

STATES OF JERSEY



STRATEGIC RESERVE FUND: FUNDING FOR INDEPENDENT JERSEY CARE INQUIRY AND TRANSFERS FROM AND TO THE CONSOLIDATED FUND (P.76/2015) – AMENDMENT

**Lodged au Greffe on 7th September 2015
by the Minister for Treasury and Resources**

STATES GREFFE

STRATEGIC RESERVE FUND: FUNDING FOR INDEPENDENT JERSEY CARE
INQUIRY AND TRANSFERS FROM AND TO THE CONSOLIDATED FUND
(P.76/2015) – AMENDMENT

1 PAGE 3, PARAGRAPH (b)(i) –

For the words “Table 2 of the attached Report” substitute the words “the Table in the Appendix to the amendment of the Minister for Treasury and Resources dated 7th September 2015”.

2 PAGE 3, PARAGRAPH (b)(ii) –

For the table at the end of the sub-paragraph substitute the following table –

“

	<u>£’000</u>
2015	4,000
2016	56,691
2017	70,273

”.

MINISTER FOR TREASURY AND RESOURCES

REPORT

The Council of Ministers is proposing an amendment to the ‘Strategic Reserve Fund: funding for Independent Jersey Care Inquiry and transfers from and to the Consolidated Fund’ (P.76/2015) as lodged, to reflect the proposed re-phasing of funding for a Redundancy Provision.

At the time of lodging the Medium Term Financial Plan 2016 – 2019 (“MTFP”), the initial Voluntary Release Scheme had only recently closed, and applications had not been assessed. It is now clear that significantly more funding than the £2 million initially set aside for redundancy funding in 2015 will be required. The current estimate for the initial scheme is £6 million, including applications still to be re-assessed.

The Council of Ministers is determined that savings should be taken as soon as possible in order to facilitate the delivery of the £70 million people savings required by 2019, and is therefore proposing that additional redundancy funding be brought forward to 2015.

Following assessment of the applications, 104 have been approved by the V.R. Panel, with a small number to be re-assessed.

The revised proposal is for £4 million to be transferred from the Strategic Reserve in 2015 and £16 million in 2016, rather than £10 million in 2016 and 2017. This will provide for a Central Contingency Allocation for a Redundancy Provision of £6 million in 2015 and £16 million in 2016, rather than £2 million in 2015 and £10 million in 2016 and 2017.

This requires a number of amendments to existing propositions:

- This amendment to ‘Strategic Reserve Fund: funding for Independent Jersey Care Inquiry and transfers from and to the Consolidated Fund’ (P.76/2015) to agree an increased transfer in 2015 and 2016 and a reduced transfer in 2017;
- An amendment to ‘Independent Jersey Care Inquiry: amendment to Medium Term Financial Plan 2013 – 2015’ (P.75/2015), to increase the total States net expenditure and contingency expenditure in 2015; and
- An amendment to ‘Medium Term Financial Plan 2016 – 2019’ (P.72/2015) to agree –
 - the increase in total States net expenditure in 2016 and the reduction in total States net expenditure in 2017; and
 - the increase in the intended transfer from the Strategic Reserve to the Consolidated Fund in 2016 and the reduction in the intended transfer from the Strategic Reserve to the Consolidated Fund in 2017.

The Council of Ministers is satisfied that this expenditure is urgent and cannot be funded from existing allocations in accordance with Article 9(2)(ca) of the Public Finances (Jersey) Law 2005.

Financial and manpower implications

The effect of approving this amendment would be to reduce the net transfer from the Strategic Reserve Fund to the Consolidated Fund in 2017 by £10 million and increase the net transfer from the Strategic Reserve Fund to the Consolidated Fund by £4 million in 2015 and £6 million in 2016.

The manpower implications of this amendment are that as a result of the approval of 104 applications, departments would achieve an anticipated reduction of 80 FTE, with a small number of applications to be re-assessed.

APPENDIX

The Table below replaces Table 2 on page 6 of P.76/2015

Intended Transfers to/(from) Strategic Reserve	Forecast	Forecast	Forecast	Forecast	Forecast
	Movements	Movements	Movements	Movements	Movements
	2015	2016	2017	2018	2019
	£'000	£'000	£'000	£'000	£'000
Funding requirement for Committee of Inquiry	(10,000)	(4,000)	-	-	-
Funding requirement for Economic and Productivity Growth Provision	-	(5,000)	(5,000)	-	-
Transfer from Consolidated Fund	-	-	-	-	10,000
Funding requirement for Redundancy Provision	(4,000)	(16,000)	-	-	-
Transfer from Consolidated Fund	-	-	-	-	20,000
Funding for Consolidated Fund working balance	-	(5,000)	-	-	-
Les Quennevais School	-	(1,000)	(39,000)	-	-
Funding requirement for Annual Capital Programme	-	(25,691)	(26,273)	-	-
Transfer from Consolidated Fund - Asset Disposals	-	-	20,000	-	20,000
Total Intended Transfers to/(from) Strategic Reserve	(14,000)	(56,691)	(50,273)	-	50,000