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# **STATES OF JERSEY**



## **BUDGET MANAGEMENT FOR THE 6 MONTH PERIOD TO 31ST DECEMBER 2009**

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**Presented to the States on 18th March 2010  
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 decisions made during the 6 month period to 31st December 2009, the majority of which have been previously published.

### **2. Reporting on decisions**

The areas of administration which are to be reported on for the period are borrowing and budget transfers (including Economic Stimulus Plan allocations).

#### **2.1 Borrowing**

##### **2.1.1 Small Firms Loan Guarantee Scheme**

During the 6 month period to 31st December, the Treasurer of the States did not guarantee any new loans under the Small Firms Loan Guarantee Scheme (SFLGS). Under the terms of the Scheme, the Economic Development Department underwrites up to 75% of the value of a loan. As at 31st December 2009, the total amount loaned under the SFLGS was £637,000, of which £477,750 was guaranteed by the States.

##### **2.1.2 Jersey Student Loan Scheme**

The Jersey Student Loan Scheme commenced in September 2007. As at 31st December 2009, 314 students had taken out a loan under the Scheme, and the total amount borrowed was £857,109. Terms with the intermediaries require the States of Jersey to underwrite 100% of the value of the loan.

#### **2.2 Budget transfers**

Budget transfers are reported on the following basis –

- Transfers between revenue heads of expenditure;
- Transfers between capital heads of expenditure; and
- Transfers between revenue and capital heads of expenditure.

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

Economic Stimulus Plan allocations are reported separately in section 2.2.4 below.

##### **2.2.1 Transfers between revenue heads of expenditure**

Approved revenue transfers during the period ended 31st December 2009 are shown in Table 1 on page 3.

**Table 1: Transfers between revenue heads of expenditure**

Department		£	Funding of –
To	From		
EDD	Housing	147,000	Occupation costs of Jubilee Wharf 2009
CMD	Housing	47,900	Occupation costs of Jubilee Wharf 2009
CMD	EDD	75,000	Financial Services Advisory Board (FSAB) Risk Review Monitoring Team
P&E	EDD	9,995	A replacement Land Rover
T&R	EDD	42,000	Tax Policy Advisor 2009
Home Affairs	EDD	200,000	Court and Case Costs 2009
Judicial Greffe	Soc Sec	1,574,000	Court and Case Costs 2009
Bailiff's Chambers	Soc Sec	220,000	Court and Case Costs 2009
Home Affairs	Soc Sec	606,000	Police investigations and Court and Case Costs 2009

### 2.2.2 Transfers between capital heads of expenditure

During the 6 month period to 31st December, the Minister approved the transfer of £600,000 from the Chief Minister's Department (CMD) to Education, Sport and Culture (E,S&C) in respect of the Education IT Strategy.

### 2.2.3 Transfers between revenue and capital heads of expenditure

Approved transfers between revenue and capital during the period to 31st December are shown in Table 2 on pages 4 and 5.

**Table 2: Transfers between revenue and capital heads of expenditure**

Department		£	
To	From		
T&TS	T&TS (Rev)	450,000	Transfer to La Collette and Sludge Thickener Phase 1 capital projects
P&E	T&R (Cap)	45,619	Transfer from the Contingency Fund to reimburse legal costs incurred in connection with making a compensation payment
E,S&C	E,S&C (Rev)	68,000	Youth Service Bus project
Soc Sec	T&R (Cap)	2,411,000	Transfer from the Contingency Fund in respect of Income support and additional staff
T&R – JPH	Soc Sec (Rev)	438,000	Improvement of facilities at Acorn Industries to meet the needs of the Jersey Employment Trust
E,S&C	T&R (Cap)	135,000	Transfer from the Contingency Fund to cover Historic Child Abuse Enquiry (HCAE) expenditure
Home Affairs	T&R (Cap)	2,120,200	Transfer from the Contingency Fund to reimburse actual HCAE expenditure incurred to 30.09.09
Law Officers' Department	T&R (Cap)	950,438	Transfer from the Contingency Fund to reimburse actual HCAE expenditure incurred to 30.09.09
H&SS	T&R (Cap)	369,300	Transfer from the Contingency Fund to reimburse actual HCAE expenditure incurred to 30.09.09
T&R – JPH	T&R (Cap)	25,266	Transfer from the Contingency Fund to reimburse actual HCAE expenditure incurred to 30.09.09
Viscount's Department	Viscount's Department (Rev)	44,800	Transfer to align budgeting and accounting treatment*
Official Analyst	Official Analyst (Rev)	37,000	Transfer to align budgeting and accounting treatment*
T&TS	T&TS (Cap)	213,235	Transfer to align budgeting and accounting treatment*
T&R	T&R (Rev)	20,000	Transfer to align budgeting and accounting treatment*
E,S&C	E,S&C (Cap)	106,077	Transfer to align budgeting and accounting treatment*

Department		£	
To	From		
Home Affairs	Home Affairs (Rev)	17,000	Transfer to align budgeting and accounting treatment*
Home Affairs	Home Affairs (Rev)	24,000	Transfer to align budgeting and accounting treatment*
Probation	Probation (Rev)	25,500	Transfer to align budgeting and accounting treatment*
States Assembly	States Assembly (Rev)	14,790	Transfer to align budgeting and accounting treatment*
EDD	EDD (Rev)	11,995	Transfer to align budgeting and accounting treatment*
Home Affairs	Home Affairs (Rev)	29,100	Transfer to align budgeting and accounting treatment*

\* These budget transfers are required as a result of implementing Generally Accepted Accounting Principles (GAAP) in 2009 and do not change the total net expenditure approved by the States.

#### 2.2.4 Economic Stimulus Plan allocations

The States agreed the transfer of £44 million from the Stabilisation Fund to the Consolidated Fund in order to provide funding for the proposed economic stimulus package (P.55/2009 refers).

During the period to 31st December 2009, the Minister approved fiscal stimulus projects totalling £10,179,202 (see Table 3 on page 6). The majority of expenditure in respect of those projects will be incurred in 2010.

**Table 3: Economic stimulus budget allocations**

<b>Department</b>	<b>£</b>	<b>Purpose of allocation:</b>
T&TS (Cap)	200,000	Design spend on projects in provisional programme
T&R (Rev)	200,000	Programme management costs
E,S&C (Rev)	924,200	A number of skills and training projects
EDD (Rev)	500,000	Expanding activities to support local businesses
Soc Sec (Rev)	50,300	Citizen's Advice Bureau grant and mortgage arrears protocol
EDD (Rev)	972,750	States Apprenticeships Project
T&TS (Cap)	337,000	Promenade and Cycle Track project
Soc Sec (Rev)	1,440,000	Extension of transitional relief
EDD (Rev)	70,000	Design and planning spend on St. Aubin's Pier project
T&TS (Cap)	1,143,452	Victoria Avenue (Phase 2) project
T&TS (Cap)	263,000	Pre-tender costs of drainage and highways projects
Housing (Rev)	133,200	Backlog maintenance programme planning spend
EDD (Rev)	500,000	Small Firms Loan Guarantee Scheme (SFLGS)
T&R – JPH (Rev)	62,000	Planning and programme management
E,S&C (Rev)	393,000	The Advance to Work Scheme
T&TS (Cap)	228,000	West Park to Cheapside (Phase 1) project
T&TS (Cap)	2,307,000	Victoria Avenue (Phase 3) project
T&R (Rev)	60,000	Heating Replacement Programme
Housing (Rev)	95,300	Two backlog maintenance projects – window replacement
T&R – JPH (Rev)	300,000	Backlog maintenance programme
<b>Total</b>	<b>£10,179,202</b>	