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# STATES OF JERSEY



## FINANCE LAW DELEGATION REPORT FOR THE SIX-MONTH PERIOD TO 30TH JUNE 2020

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Presented to the States on 28th August 2020  
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 2019](#) (“the Law”) certain matters are required to be reported to the States Assembly twice yearly by the Minister for Treasury and Resources (“the Minister”).

This report summarises all decisions made during the six-month period to 30th June 2020. Where decisions have not previously been published, this is due to one of two reasons -

- The decisions were exempted under the Freedom of Information (Jersey) Law 2011; 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 required to be reported on are as follows:

- (a) each function undertaken, within the applicable 6-month period under any of Articles 18 to 21, 24 and 26 to 28; and
- (b) each direction given, within the applicable 6-month period by the Minister under Article 15(3) with respect to the amounts appropriated for a reserve head of expenditure.

Article 18 relates to transfers between heads of expenditure.

Article 19 relates to transfers to the following year’s reserve.

Article 20 relates to transfers of major project amounts to the following year.

Article 21 relates to the power to allocate excess income.

Article 24 relates to emergency expenditure.

Article 26 relates to financing (borrowing).

Article 27 relates to loans.

Article 28 relates to guarantees and indemnities.

There were no approvals made in the six-month period to 30<sup>th</sup> June 2020 relating to Article 20. Other approvals are detailed below.

#### 2.1. Transfers between heads of expenditure under Article 18.

Department		£	Purpose
From	To		
JHA Minor Capital	JHA revenue	up to 260,000	To fund firearms training and additional staff costs for the Sexual Assault Referral Centre in 2020. (MD-TR-2020-0009)
Various departments	Various departments	net nil	Yearend transfers. (MD-TR-2020-0011)

GHE	Public markets capital heads of expenditure	9,774	Yearend transfers. (MD-TR-2020-0011)
Refurb of Sandybrook	Orchard House	500,450	Yearend transfers. (MD-TR-2020-0011)
T&E	General Reserve	65.3 million	Transfer following cancellation of the payment to the Social Security Fund in 2020. (MD-TR-2020-0035)
Various departments	Various departments	net nil	Inter-departmental budget transfers associated with the Target Operating Model. (MD-TR-2020-0045)
Pre-feasibility Vote	Office Modernisation Project	up to 1 million	Office Strategy. (MD-TR-2020-0061)

## 2.2. Transfers to the following year's reserve under Article 19.

Department		£	Purpose
From	To		
Various departments	Reserve in 2020	up to 536,039	Yearend transfers. (MD-TR-2020-0011)
Public markets capital heads of expenditure	Public markets smoothing reserve in central reserves in 2020	710,892	Yearend transfers. (MD-TR-2020-0011)
OCE	Court and Case Costs smoothing reserve designated within the Reserve in 2020	397,220	Yearend transfers. (MD-TR-2020-0011)
Various Capital Heads of Expenditure	Reserve in 2020	up to 1.2 million	Yearend transfers. (MD-TR-2020-0011)
Central Planning Vote	Reserve in 2020	up to 1.3 million	Yearend transfers. (MD-TR-2020-0011)
Reserve in 2019	Reserve in 2020	up to 26.5 million	Yearend transfers. (MD-TR-2020-0011)

## 2.3. Approvals of the allocation of excess income under Article 21

Department	Amount £	Purpose
GHE	2,456,767	Additional income in 2019 arising from increased tipping fees. (Treasurer's decision under delegation from Minister).

OCE	393,300	Additional income in 2019 arising from increased OfCom receipts. (Treasurer's decision under delegation from Minister).
GHE	1,803,762	Contribution to capital head of expenditure for Prison Phase 6 as agreed in Government Plan 2020-2023. (MD-TR-2020-0002)
HCS	up to 2.9 million	Additional income relating to GP costs due to the impact of COVID-19. (MD-TR-2020-0040)
General Reserve	up to 5.3 million	Additional income from Health Insurance Fund relating to GP costs due to the impact of COVID-19. (MD-TR-2020-0040)

#### 2.4. Approvals of emergency expenditure under Article 24

[P.28/2020](#) Draft Public Finances (Amendment of Law) (Jersey) Regulations 202-, approved by the States Assembly on 24<sup>th</sup> March 2020, agreed a number of temporary modifications to the [Public Finances \(Jersey\) Law 2019](#). The added modifications affect the way in which the Stabilisation Fund may be used, by allowing the Minister –

- to transfer an amount from the Stabilisation Fund to any other fund and direct that amount to be expended directly from that fund;
- to direct that an amount be expended directly from the Stabilisation Fund;
- to direct that an amount be transferred to the Stabilisation Fund from any other fund;
- to arrange for overdraft and other financing for the Stabilisation Fund;
- to arrange that repayments of loans made from the Stabilisation Fund are credited to that Fund.

