
STATES OF JERSEY



FINANCE LAW DELEGATION REPORT FOR THE 18-MONTH PERIOD ENDED 31ST DECEMBER 2015

Presented to the States on 19th October 2016
by the Minister for Treasury and Resources

STATES GREFFE

REPORT

1. The administration of the public finances of Jersey

- 1.1 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”).
- 1.2 This report summarises all the decisions made during the 18-month period up to 31st December 2015. Where decisions have not previously been published, this is due to one of two reasons –
- Decisions were exempted under the Freedom of Information (Jersey) Law 2011; or
 - 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 –

- the use of trading funds by States Trading Operations;
- borrowing and lending;
- budget transfers; and
- carry-forwards of revenue balances from 2014.

2.1 Use of Trading Funds

During the 18-month period to 31st December 2015, a total of £2,326,680.00 was transferred from the Trading Fund to various Airport Capital projects, and £500,000.00 was transferred to Harbours Capital projects.

2.2 Borrowing and lending

2.2.1 *Jersey Student Loan Scheme*

During the 18-month period to 31st December 2015, 245 new loans with a collective value of £367,000.00 were guaranteed by the States under the Jersey Student Loan Scheme. As at 31st December 2015, the total amount loaned under the Jersey Student Loan Scheme was £2,279,089.42. Terms with the intermediaries require the States of Jersey to underwrite 100% of the value of the loans.

2.2.2 *Pilot Starter Home Deposit Loan Scheme*

During the 18-month period to 31st December 2015, no new loans were issued. The last loan was issued on 23rd May 2014 with the pilot scheme now finished. As at the year-end 2015, the total value of outstanding loans under this Scheme was £2,072,577.

2.2.3 *Lending*

Two new loans were issued in the 18-month period to 31st December 2015. One was approved on 3rd November 2014 for the Caesarean Lawn and Tennis Club for £100,000, and another on 30th January 2015 for the Channel Islands Financial Ombudsman for £100,000.

2.2.4 *Infrastructure Investments from the Currency Fund*

During the 18-month period to 31st December 2015, a new infrastructure investment with a value of £750,000¹ was paid to the Parish of Trinity for the financing of Phase 2 of a building project on Field No. 578 to construct 5 bungalows for the over-55s.

2.2.5 *Housing Development Fund*

During the 18-month period to 31st December 2015, 8 new loans with a collective value of £71,948,000 were approved by the Minister for Treasury and Resources to Andium Homes Ltd., of which £59,463,000 has been drawn down.

2.2.6 *Innovation Fund*

During the 18-month period to 31st December 2015, 7 Jersey Innovation Fund loans have been approved to 6 companies, with a total loan value of £2,210,000, of which £1,960,000 has been released. The drawdown balance of £250,000 is subject to performance conditions attached to two of the loans.

2.3 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 Generally Accepted Accounting Principles (“GAAP”).

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

¹ Decision was for up to £1,000,000

2.3.1 Transfers from contingency expenditure to heads of expenditure

Transfers from contingency expenditure to heads of expenditure during the 18-month period to 31st December 2015 are shown below –

Department		£	Funding of –
From –	To –		
Central Contingency	DoE	100,000.00	Island Plan/Master-planning work
Central Contingency	H&SS	40,000.00	Costs associated with Doctors' Pay Award for 2014
Central Contingency	CMD	275,000.00 1,884,200.00	Restructuring provision funds for Public Sector Reform
Central Contingency	Bailiff's Chambers	27,100.00	WW1 Centenary Anniversary Events
Central Contingency	T&R Rev	1,469,089.26	Historic Abuse Redress Scheme costs
Central Contingency	CMD	220,000.00	Jersey London Representative Office
Central Contingency	CMD	57,800.00	Sunstone Holdings Ltd. and De Lec Ltd. independent review
Central Contingency	CMD	70,000.00	Support of management costs as per P.108/2014
Central Contingency	CMD	250,000.00	Funding for administration of the Control of Housing and Work (Jersey) Law 2012
Central Contingency	LOD	850,000.00	Independent Jersey Care Inquiry ("IJCI")
Central Contingency	HA	1,222,000.00	IJCI
Central Contingency	HSSD	208,500.00	IJCI
Central Contingency	ESC	50,000.00	IJCI
Central Contingency	CMD	2,932,899.83	IJCI
Central Contingency	CMD	1,600,000.00	Implementation of Freedom of Information ("FOI")
Corporate Contingency	T&R Rev	100,279.06	Helping to fund the Pensions Review Project
Central Contingency	States Assembly	6,038,491.17	IJCI
Central Contingency	ESC	8,559.97	Costs associated with cover for staff seconded to the Prince's Trust
Central Contingency	CMD	89,000.00	Support of management costs as per P.108/2014
Central Contingency	SSD	250,000.00	Funding for administration of the Control of Housing and Work (Jersey) Law 2012
Central Contingency	BC	108,217.00	Liberation 70 celebrations
Central Contingency	DoE	192,200.00	Planning Appeal Tribunal forwarded to Judicial Greffe
Central Contingency	T&R Rev	210,000.00	Jersey Opera House and Jersey Arts Centre
Central Contingency	Various depts	4,666,119.00	Voluntary Release Scheme
Central Contingency	T&R Rev	100,000.00	Tax Information Exchange Agreements
Central Contingency	TTS	1,500,000.00	Guernsey Waste Income Shortfall

