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# **STATES OF JERSEY**



## **FINANCE LAW DELEGATION REPORT FOR THE 6-MONTH PERIOD ENDED 31ST DECEMBER 2016**

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**Presented to the States on 25th April 2017  
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 2016. Where decisions have not previously been published, this is due to one of 2 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 to be reported on are as follows –

- borrowing and lending;
- budget transfers; and
- carry-forward of revenue balances.

#### 2.1 Borrowing and lending

##### 2.1.1 Jersey Student Loan Scheme

During the 6-month period to 31st December 2016, 117 new loans with a collective value of £128,126.00 were guaranteed under the Jersey Student Loan Scheme. As at 31st December 2016, the total amount loaned under the Jersey Student Loan Scheme was £2,695,984.00. Terms with the intermediaries require the States of Jersey to underwrite 100% of the value of the loans.

##### 2.1.2 Pilot Starter Home Deposit Loan Scheme

During the 6-month period to 31st December 2016 no new loans were approved. As of the year end 2016 the total value of outstanding loans under this scheme was £1,957,835.

##### 2.1.3 Other lending

No new loans were issued in the 6-month period to 31st December 2016.

#### **2.1.4 Infrastructure Investments**

During the 6-month period to 31st December 2016 an additional infrastructure investment with a value of £410,000.00 was paid to the Parish of Trinity for the financing of Phase 3 of the building project on a part of the remaining site of Field 578 to construct 14 first time buyer properties.

#### **2.1.5 Housing Development Fund**

During the 6-month period to 31st December 2016, one new loan with a value of £10,036,739 was approved by the Minister for Treasury and Resources to Andium Homes Ltd., of which £888,000 was drawn down on 5th September 2016.

#### **2.1.6 Innovation Fund**

No new loans were approved in 2016.

The Jersey Innovation Fund is currently not inviting any new applications and is subject to a full review.

### **2.2 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;
- transfers between revenue and capital heads of expenditure where the transfer is required in order to comply with accounting standards.

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

#### **2.2.1 Transfers from contingency expenditure to heads of expenditure**

Transfers from contingency expenditure to heads of expenditure during the 6-month period to 31st December 2016 are shown below –

Department		£	Funding of –
From –	To –		
from: Central Contingency	to: T&R Revenue	159,675.44	Historic Abuse Redress Scheme (“HARS”) costs
from: Central Contingency	to: EDTSC Revenue	110,250.00	Review of Sport and Culture Delivery within EDTSC (“PSR”)
from: Central Contingency	to: States Assembly LOD HA H&SS CMD	2,719,726.00 494,634.00 458,792.00 208,500.00 1,485,056.00	Independent Jersey Care Inquiry (“IJCI”)
from: Central Contingency – Redundancy Provision	to: Various Departments	1,646,599.30	Voluntary Release Scheme
from: Various Departments	to: Central Contingency – Budget Measures	864,227.00	Savings arising from Voluntary Release Scheme
from: Central Contingency	to: CMD Revenue	350,000.00	Relocation of the IS section to Jubilee Wharf
from: Central Contingency	to: CMD Revenue	177,166.00	Additional funding for Data Protection and Digital Jersey Hub
from: Central Contingency	to: DoE Equipment, Maintenance and Minor Cap	171,370.00	Digitally Integrated Planning Process
from: Central Contingency	to: CMD LOD	135,000.00 110,000.00	Brexit allocation
from: Central Contingency – Pay Provision	to: CCA Revenue	222,000.00	Costs associated with the 2015/2016 Prison and Police staff Pay Award
from: Central Contingency – Pay Provision	to: EDU Revenue	616,787.00	Costs associated with the 2015/2016 Teachers Pay Award
from: Central Contingency – Redundancy Provision	to: EDU Revenue	88,745.56	2016 costs associated with the Voluntary Release Scheme
from: H&SS Revenue	to: Central Contingency	1,550,000.00	Implementation and operating costs of Mental Health Legislation
from: Central Contingency	to: H&SS Revenue	100,000.00	Review of Island Wide Governance
from: Central Contingency – Redundancy Provision	to: Various Departments	1,738,128.73	Costs associated with Voluntary Release and Redundancy Scheme

