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# STATES OF JERSEY



## FINANCE LAW DELEGATION REPORT FOR THE 6 MONTH PERIOD ENDED 31ST DECEMBER 2013

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Presented to the States on 30th June 2014  
by the Minister for Treasury and Resources

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STATES GREFFE

## REPORT

### 1. The Administration of the Public Finances of Jersey

In accordance with the Public Finances (Jersey) Law 2005 (the 'Law') (including Regulations approved under that Law and Financial Directions), certain matters relating to budgeting and to the financial control and administration of States Trading Operations are required to be reported to the States twice-yearly by the Minister for Treasury and Resources (the 'Minister').

This report summarises all decisions made during the 6 month period to 31st December 2013, the majority of which have been previously published. Where decisions have not previously been published, this is due to one of 2 reasons –

- The decisions were exempted under the States of Jersey ('SoJ') Code of Practice on Public Access to Official Information; or
- The decisions were taken by the Treasurer of the States under delegated authority from the Minister.

### 2. Reporting on Decisions

The areas of administration which are to be reported on are as follows –

- 2.1 The use of trading funds by States Trading Operations;
- 2.2 Borrowing and Lending;
- 2.3 Budget transfers.

#### 2.1 Use of Trading Funds

The following Ministerial Decisions in the use of trading funds were approved in the 6 month period that ended 31st December 2013 –

- MD-TR-2013-0105 – Use of Jersey Airport Trading Fund in 2013 for Jersey Airport Cargo Centre relocation (£4,653,000).
- MD-TR-2013-0114 – Use of Jersey Harbours Trading Fund for Elizabeth Harbour Trailer Park (£865,000).

#### 2.2 Borrowing and Lending

##### 2.2.1 Borrowing

The 2014 Budget (P.122/2013) was approved by the States on 5th December 2013, which also approved the borrowing of up to a maximum of £250,000,000 for Housing purposes.

### **2.2.2 Jersey Student Loan Scheme**

During the 6 month period to 31st December 2013, 139 new loans with a collective value of £209,254.65 were guaranteed by the Treasurer of the States under the Jersey Student Loan Scheme. As at 31st December 2013, the total amount loaned under the Jersey Student Loan Scheme was £2,308,600.73. Terms with the intermediaries require the States of Jersey to underwrite 100% of the value of the loans.

### **2.2.3 Pilot Starter Home Deposit Loan Scheme**

During the 6 month period to 31st December 2013, 31 new loans were issued, with a total value of £1,587,300.

### **2.2.4 Infrastructure Investments**

During the 6 month period to 31st December 2013, the Minister approved the issuance of a £13,000,000 infrastructure investment from the Currency Fund to provide the States of Jersey Development Company with financing for part of the underground car park, subject to conditions (MD-TR-2013-0095). Note that at present it is not planned that this investment will proceed.

## **2.3 Budget Transfers**

Articles 17 and 18 of the Public Finances (Jersey) Law 2005 permit contingency expenditure and variations between heads of expenditure with the approval of the Minister.

Budget transfers under Articles 17 and 18 of the Public Finances (Jersey) Law 2005 are reported on the following basis –

- Transfers from contingency expenditure to heads of expenditure;
- Transfers between revenue heads of expenditure;
- Transfers between capital heads of expenditure;
- Transfers between revenue and capital heads of expenditure; and
- Transfers between revenue and capital heads of expenditure where the transfer is required in order to comply with Generally Accepted Accounting Principles (GAAP).

All transfers between departments vary the budgets of individual departments but are net nil in total.

### 2.3.1 Transfers from contingency expenditure to heads of expenditure

Transfers from contingency expenditure to heads of expenditure during the 6 month period to 31st December 2013 are shown in the table below –

Department		£	Funding of:
To:	From:		
**Health and Social Services (H&SS)	Contingency	140,000	Doctors' pay award for 2013
Education, Sports and Culture (ESC)	Contingency	315,000	Jersey Heritage Trust (JHT) annual capital requirements
**Chief Minister's Department (CMD)	Contingency	250,000	Implementation of the recommendations of the Financial Services Sector Review
CMD	Contingency	210,000	London Representative Office
**H&SS	Provision for restructuring	8,000	Public Sector Reform Programme (Creation of Integrated Reform Programme)
*Department of the Environment (DoE)		32,000	Public Sector Reform Programme (Eco-Active States)
*Housing		425,000	Public Sector Reform Programme (Housing Transformation Programme)
ESC	Contingency	738,000	JHT to acquire and restore the 'Coin Hoard'
**Home Affairs (HA)	Contingency	83,300	Firefighters' pay award
Treasury and Resources (T&R)	Contingency	50,000	T. McDonald <i>ex gratia</i> payment
DoE Cap	Contingency	50,000	Countryside infrastructure
DoE Rev	Contingency	200,000	Environmental protection
**H&SS Rev	Contingency	1,240,000	Nurses' pay award
T&R – Insurance	Contingency – Insurance	1,029,837	HCAE costs
<b>Total transfers</b>		<b>4,771,137</b>	

\* Decision with multi-year budget transfers for 2013 and 2014. The budget transfer approval for 2013 is reflected above, with the budget transfer for 2014 reflected under 2.3.6.