2.3.2 *Transfers between revenue heads of expenditure*

Revenue transfers during the 18-month period to 31st December 2015 are shown below –

Department		£	Funding of –
From –	To –		
T&R Rev	CMD Rev	130,752.00	Freedom of Information resources
T&R Rev	ESC Rev	15,000.00	Fund the initial set-up and promotion of enhanced events management at Fort Regent as part of the ‘Rediscovering Fort Regent’ initiative
HSSD Rev	T&R Rev	300,000.00	Transfer of service responsibility to JPH for maintenance of agreed buildings
HSSD Rev	ESC Rev	60,000.00	To ensure delivery of an integrated Children’s Centre
Viscount’s Dept. Rev (680,721.00) Probation Rev (265,740.00) JG Rev (35,905.00)	LOD Rev HA Rev BC Rev OLG Rev	735,379.00 184,363.00 36,299.00 26,325.00	To cover overspends on Court and Case costs within Law Officers’ Department, Home Affairs, Bailiff’s Chambers and Office of the Lieutenant Governor
CMD Rev	LOD Rev HA Rev	72,334.33 262,927.09	Funding for work in relation to the IJCI
CMD Rev	HA Rev	150,031.00	To manage the Emergency Planning Function
JG Rev	Viscount’s Dept. Rev	8,800.00	Part-time Invoice Clerk
ESC Rev	T&R JPH Rev	8,110.00	Transfer of service of Les Creux Country Park
CMD	SSD	124,109.00	Transfer of the Population Office to the Social Security Department
CMD	HA	68,650.00	Taskforce
CMD	HA	15,600	HM Prison IS Systems
CMD	T&R	13,321.00	IS Systems
T&R	CMD	1,421,802.00	Taxes IS Systems

2.3.3 Transfers between capital heads of expenditure

Transfers between existing capital heads of expenditure during the 18-month period to 31st December 2015 are shown below –

Department		£	Funding of –
From –	To –		
EfW Replacement Asset Vote	TTS Replacement assets	450,000.00	Green waste shredder
Magistrate's Court	Non Mins Minor	118,671.00	Daisy Software Upgrade
Central Planning Vote	T&R	60,000.00	Feasibility study on the proposed extension to the Jersey Archive
Bottom Ash Recycling and Infrastructure	New Public Recycling Centre	4,588,000.00	New La Collette Recycling Centre
Clinical Waste Refurbishment and Infrastructure	Liquid Waste Strategy	3,057,979.00	Liquid Waste Strategy

2.3.4 Transfers between revenue and capital heads of expenditure

Transfers between revenue (rev) and capital (cap) during the 18-month period up to 31st December 2015 are shown below –

Department		£	Funding of –
From –	To –		
TTS Rev	TTS Replacement Assets Cap	66,770.00	Sewage Treatment Works improvements
TTS Rev	TTS Sludge Digestion & Storage Cap	57,000.00	Sludge Treatment Works improvements
Official Analyst Rev	Official Analyst minor Cap	90,000.00	Supporting the purchase of a High Resolution Liquid Chromatograph/ Mass Spectrometer
Future Hospital Cap	T&R Rev	100,000.00	Up to 100,000 for revenue costs relating to rents, training costs, uncapitalisable professional fees and travel costs for training
HA Rev	HA Cap	317,000.00	Purchase of goods and services for the States of Jersey Police ("SoJP") and Jersey Customs and Immigration Service ("JCIS")