### 2.2.2 Transfers between revenue heads of expenditure

Revenue transfers during the 6-month period to 31st December 2016 are shown below –

Department		£	Funding of –
From –	To –		
from: DoE Revenue	to: Judicial Greffe Revenue	84,200.00	Administration and Inspectors' costs for Planning and Building (Jersey) Law 2002 Appeals Tribunal
from: DfI Revenue	to: DoE Revenue	64,473.00	Transfer of Countryside Rangers function to DoE
from: H&SS Revenue	to: EDU Revenue	16,750.00	Admin support for the alternative Curriculum Service
from: Judicial Greffe Revenue	to: CMD Revenue	3,900.00	Support for transfer of post to Information Services
from: H&SS Revenue	to: SSD Revenue	33,751.00	Contribution to the Long-Term Care Fund for older adult nursing domiciliary care clients
from: EDU Revenue	to: CCA Revenue	50,000.00	Funding to support IJCI
from: H&SS Revenue	to: SSD Revenue	3,830.00	Administration of Long-Term Care

### 2.2.3 Transfers between capital heads of expenditure

Transfers between existing capital heads of expenditure during the 6-month period to 31st December 2016 are shown below –

Department		£	Funding of –
From –	To –		
from: CCA minor capital	to: Jersey Property Holdings Prison Improvement Phase 4 capital	126,217.20	Prison perimeter fence
from: CCA minor capital	to: Jersey Property Holdings Police Relocation capital	26,384.00	Police Relocation
from: EDU Minor Capital	to: DfI Capital	567,950.00	Capital works at Victoria College
from: EFW Plant La Collette Capital and Clinical Waste Refurbishment Capital	to: EFW Replacement Assets Capital	415,153.95 110,503.95	Energy from Waste spare turbine
from: H&SS Minor Capital Replacement RIS/PCS IT Assets	to: CMD Computer Development Vote Capital	1,384,000.00	Infrastructure Support

## 2.2.4 Transfers between revenue and capital heads of expenditure

Transfers between revenue and capital during the 6-month period to 31st December 2016 are shown below –

Department		£	Funding of –
From –	To –		
from: H&SS Revenue	to: Replacement MRI Scanner Capital	750,000.00	Up to £750,000.00. Replacement MRI Scanner
from: DfI Revenue	to: DfI Replacement Assets Capital	250,000.00	DVS vehicle registration system
from: Victoria College Capital Projects Capital	to: DfI Revenue	45,170.00	Victoria College Foundation
from: DfI Revenue	to: DfI Capital	80,070.41	Union Street Infrastructure Project
from: DfI Revenue	to: DfI Capital	16,000.00	Acquisition of Highwayworx System
from: Central Planning Vote	to: Grainville Phase 5 Capital	175,000.00	Grainville School Phase 5 Improvement Works feasibility study

## 2.2.5 Transfers between revenue and capital heads of expenditure where the transfer is required in order to comply with accounting standards

The States of Jersey adopted International Financial Reporting Standards (“IFRS”) as interpreted by the Jersey Financial Reporting Manual (“JFRm”) from 2012 as its Generally Accepted Accounting Principles (“GAAP”) framework. 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 and capital during the 6-month period to 31st December 2016 are shown below –

Department		£	Funding of –
From –	To –		
from: EDU Revenue	to: EDU Capital	115,000.00	Continued improvements to facilities at VCP
from: EDU Revenue	to: EDU Capital	50,000.00	Minor Capital Projects at JCG and JCGP
from: DoE Countryside Infrastructure Capital	to: DoE Revenue	192,288.00	Countryside Infrastructure

