

PUBLIC FINANCES (ADMINISTRATION) (JERSEY) LAW 1967: CAPITAL EXPENDITURE

**Lodged au Greffe on 4th May 1999
by the Policy and Resources Committee**



STATES OF JERSEY

STATES GREFFE

175

1999

P.58

Price code: A

PROPOSITION

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

- (a) to agree that the Public Finances (Administration) (Jersey) Law 1967 should be further amended to provide for the States programme of capital expenditure to be approved by the States at the time of considering the States' Resource Plan each year, instead of during consideration of the Budget;
- (b) to charge the Finance and Economics Committee to prepare the draft amendment and to agree that the drafting of the amendment should be included in the 1999 Legislation Programme.

POLICY AND RESOURCES COMMITTEE

Note: The Finance and Economics Committee supports this proposition.

Report

1. Article 16 of the Public Finances (Administration) (Jersey) Law 1967 states that in November or December in each year the Finance and Economics Committee shall present to the States the Budget, which shall contain an estimate of the transactions of the Capital Fund as recommended by the Finance and Economics Committee for the next financial year. This estimate should, amongst other matters, set out capital expenditure. When taking the Budget into consideration, the States may wholly or in part allow or disallow, or increase, the amount of any item in the estimate of capital expenditure of any Committee of the States.
2. The Policy and Resources Committee presents its recommendations regarding the Capital Programme to the States in June/July of each year in its Resource Plan. These recommendations are made following consultation, usually in the form of a decision conference which allows for the capital projects to be prioritised. However, the Public Finances (Administration) (Jersey) Law 1967 does not allow for the States when it debates the Resource Plan to formally approve the Capital Programme. The Policy and Resources and the Finance and Economics Committees consider it to be undesirable that the Capital Programme, having been agreed by the States in its Resource Plan debate, can be altered as late as Budget Day itself without any prior warning.
3. States members will recall the difficulties that have arisen during the past two budget debates because of this state of affairs, and members have indicated that they wanted these difficulties to be avoided in the future. Both the Policy and Resources and Finance and Economics Committees are therefore of the opinion that it is desirable that an amendment to the Public Finances (Administration) (Jersey) Law 1967 is drafted, which would allow for the States to approve the Capital Programme when it receives and considers the Programme in the annual Resource Plan in June/July.
4. This proposed item of amending legislation is not included in the current Legislation Programme. The Policy and Resources and Finance and Economics Committees consider it to be of such importance that the Policy and Resources Committee has invoked the procedures for dealing with any urgent and unforeseen requests to determine this item's relative priority. The procedure for advancing urgent and unforeseen requests for new or amending legislation is that the participative group of politicians that produced the decision conference model and the recommendations for the Legislation Programme should be requested to assess the relative priority of any such requests. In addition, any proposed changes to the agreed programme should subsequently be formally endorsed by the States. The Policy and Resources Committee, having consulted the participative group of politicians, is of the opinion that, subject to States approval, an amendment to the Public Finances (Administration) (Jersey) Law 1967 should be inserted into the 1999 Legislation Programme.
5. In the event, the Law Draftsman has given his opinion that, though this amending legislation cannot be considered to be "minor", it should not require in excess of five days to draft, and, as such, the legislation could be achieved with little or no effect on the existing programme.