\*\* Decisions with multi-year budget transfers for 2013, 2014 and 2015. The budget transfer approval for 2013 is reflected above, with the budget transfers for 2014 and 2015 reflected under 2.3.6.

### 2.3.2 Transfers between revenue heads of expenditure

Revenue transfers during the 6 month period to 31st December 2013 are shown below –

Department		£	Funding of:
To:	From:		
**Housing	Social Security Department (SSD)	148,700	To fund shortfall in the forecast rental income
H&SS	T&R	89,819	Additional finance resource
**CMD	T&R	13,035	To support with the funding of 2 additional Law Draftsman posts
	EDD	15,303	
**Judicial Greffe	SSD	45,000	Jersey Employment Tribunal
H&SS	T&R	110,000	Energy Reduction Programme Costs
**CMD	Housing	131,880	Strategic Housing Unit
CMD	T&R Corporate Contingency	60,000	Party Conferences
**Housing	T&R	30,135	99 year lease properties insurance
ESC	EDD	20,000	Jersey Arts Trust
ESC	CMD	20,000	Jersey Arts Trust
<b>Total transfers</b>		<b>683,872</b>	

\*\* Decisions with multi-year budget transfers for 2013, 2014 and 2015. The budget transfer approval for 2013 is reflected above, with the budget transfers for 2014 and 2015 reflected under 2.3.6.

### 2.3.3 Transfers between capital heads of expenditure

Transfers between existing capital heads of expenditure during the 6 month period to 31st December 2013 are shown in the table on the next page –

Department		£	Funding of:
To:	From:		
TTS Replacement Assets	TTS Gas Engine Bellozanne Vote	4,165	Transfer of the remaining balance
HA	HA Fire and Rescue and HM Prison	151,003	Transfer of the remaining balance
H&SS	HA	43,749	Upgrade of the Fire and Ambulance combined control centre
T&R (JPH)	T&R (JPH) Cap (Mont-à-l'Abbé)	540,000	Office Rationalisation Programme
T&R (JPH)	Central Planning Vote (CPV)	320,000	Les Quennevais replacement School
<b>Total transfers</b>		<b>1,058,917</b>	

#### 2.3.4 Transfers between revenue and capital heads of expenditure

Transfers between revenue (Rev) and capital (Cap) heads of expenditure during the 6 month period to 31st December 2013 are shown below –

Department		£	Funding of:
To:	From:		
**HA Rev	T&R Corporate Contingency	7,700	Jersey Community Relations
ESC Cap	ESC Rev	15,753	Caretaker's van for Victoria College Preparatory
ESC Cap	ESC Rev	17,388	Router for Jersey College for Girls and Victoria College
DoE Rev	Central Environment Vote Cap	42,000	Study on the security of Jersey's energy supply
ESC Cap	ESC Rev	130,000	Capital works at Victoria College (refurbishment of the Great Hall and building classrooms)
T&R Cap	T&R Rev	30,378	Opera House
T&R (JPH) Cap	SSD Rev	926,000	Silver Jubilee Crabbé works
T&R (JPH) Cap	T&R (JPH) Rev	1,179,260	Office Rationalisation Programme
<b>Total transfers</b>		<b>2,348,479</b>	

\*\* Decision with multi-year budget transfer for 2013, 2014 and 2015. The budget transfer approval for 2013 is reflected above with the budget transfers for 2014 and 2015 reflected under 2.3.6.

### 2.3.5 Transfers between revenue and capital heads of expenditure where the transfer is required in order to comply with Generally Accepted Accounting Principles (GAAP)

The States of Jersey implemented Generally Accepted Accounting Principles (GAAP) in 2009. GAAP accounting requires that expenditure should be accounted for as capital only if it meets the GAAP accounting definition of capital expenditure and as revenue otherwise.

