
STATES OF JERSEY



BUDGET MANAGEMENT REPORT FOR THE PERIOD ENDED 31ST DECEMBER 2010

**Presented to the States on 2nd June 2011
by the Minister for Treasury and Resources**

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 2010, the majority of which have been previously published.

2. Reporting on decisions

The areas of administration which are to be reported on are as follows –

- The use of trading funds by States Trading Operations;
- Borrowing; and
- Budget transfers (including Economic Stimulus Plan allocations and Voluntary Redundancy).

2.1 Use of trading funds

The following Ministerial Decisions on the use of trading funds were taken to 31st December –

- MD-TR-2010-0163 – Transfer of £382,000 from the Harbours Trading Fund in respect of the St. Aubin Remediation Project.

2.2 Borrowing

2.2.1 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 2010, the total amount loaned under the SFLGS was £686,203, of which £514,652 was guaranteed by the States.

2.2.2 Jersey Student Loan Scheme

The Jersey Student Loan Scheme commenced in September 2007. As at 31st December 2010, 468 students had taken out a loan under the Scheme, and the total amount borrowed was £1,284,195. Terms with the intermediaries require the States of Jersey to underwrite 100% of the value of the loan.

2.3 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 2.3.4 below.

2.3.1 Transfers between revenue heads of expenditure

Revenue transfers during the period ended 31st December 2010 are shown in Table 1.

Table 1: Transfers between revenue heads of expenditure

Department		£	Funding of:
To:	From:		
Treasury and Resources	Social Security	500,000	Restructuring and 4FTE taxes
Economic Development	Treasury and Resources (JPH)	250,000	Transfer of La Collette Fuel Farm responsibilities
Economic Development	Transport and Technical Services	(100,000)	Transfer of La Collette Fuel Farm responsibilities
Treasury and Resources (JPH)	Housing	9,090	Crisis properties
Social Security	Housing	214,000	Lost rental income arising from CSR
Chief Minister's Department	Treasury and Resources (JPH)	300,000	Corporate Savings
	Total	£1,173,090	

2.3.2 Transfers between capital heads of expenditure

Transfers between existing capital heads of expenditure are shown in Table 2.

Table 2: Transfers between capital heads of expenditure

Department		£	Funding of:
To:	From:		
Judicial Greffe	Judicial Greffe	27,228	Magistrate's Court Cell Improvements
Probation	Judicial Greffe	1,721	Probation and Aftercare
Jersey Airport	Jersey Airport	879,000	Hold Baggage and Telebag System

Department		£	Funding of:
To:	From:		
Jersey Harbours	Jersey Harbours	150,000	Elizabeth Harbour East Pier Project
Transport and Technical Services	Treasury and Resources (JPH)	145,000	Howard Davis Farm Animal Incinerator Works
Transport and Technical Services	Transport and Technical Services	900,000	EFW Contingency
Transport and Technical Services	Treasury and Resources	10,779,051	EFW Contingency
Treasury and Resources (JPH)	Treasury and Resources (Planning Vote)	90,000	Design work on New Oncology Unit
Total		£12,972,000	

2.3.3 Transfers between revenue and capital heads of expenditure

Transfers between revenue and capital during the period to 31st December are shown in Table 3.

Table 3: Transfers between revenue and capital heads of expenditure

Department		£	Funding of:
To	From		
Transport and Technical Services Capital	Economic Development Revenue	255,000	Transfer of La Collette Fuel Farm responsibilities
Planning and Environment Revenue	Planning and Environment Capital	23,628	Transfer to align budgeting and accounting treatment
Home Affairs Revenue	Treasury and Resources Contingency	221,500	HCAE Q2 2010
Law Officers' Department	Treasury and Resources Contingency	129,004	HCAE Q2 2010
Transport and Technical Services Capital	Transport and Technical Services Revenue	450,000	Jersey Harbours Repayment
Education, Sport and Culture Revenue	Education, Sport and Culture Capital	600,000	Interim Funding for Jersey Heritage Trust
Transport and Technical Services Capital	Transport and Technical Services Revenue	512,000	Transfer to align budgeting and accounting treatment
Home Affairs Revenue	Treasury and Resources Contingency	186,300	HCAE Q3 2010
Law Officers' Department	Treasury and Resources Contingency	75,227	HCAE Q3 2010