Department		£	Funding of –
From –	To –		
ESC Cap	ESC Rev	50,000.00	A grant to fund an extension to Youth Project facilities at St. John's Recreation Centre
T&R Cap	ESC Rev	170,000.00	A contribution to a grant of a maximum of £220,000 from the ESC Dept. to the Billy Butlin Memorial Trust for development of the St. John's Recreation Centre
TTS Cap	TTS Rev	215,890.00	Expenditure resulting from the 2013/14 storm damages
TTS Rev	TTS Cap	503,526.64	Expenditure resulting from the 2013/14 storm damages
Central Environment Vote Cap	DoE Rev	25,000.00	Up to 25,000 to fund the consultancy assistance required to carry out Phase 1 of Climate Change Adaptation Plan
TTS Rev	TTS Infrastructure Cap	301,357.19	Release of funding relating to costs incurred relating to the road and sewer collapse at Rue du Maupertuis
TTS Rev	TTS replacement Assets Cap	85,000.00	DVS Vehicle Test Centre Equipment
TTS (JPH) Rev	Public Markets Maintenance Cap	12,520.00	Central Market budget surplus
CMD Cap (3,758,000.00) T&R Cap (3,362,000.00)	Consolidated Fund	7,120,000.00	Re-allocation of unspent capital budget approvals in 2014 to 2015 and 2016
TTS Rev	TTS Cap	35,408.65	Upgrade works at Coronation Park
CMD Cap	CMD Rev	4,098,833.00	e-Government and Enterprise Development Systems
TTS Rev	TTS Cap	111,500.00	Festoon Lighting
TTS Rev	TTS Cap	88,400.00	Replacement assets
TTS Cap	TTS Rev	83,000.00	Fiscal Stimulus Project – Parish of St. Helier
HA Cap	HA Rev	56,740.00	Tetra, Fire Service, Replacement Assets
TTS Rev	TTS Cap	33,435.00	Road Safety Improvements
Central Planning Vote	ESC Rev	25,000.00	Public consultation for replacement school at Les Quennevais
T&R Cap	T&R Rev	6,944.83	Write-off of loan
T&R Cap	T&R Rev	50,000.00	Community Savings and credit grant

2.3.5 *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 (rev) and capital (cap) during the 18-month period to 31st December 2015 are shown below –

Department		£	Funding of –
From –	To –		
HA Rev	HA JFRS and HM Prison Cap	290,000.00	Renovation of Western Fire Station and provision of facilities for training; Replacement of assets for HM Prison
ESC Rev	ESC Minor Cap	85,000.00	Minor capital projects at Victoria College
DoE Cap	DoE Rev	200,000.00	Budget transfer for Countryside Infrastructure
ESC Sports Strategy Cap	ESC Rev	50,000.00	Fit For The Future 2014–2018
HA Cap	HA Rev	47,696.78	Purchase of goods and services for the States of Jersey Police, HM Prison and Jersey Fire and Rescue Service
DoE Cap	DoE Rev	8,000.00	Repairs to fisheries vessels
T&R Rev (Taxes Office)	T&R Cap	348,920.00	Capital element of 2014 expenditure associated with the ITAX software asset
TTS Rev	TTS Infrastructure Cap	199,000.00	Planning Obligation Agreement
H&SS Rev	H&SS Minor Cap	45,803.00	Expenditure relating to the purchase of medical equipment
H&SS Minor Cap	H&SS Rev	94,000.00	Expenditure relating to the Jersey Talking Therapies IT system capital project
HA Rev	HA Minor Cap	126,000.00	Specialist equipment and vehicle replacements
TETRA replacement Cap	HA Rev	29,283.35	Purchase of goods and services for the TETRA Radio Replacement project
e-Gov & Enterprise Cap	CMD Rev	522,067.00	Revenue costs relating to travel, training and non-capital professional fees

Department		£	Funding of –
From –	To –		
Relocation Sea Cadets Cap	T&R Rev	192,736.88	The relocation of the Sea Cadets
Relocation Sea Cadets Cap	T&R Rev	299,896.36	The Port Galôts scheme
TTS Rev	TTS Infrastructure Cap	485,000.00	Parish centre improvements
ESC Rev	ESC JCG Cap	200,000.00	Minor capital projects at JCG and JCGP
ESC Sports Strategy Cap	ESC Rev	500,000.00	Fit For The Future 2014–2018
ESC Rev	ESC Cap	47,299.00 12,992.50	Purchase of a wheelchair access vehicle at Mont à L'Abbé School
TTS Rev	TTS Cap	200,000.00	Asbestos Waste Disposal
COCF (117,849.00) HA Rev (73,350.00)	HA Minor Capital	191,119.00	NUIX Software and body-worn video projects – States of Jersey Police
T&R Rev	T&R (JPH) Children's Home Cap	75,000.00	Refurbishment and modernisation of Oakwell
COCF HA Rev	HA Cap T&R (JPH) Cap	1,800,677.00	Specialist equipment and facilities – Police Headquarters relocation capital project
HA Rev	HA Minor Cap	458,626.00	SOJP previously approved projects funded from COCF and DTCF
TTS Rev	TTS Cap	12,000.00	Disposal proceeds from sale of milling machine and lathe
ESC Rev	Esc Cap	36,750.00	First Tower Playground
ESC Rev	Esc Cap	31,100.00	JCGP Playground
HA Rev	HA Cap	226,300.00	Projects SoJP and Jersey Prison Service
TTS Rev	TTS Cap	240,000.00	Road Safety Improvements and replacement assets
TTS Rev	TTS Cap	44,120.00	St. Mary's Village Improvement Scheme
T&R Cap	T&R Rev	70,125.00	Supply Jersey
TTS Rev	TTS Cap	414,989.00	Highway Infrastructure resurfacing