There are other added modifications, which –

- allow the Minister to transfer up to and including £400 million from the Strategic Reserve Fund to the Stabilisation Fund;
- remove the requirement in Article 18 that if the Minister proposes to give a direction to re-allocate a head of expenditure, the Minister gives the States at least 4 weeks' notice;
- increase from £10 million to £100 million the amount which may be appropriated from the Consolidated Fund by the Minister without amending the government plan;
- increase the limit on financing that the Minister may arrange in a financial year from £3 million to £500 million and the limit on total outstanding financing from £20 million to £500 million;
- allow the Minister to make loans from the Stabilisation Fund (instead of only from the Consolidated Fund), and increase the limit on loans that the Minister may make in a financial year from £3 million to £100 million and the limit on total outstanding loans from £20 million to £100 million;
- increase the limit on guarantees and indemnities that the Minister may provide in a financial year from £3 million to £100 million and the

limit on the total outstanding guarantees from £20 million to £100 million.

The [amendment to P.28/2020](#), brought by the Corporate Services Scrutiny Panel and adopted by the Assembly, clarified that:

- the amended powers expire on 30th September 2020; and
- where the Minister has obtained financing, lent money or provided guarantees or indemnities under Articles 26 to 28 while Article 24(8) applied, the financing, lending or provision of guarantees or indemnities remain valid and are not included in any monetary limits set out in Articles 26 to 28 as those Articles apply after the expiry of the modifications.

The Minister brought these amended powers into effect through MD-TR-2020-0029 by deciding that she considered there exists an immediate threat to the health or safety of any of the inhabitants of Jersey and to the stability of the economy in Jersey.

On 24<sup>th</sup> April 2020 the Minister signed MD-TR-2020-0047 which approved additional expenditure from the Consolidated Fund of £99,990,000, to be added to the General Reserve head of expenditure for the purposes of reallocation to meet additional Covid-19 costs. Expenditure approved from this amount is detailed in section 2.8 of this report.

#### 2.5. Approvals of financing (borrowing) under Article 26 (as amended by [P.28/2020](#))

On 7<sup>th</sup> May 2020 the Minister signed MD-TR-2020-0051 to agree a Revolving Credit Facility of £500 million. £5 million of that Facility was drawn down as a result of that decision. There had been no further drawdowns as at 30<sup>th</sup> June 2020.

#### 2.6. Approvals of loans under Article 27 (as amended [by P.28/2020](#))

##### 2.6.1. Housing Development Fund

During the six-month period to 30th June 2020, no new loans were approved by the Minister for Treasury and Resources:

The net value of loans outstanding from the Housing Development Fund increased from £215,599,223 at 31st December 2019 to £226,205,030 at 30<sup>th</sup> June 2020.

Loans from the HDF were split between the following loan holders:

Andium	£219,508,030
Le Vaux Housing Trust	£1,250,000
Parish of St Martin	£5,447,000
Total loans	£226,205,030

##### 2.6.2. Other loans

On 30<sup>th</sup> June 2020 the Minister approved MD-TR-2020-0081 which agreed a secured loan facility of £10 million to Blue Islands Limited. None of this facility had been drawn down at 30<sup>th</sup> June 2020.

## 2.7. Approvals of guarantees under Article 28 (as amended by [P.28/2020](#))

### 2.7.1. Jersey student loan scheme

During the six-month period to 30th June 2020, no new loans were guaranteed by the States under the Jersey Student Loan Scheme.

[P53/2007](#) Student Loans for higher education – guarantees were debated by the States Assembly on the 6th June 2007 and a maximum outstanding limit of £10 million for an unlimited time period was approved.

### 2.7.2. Disruption Loan Guarantee Scheme

On 14<sup>th</sup> May 2020 the Minister approved MD-TR-2020-0054 which established a Disruption Loan Guarantee Scheme. As at 30th June 2020, 124 applications had been received by banks, of which 50 were progressed and issued into Loans.

These loans represent a total approved and guaranteed facility of £2.9 million as at 30<sup>th</sup> June 2020. At that date no defaults have been recognised by the issuing banks.