Department		£	Funding of –
From –	To –		
from: DfI Revenue	to: DfI Waste: Ash Pit La Collette Capital	525,000.00	Waste Cells in La Collette
from: DfI Revenue	to: DfI Infrastructure Capital	99,900.00	Parish Centre Improvements
from: DoE Equipment, Maintenance and Minor Capital	to: DoE Revenue	149,152.66	Met Office Spend
from: DoE Urban Renewal 2006 Capital	to: DoE Revenue	12,382.21	Future St. Helier
from: CCA Revenue	to: CCA minor Capital	120,000.00	Funding for equipment for the new Police Headquarters
from: DfI Revenue	to: DfI Capital	60,500.00	Replacement streetlights and traffic signals
from: DfI Revenue	to: DfI Infrastructure Capital	29,804.93	Replacement of pumps and infrastructure projects
from: DfI Revenue	to: DfI Asbestos Waste Disposal Capital	750,000.00	Funding for construction of the new asbestos cell at La Collette
from: EDU Revenue	to: EDU Minor Capital	101,431.00	Capital expenditure at Mont à L'Abbé School and Youth Service
from: DfI Revenue	to: DfI Capital Road Safety Improvements	180,000.00	Contribution to St. Peter's Valley Cycle Path Project
from: CMD Capital Upgrade Microsoft Desktop, Application Rem, Windows 8, Desktop Upgrade and Hardware Refresh	to: CMD Revenue	2,852,000.00	Software and hardware upgrades

### 2.2.6 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 2016 are shown below –

Department		£	Funding of –	Year(s) of transfer
From –	To –			
from: HSSD Revenue	to: EDU Revenue	28,700.00	Admin support for the alternative Curriculum Service	2017
from: Judicial Greffe Revenue	to: CMD Revenue	46,800.00	Support for transfer of post to Information Services	2017
from: H&SS Revenue	to: LOD Revenue	172,000.00	Increased workload for the Children's Service	Each year 2017–2019
from: Central Contingency	to: EDTSC Revenue	41,250.00 7,500.00 22,500.00	Review of Sport and Culture Delivery within EDTSC (PSR)	2017 2018 2019
from: Central Contingency	to: EPGDP	177,050.00 77,050.00	Additional funding for Data Protection and Digital Jersey Hub	2017 2018
from: Central Contingency	to: CMD	724,000.00 654,000.00	Brexit allocation	2017 2018
from: Central Contingency	to: LOD	110,000.00 110,000.00	Brexit allocation	2017 2018
from: Central Contingency – Redundancy Provision	to: T&R Revenue	204,175.00 23,000.00	To fund the development of best practice in debt management within the Taxes Office	2017 2018
from: Central Contingency	to: CCA	184,000.00	Temporary increase of 3 FTE in relation Brexit	Each year 2017 2018
from: Central Contingency	to: T&R Revenue (Taxes Office)	352,300.00 252,300.00	To create capacity and capability for the Island's international obligations	2017 2018–2019
from: Central Contingency	to: Various Departments	723,850.00 768,400.00	Investment in initiatives that support vulnerable children	2017 2018–2019
from: Central Contingency – Restructuring Provision	to: DfI Capital Replacement Assets	49,999.00	Funding for DVS replacement Vehicle Registration Scheme	2017
from: H&SS Revenue	to: SSD Revenue	3,830.00	Administration of Long-Term Care	Each year 2018–2019
from: H&SS Revenue	to: SSD Revenue	152,960.00 153,878.00 154,801.00	Contribution to the Long-Term Care Fund for older adult nursing domiciliary care clients	2017 2018 2019
from: DfI Revenue	to: DfI Capital Road Safety Improvements	100,000.00	Contribution to St. Peter's Valley Cycle Path Project	Each year 2017–2019
from: EDU Revenue	to: EDTSC Revenue	84,121.00 86,812.00 89,380.00	Funding of Jerriais in Primary Schools	2017 2018 2019
from: CMD Revenue	to: EDU Revenue	52,000.00	Funding of Jerriais in Primary Schools	Each year 2017–2019



Acronyms and Abbreviations

CCA	Community and Constitutional Affairs
CMD	Chief Minister's Department
DoE	Department of the Environment
Dfi	Department for Infrastructure
EDU	Education Department
EDTSC	Economic Development, Tourism, Sport and Culture
EFW	Energy from Waste
EPGDP	Economic and Productivity Growth Drawdown Provision
FTE	Full-Time Equivalent
HARS	Historic Abuse Redress Scheme
H&SS	Health and Social Services Department
IJCI	Independent Jersey Care Inquiry
JCG	Jersey College for Girls
JCP	Jersey College Preparatory
JG	Judicial Greffe
JPH	Jersey Property Holdings
LOD	Law Officers' Department
LTC	Long-Term Care
PSR	Public Sector Reform
SSD	Social Security Department
VC	Victoria College
VCP	Victoria College Preparatory