GAAP transfers between revenue (Rev) and capital (Cap) during the 6 month period to 31st December 2013 are shown below –

Department		£	Funding of:
To:	From:		
H&SS Cap	H&SS Rev	320,251	Purchase of Operations Suite and the Ambulance and Fire priority Dispatch System
HA Cap	HA Rev	130,000	Equipment for Prison stores
HA Cap	HA Rev	215,000	Purchase of IT and Communications equipment for the States of Jersey Police (1st Tranche)
HA Cap	HA Rev	200,000	Purchase of IT and Communications equipment for the States of Jersey Police (2nd Tranche)
H&SS Cap	H&SS Rev	89,400	Boiler-house controls and burners
*TTS rev	TTS cap	31,446	Ash Strategy
TTS Cap	TTS Rev	36,886	Road Panels: Les Quennevais and Trinity Hill
HA Rev	HA CAP	48,216	Purchase of goods and services for the TETRA project
TTS Cap	TTS Rev	25,000	DVS garage doors
H&SS Rev	H&SS Cap	284,651	Purchase of defibrillators
Viscount's Cap	Viscount's Rev	27,735	Désastre software upgrade
TTS Cap	TTS Rev	19,459	Leica equipment
<b>Total transfers</b>		<b>1,428,044</b>	

\* Decision with multi-year budget transfers for 2013 and 2014. The budget transfer approval for 2013 is reflected above with the budget transfer for 2014 reflected under 2.3.6.

### 2.3.6 Transfers over multiple years between various heads of expenditure

Multi-year transfers between the various heads of expenditure during the 6 month period to 31st December 2013 are shown below –

Department		£	Funding of:	Transfer between heads of expenditure	Year(s) of transfer
To:	From:				
**H&SS	Central Contingency	378,000	Recurring effect of the Doctors' pay award from 2013	Contingency to revenue head of expenditure	2014 to 2015
**CMD	Central Contingency	1,000,000	Implementation of the recommendations of the Financial Services Sector Review	Contingency to revenue head of expenditure	2014 to 2015
**Housing	SSD	1,222,500	To fund shortfall in the forecast rental income	Revenue heads of expenditure	2014 to 2015
**H&SS	Provision for restructuring	1,112,000	Public Sector Reform Programme (Creation of Integrated Reform programme and Provision of Leadership Training)	Contingency to revenue head of expenditure	2014 to 2015
*DoE	Provision for restructuring	33,000	Public Sector Reform Programme (Eco-Active States)	Contingency to revenue head of expenditure	2014
*Housing	Provision for restructuring	260,000	Public Sector Reform Programme (Housing Transformation Programme)	Contingency to revenue head of expenditure	2014
**HA	Contingency	166,600	Recurring effect of the Firefighters' pay award	Contingency to revenue head of expenditure	2014 to 2015
***ESC	Contingency	1,500,000	Sports Strategy	Contingency to revenue head of expenditure	2014 to 2015
***ESC	Contingency	461,000	Expansion of the Prince's Trust	Contingency to revenue head of expenditure	2014 to 2015



Department		£	Funding of:	Transfer between heads of expenditure	Year(s) of transfer
To:	From:				
**HA	T&R Corporate Contingency	51,600	Jersey Community Relations	Capital to Revenue head of expenditure	2014 to 2015
**CMD	T&R	122,428	To support with the funding of 2 additional Law Draftsman posts	Revenue heads of expenditure	2014 to 2015
	EDD	122,428			
**Judicial Greffe	SSD	100,000	Jersey Employment Tribunal	Revenue heads of expenditure	2014 to 2015
***ESC	EDD	240,000	Trackers' Apprenticeship Programme	Revenue heads of expenditure	2014 to 2015
**CMD	Housing	373,580	Strategic Housing Unit	Revenue heads of expenditure	2014 to 2015
**Housing	T&R	62,548	99 year lease properties insurance	Revenue heads of expenditure	2014 to 2015
***DoE	CMD	33,000	Geospatial Information Systems Service	Revenue heads of expenditure	2014 to 2015
*TTS Cap	TTS Rev	113,554	Ash Strategy	Revenue to Capital head of expenditure	2014
**H&SS Rev	Contingency	3,200,000	Recurring effect of the Nurses' pay award	Contingency to revenue head of expenditure	2014 to 2015
<b>Total transfers</b>		<b>10,552,238</b>			

\* Decisions with multi-year budget transfers for 2013 and 2014. The budget transfer approval for 2014 is reflected above, with the budget transfer for 2013 reflected on the relevant section on the body of the report.

\*\* Decisions with multi-year budget transfers for 2013, 2014 and 2015. The budget transfer approval for 2014 and 2015 is reflected above, with the budget transfer for 2013 reflected on the relevant section on the body of the report.

\*\*\* Decisions with multi-year budget transfer approvals for 2014 and 2015 reflected above.

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### Re-issue Note

This Report is re-issued because the Department requested that the title be amended.

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