Department		£	Funding of:
To	From		
Treasury and Resources Capital (JPH)	Treasury and Resources Revenue (JPH)	710,000	CSSD Stores and Backlog Maintenance
Home Affairs Capital	Home Affairs Revenue	11,068	Transfer to align budgeting and accounting treatment
Planning and Environment Revenue	Planning and Environment Capital	125,356	Transfer to align budgeting and accounting treatment
Transport and Technical Services Capital	Transport and Technical Services Revenue	658,140	Transfer to align budgeting and accounting treatment
Home Affairs Capital	Home Affairs Revenue	44,500	Transfer to align budgeting and accounting treatment
Treasury and Resources Capital (JPH)	Social Security Revenue	300,000	Acorn Enterprises
Health and Social Services Revenue	Health and Social Services Capital	68,500	Transfer to align budgeting and accounting treatment
Home Affairs Capital	Home Affairs Revenue	100,000	Passport Income to Biometric Passports
	Total	£4,470,223	

2.3.4 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 2010, the Minister approved the re-allocation of £7,541,511 from the Consolidated Fund (see Table 4 below).

Table 4: Economic stimulus budget allocations

Department	£	Purpose of allocation:
Economic Development	1,500,000	Grant to Durrell Wildlife Conservation Trust
Housing	1,714,793	Building Maintenance Works at Social Housing Estates
Housing	464,107	Refurbishment of 80 St. Mark's Road
Treasury and Resources (JPH)	1,891,202	Refurbishment of Rosewood House
Health and Social Services	162,963	Refurbishment of Rosewood House
Education, Sport and Culture	112,000	Jersey Opera House
Housing	427,664	Replacement Heating Systems at Social Housing Estates

Department	£	Purpose of allocation:
Education, Sport and Culture	125,000	Major restoration and refurbishment of St. Matthew's (Glass) Church
Education, Sport and Culture	67,500	Beaulieu School renovation project
Education, Sport and Culture	496,380	Additional Student Places at Highlands College (Skills and Training)
Transport and Technical Services	69,402	West Park to Cheapside (Phase 2) Project
Education, Sport and Culture	510,500	Beaulieu School – Facilities for Students with Learning Support Needs
Total	7,541,511	

2.3.5 Voluntary Redundancy (VR)

The States agreed the withdrawal of an additional £6 million from the Consolidated Fund for a voluntary redundancy scheme (P.64/2010 refers). In order to comply fully with the proposition, the money was transferred to, and distributed from, the Chief Minister's Department.

When it became apparent that the approved funding would be insufficient, it was agreed by the Council of Ministers to use a portion of the Social Security Department's underspend for 2010. This proved a timely opportunity to deliver savings over and above those previously put forward.

During the period to 31st December 2010, the Minister approved the following transfers in relation to voluntary redundancies (via MD-TR-2010-0159, MD-TR-2010-0186 and MD-TR-2010-0189) (see Table 5 below).

Table 5: Voluntary Redundancy allocations

Department	From T&R Contingency £	From Social Security £	To CMD (for re-distribution) £	To Depts. £	Actuarial valuations £
	6,000,000				
First Tranche					
	(5,760,373)		5,760,373		
			(5,760,373)		
Judicial Greffe				155,018	
Education, Sport and Culture				712,844	
Lieutenant Governor's				96,673	
Resources (IS)				364,888	
Planning and Environment				605,774	

Department	From T&R Contingency	From Social Security	To CMD (for re- distribution)	To Depts.	Actuarial valuations
	£	£	£	£	£
JPH				135,081	
Economic Development				43,610	
Home Affairs				385,684	
Health and Social Services				1,761,212	
Housing				360,048	
Human Resources				179,087	
Transport and Technical Services				960,454	
Total	239,627		0	5,760,373	
Returned from Depts. for VR applications no longer going ahead			266,412	(266,412)	
To Depts. for 2% uplift			(58,093)	58,093	
Transfer remainder of 11(8) funding to CMD	(239,627)		239,627		
Actuarial valuations			(11,550)		11,550
Total	0		436,396	5,552,054	11,550
Second Tranche					
		(470,841)	(436,396)		
Chief Minister's Dept.				247,488	
Education, Sport and Culture				84,846	
Resources (IS)				285,280	
Treasury and Resources				177,725	
Home Affairs				111,898	
Total	0	(470,841)	0	6,459,291	11,550

Further funds totalling £318,536.12 were returned from Departments in 2011 for VR applications no longer going ahead and to correct original calculation errors. These budget transfers will be reported in the next Budget Management Report.

The total funding used by Departments for VR was **£6,140,754.88**.