

STATES OF JERSEY



GOVERNMENT PLAN 2021-2024 (P.130/2020): FOURTEENTH AMENDMENT (P.130/2020 AMD.(14)) - COMMENTS

**Presented to the States on 11th December 2020
by the Council of Ministers**

STATES GREFFE

COMMENTS

The Council of Minister accepts this amendment.

Report

The Council of Ministers thanks the Senator for his amendment. Whilst the Government Plan makes commitments in the document to effectively do what his amendment does, Ministers can see the benefit of formalising that commitment by including the intention within the proposition.

Page 118 of the Government Plan document sets out the intension:

“We will look to use a combination of unused and uncommitted capital allocations, any unspent Covid-19 allocations, and some property disposals in the coming year to reduce our future borrowing requirements, ahead of Government Plan next year and ahead of confirming the medium-term level of borrowing.”

The changes made to the Public Finances Law has altered the way in which we allocate funding for capital projects; we now include the forecast cashflows in each year and no longer require the full cost allocation to be made before a project can start so long as it is included in the four-year plan. With regards to Major Projects, the Assembly is asked to approve the full cost as part of the proposition.

These changes mean that unspent amounts in any one year have to be explained and a case made for any slippage or alterations to the timing of spend. This process ensures that unspent sums no long remain with departments by default and helps release any amounts for Government wide reprioritisation.

The words in the lodged Government Plan made a commitment to return those amounts that are no longer needed.

The Estates strategy was not available when the Government Plan was lodged due to pressures on resources, which meant that Council of Ministers were unable to include any property receipts in the plan. The strategy has now been finalised and agreed by Ministers. Officers will then be charged with delivering the strategy which will include consideration and agreement of which sites Government wishes to dispose of. The receipts from those disposals will be used to reduce the borrowing requirements.

The Council of Ministers will be bringing a proposition to the Assembly during 2021 seeking approval for long-term financing relating to Our Hospital, informed by updated forecasts, as well as the 2020 outturn and any funding returned to the Consolidated Fund as it has not needed to be reprioritised.

Whilst Ministers will prioritise unspent sums towards reducing debt levels, there will of course be other priorities that may require funding and these will also need to be considered.

Financial and Manpower Implications

The financial implications of this amendment will be a reduction in the borrowing requirement by any amounts returned to the Consolidated Fund from unspent allocations made in 2020.

There are no manpower implications.

Statement under Standing Order 37A [Presentation of comment relating to a proposition]

These comments were submitted to the States Greffe after the noon deadline as set out in Standing Order 37A due to final due diligence and checking taking place.