## 2.8. Allocations from the Reserve under Article 15(3)

Department		£	Purpose
From	To		
Reserve for Centrally Held Items	Various Departments	5,973,200	To cover the recurring cost associated with the 2018 and 2019 Pay Award in respect of Teaching Assistants, Nurses & Midwives, Manual Workers and Energy Recovery Facility Workers in 2020. (MD-TR-2020-0020)
General Reserve	OCE	1,000,000	Provision for Pilot schemes. (MD-TR-2020-0023)
General Reserve	CLS	up to 4 million	To establish the Government Co-Funded Payroll Scheme Phase 1. (MD-TR-2020-0032)
General Reserve	SPPP	up to 1.7 million	Serology testing. (MD-TR-2020-0033)
General Reserve	CLS	up to 710,000	CRESS scheme. (MD-TR-2020-0034)
General Reserve	HCS	up to 2,535,640	Key worker accommodation, additional bed capacity and prescription delivery. (MD-TR-2020-0036)
General Reserve	GHE	up to 300,000	Support for Jersey Business Limited. (MD-TR-2020-0036)

General Reserve	OCE	up to 330,000	Emergency funding to enable essential air connectivity to and from the Island due to the impact of COVID-19. (MD-TR-2020-0037)
General Reserve	HCS	up to 5 million	To purchase additional PPE (Personal Protective Equipment). (MD-TR-2020-0038) (Subsequent drawdowns by Treasurer's decision, delegated from the Minister).
General Reserve	SPPP	up to 718,000	To purchase additional COVID-19 testing kits. (MD-TR-2020-0039)
General Reserve	HCS	up to 5.3 million	For GP costs due to the impact of COVID-19. (MD-TR-2020-0040)
General Reserve	GHE	up to 14.4 million	For establishment of a field hospital. (MD-TR-2020-0042) (Subsequent drawdowns by Treasurer's decision, delegated from the Minister).
General Reserve	HCS	up to 1.13 million	To provide funding for both emergency and prolonged stay accommodation for essential staff, in a number of scenarios due to the impact of COVID-19. (MD-TR-2020-0046)
General Reserve	CLS	46 million transferred to CLS by this decision	Co-Funded Payroll Scheme Phase 2. (MD-TR-2020-0049) (Subsequent drawdowns by Treasurer's decision, delegated from the Minister. Up to 138 million in total made available by this MD).
General Reserve	HCS	up to 357,000	CAMHS Inpatient Service. (MD-TR-2020-0050)
General Reserve	CYPES	up to 287,000	CAMHS Inpatient Service. (MD-TR-2020-0050)
General Reserve	T&E	up to 3 million	Estimated costs of Revolving Credit Facility. (MR-TR-2020-0051)
General Reserve	GHE	up to 1.85 million	To fund the Test & Tracing Programme (T&TP). (MD-TR-2020-0053) (Subsequent drawdowns by Treasurer's decision, delegated from the Minister).

General Reserve	HCS	up to 3.36 million	To fund the Test & Tracing Programme (T&TP). (MD-TR-2020-0053) (Subsequent drawdowns by Treasurer's decision, delegated from the Minister).
General Reserve	SPPP	up to 300,000	To fund the Test & Tracing Programme (T&TP). (MD-TR-2020-0053) (Subsequent drawdowns by Treasurer's decision, delegated from the Minister).
General Reserve	CYPES	up to 11,414	To fund an Assistant Youth Worker post for the Youth Service. (MD-TR-2020-0056)
General Reserve	GHE	up to 399,300	Support for the Bus Operating Contract due to the impact of COVID-19. (MD-TR-2020-0057)
Reserve for Centrally Held Items	Various departments	up to 15,761,800	To cover the cost associated with the 2020 Pay Award in respect of all pay groups (except States Members, Doctors & Consultants and Senior managers) and to deliver the Vacancy Management efficiencies target in 2020. (MD-TR-2020-0058)
General Reserve	CYPES	up to 870,000	Schools Hardship Funds. (MD-TR-2020-0065)
General Reserve	OCE	up to 233,400	Fisheries Support Scheme. (MD-TR-2020-0069)
General Reserve	COO	up to 293,000	To provide emergency support for Commercial Services to respond to COVID-19. (MD-TR-2020-0078)

### Abbreviations

CLS	Customer and Local Services
COO	Chief Operating Office
CYPES	Children, Young People, Education and Skills
GHE	Growth, Housing and Environment
HCS	Health and Community Services
IJCI	Independent Jersey Care Inquiry
OCE	Office of the Chief Executive
SPPP	Strategic Policy, Performance and Planning
T&E	Treasury and Exchequer

### 2.9. Other approvals under [P.28/2020](#)



As detailed above, on 24th March 2020 the States Assembly approved [P.28/2020](#), which granted additional powers to the Minister for Treasury and Resources until 30<sup>th</sup> September in relation to the Covid-19 pandemic. On 15<sup>th</sup> May 2020 the Minister signed MD-TR-2020-0055 which transferred £28 million from the Stabilisation Fund to the Consolidated Fund and directed that it be added to the General Reserve head of expenditure to address direct and consequential impacts of Covid-19.

**Resource Implications:**

There are no financial or manpower implications as a direct result of this decision.