a holding budget.

Deputy H.L. Jeune:
Yes.

The Minister for Infrastructure:
You have managed to find enough questions for 2 hours.

Deputy H.L. Jeune:
But it is coming back to that, looking forward and you have talked about the Energy from Waste plant as well and that solid waste infrastructure, needing to understand that longer-term funding that needs to go in that. I suppose will we be seeing more details as well that ...

The Minister for Infrastructure:
That is a debate that we need to have. It is a 10 to 15-year time horizon we are talking about here. But, ultimately, as you know, the question comes down to, do we want to plan for another Energy from Waste plant costing £300 million, £400 million, whatever they cost these days? Or do we want to design our waste system so that we have far less waste that needs burning, potentially even none? But that requires investment earlier. That debate I think depends upon a new waste strategy, which is something I am working on and a lot of consultation with all relevant stakeholders, parishes and so on, plus the Island. The Island needs to decide what kind of waste system it wants. I think we want a waste system that has far less waste going to be burned and recycles and reuses and

avoids wherever it can. I think that fits very nicely with what people think of Jersey, a self-reliant Island that is able to make best use of its resources and so on. How we operationalise that, what trajectories we set ourselves on, how we fund it, those are going to be the difficult conversations we have. But that is a key part of my term, possibly slightly outside the budget.

Deputy H.L. Jeune:

Thank you, Minister. I think, yes, we have reached our 2 hours. Yes, we have talked a lot about the 2027 Budget. We have heard a lot, that there is a lot of work to be done and decisions to be made on a number of these elements that will set that direction, not just for the 3-year budget but, potentially, whether that is agreed or not.

The Minister for Infrastructure:

Yes, yes, yes, I know.

Deputy H.L. Jeune:

But going forward, so we hear that there is a lot of work for you and your officers to do.

The Minister for Infrastructure:

Yes. I will be very happy to bring it to you as we develop it. A lot of this depends upon getting maximum alignment and sorting out if there are issues and people have problems with things, identifying that early.

Deputy H.L. Jeune:

Yes. Thank you very much. Thank you very much, officers, Minister and I think the panel as well.

The Minister for Infrastructure:

Thank you.

[17:03]