Department		£	Funding of –
From –	To –		
ESC Rev	Esc Cap	410,000.00	3G Pitch and playground equipment
T&R Rev	T&R Cap	60,000.00	Tax Transformation Programme
CMD Rev	T&R Cap	214,500.00	Tax Transformation Programme
ESC Rev	Esc Cap	18,000.00	St. John's School Minibus
TTS Rev	TTS Cap	59,283.00	Sludge Thickener Project
TTS Rev	TTS Cap	31,564.00	Town Park
T&R Cap	T&R Rev	2,113,000.00	Youth Service Work – St. James

2.4 Carry-forwards

Departments' carry-forwards were dealt with in a Ministerial Decision of the Minister for Treasury and Resources in 2015 – [MD-TR-2015-0045](#).

Ministry	2014 Budget Variance (Near Cash) £	Original Requests £	Additional Requests £	Total Carry Forward Requests £	Balance of Underspend (Return to Consolidated Fund) £	Carry Forward as % of Total Budget
Chief Minister's	1,382,353	411,230	418,958	830,188	552,165	2.6%
Overseas Aid	147,363		147,363	147,363	-	1.5%
Economic Development	332,749	168,500	163,500	332,000	749	1.4%
Education, Sport & Culture	4,484,691	2,136,672	745,000	2,881,672	1,603,019	2.4%
Department of the Environment	500,934	197,341	55,062	252,403	248,531	3.9%
Health & Social Services	3,831,401	1,250,000	1,361,426	2,611,426	1,219,975	1.3%
Home Affairs	1,105,076	367,500	318,530	686,030	419,046	1.9%
Social Security	8,033,145	588,145		588,145	7,445,000	0.3%
Transport & Technical Services	2,038,970	916,424	498,401	1,414,825	624,145	5.0%
Treasury & Resources #	2,969,100	989,551		989,551	1,979,549	2.8%
Non Ministerial						
- Bailiffs Chamber	95,961	5,675	90,286	95,961	-	5.1%
- Law Officer's	777,978	410,000	178,000	588,000	189,978	6.4%
- Judicial Greffe	294,319	2,875	57,112	59,987	234,332	0.9%
- Viscount's Services	247,398	63,692	26,308	90,000	157,398	12.2%
- Official Analyst	63,832			-	63,832	0.0%
- Office of the Lieutenant Governor	109,696	35,965	73,731	109,696	-	12.0%
- Office of the Dean of Jersey	405			-	405	0.0%
- Data Protection Commission	57,497	26,081	31,416	57,497	-	22.2%
- Probation Department	40,068	11,806	28,262	40,068	-	2.1%
- Comptroller and Auditor General	511,831	195,693	45,716	241,409	270,422	19.2%
States Assembly	1			-	1	0.0%
Procurement Savings in T&R	(994,331)		994,331	994,331	(1,988,662)	
Departmental Total	26,030,437	7,777,150	5,233,402	13,010,552	13,019,885	1.8%
Central Reserves *	15,689,808	7,869,808	2,000,000	9,869,808	5,820,000	
Restructuring Provision	2,797,550	96,200	-	96,200	2,701,350	
Court & Case Costs	3,596,265	-	-	-	3,596,265	
Central Reserves and Restructuring Total	22,083,623	7,966,008	2,000,000	9,966,008	12,117,615	
Grand Total	48,114,060	15,743,158.35	7,233,402	22,976,560	25,137,500	

£994,331 of unidentified corporate procurement savings offset against the Treasury budget have now been identified separately to be offset by underspend across departments for 2014 and requested as an additional request for 2015.

* £7,820,000 of Central Reserves being returned to the Consolidated Fund is the agreed Budget Measures identified from Rephasing of Unspent Capital Approvals and was ringfenced during 2014 in Central Reserves. This has been netted off with £2 million transferred from the Social Security underspend and ringfenced in Contingency for Long Term Care.

Note: Original requests were capped at a maximum of 50% of the departments' forecast Quarter 3 underspend.