

STATES OF JERSEY



INDEPENDENT JERSEY CARE INQUIRY: AMENDMENT TO MEDIUM TERM FINANCIAL PLAN 2013 – 2015

Lodged au Greffe on 14th July 2015
by the Council of Ministers

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

to refer to their Act dated 8th November 2012 in which they approved the Medium Term Financial Plan 2013 – 2015, to their Act dated 4th June 2014 in which they agreed to amend the Medium Term Financial Plan 2013 – 2015, and to their Act dated 25th March 2015 in which they agreed to request the Council of Ministers, if necessary, to bring forward for approval a proposition to amend the Medium Term Financial Plan 2013 – 2015 in order to provide additional funding in relation to the Independent Jersey Care Inquiry; and

to agree, in accordance with the provisions of Articles 9(1)(c) and 9(2)(ca) of the Public Finances (Jersey) Law 2005 –

- (a) that the total amount of States' net expenditure in 2015 should be amended from £720,629,500 as approved on 4th June 2014 to £730,629,500 (as set out in the extract from Summary Table A attached at Appendix 1);
- (b) that the amount appropriated to contingency expenditure should be amended from £33,482,900 in 2015 to £43,482,900 in 2015 (as set out in Summary Table C in Appendix 2).

COUNCIL OF MINISTERS

REPORT

Background

At their Sitting of 24th March 2015, the States approved (on 25th March 2015) P.20/2015, which proposed that the States be asked whether they were of opinion –

“(b) to request the Council of Ministers, if necessary, to bring forward for approval a proposition to amend the Medium Term Financial Plan 2013 – 2015 accordingly, in order to provide additional funding in relation to the Independent Jersey Care Inquiry;”.

This proposition and report implements part (b) of the States’ approval of 25th March 2015 and requests the approval of the Assembly to vary the Medium Term Financial Plan 2013 – 2015 and to approve an additional £10 million in 2015 in order to ensure that the Independent Jersey Care Inquiry can complete its work. The amount will be held in Contingency and drawn down as required by the Inquiry and States Departments for the purposes of the Independent Jersey Care Inquiry only.

The Minister for Treasury and Resources has lodged a proposition to withdraw £14 million from the Strategic Reserve for this purpose. The remaining £4 million will be included in the Medium Term Financial Plan 2016 – 2019 as an allocation to Contingency. Any balance from this amount not required for the purposes of the Inquiry will be returned to the Strategic Reserve Fund.

Latest financial position for the Independent Jersey Care Inquiry

The latest position for the Inquiry and States Departments can be summarised as follows –

| | Actual to 30/4/2015 | Forecast 2015 (inc. contingency | Forecast 2016 | Total |
|--------------------|--------------------------------|--------------------------------------------|--------------------------|--------------|
| Inquiry | £7,908,643 | £5,050,521 | £753,000 | £13,712,164 |
| Departments | £2,647,604 | £2,525,794 | £1,291,101 | £6,464,499 |
| Total | £10,556,247 | £7,576,315 | £2,044,101 | £20,176,663 |

Current available funding is £9 million. Forecast expenditure to the end of 2015 is £18,132,562. An additional £10 million is therefore required to be approved in 2015.

Financial and manpower implications

Total States net expenditure will increase in 2015 from £720,629,500 to £730,629,500, and the amount appropriated to contingency expenditure in 2015 will increase from £33,482,900 to £43,482,900.

There are no additional manpower implications.

APPENDIX 1

Extract from MTFP 2013 – 2015 – Summary Table A

| |
|------------------------|
| Per 2015 Budget |
| 2015 |
| £'000 |

| States Expenditure | |
|---------------------------------------------------|------------------|
| Departmental Net Revenue Expenditure (Revised) | 687,146.6 |
| Central Allocations (Revised) | 43,482.9 |
| Total Net Revenue Expenditure (excl: Depn) | 730,629.5 |

MTFP 2013 – 2015 – Summary Table C

| | Per 2015 Annex Update |
|---------------------------------------------------|--------------------------|
| Central Contingency Allocations | 2015 £'000 |
| Net Pay Provision | 3,764.4 |
| Restructuring Provision (Net of Savings) | 7,170.0 |
| Allocation for Contingencies | |
| - Central Reserves - AME | 2,000.0 |
| - Central Reserves - DEL | |
| - Central Reserves - One Off | 1,000.0 |
| - Central Contingency - Smoothing Reserve | |
| - Commitments for “One-Off Items” | |
| - Contingency for Emerging Items | 4,000.0 |
| - Contingency for Independent Jersey Care Inquiry | 10,000.0 |
| | 17,000.0 |
| Allocation for Growth | |
| Allocation for Growth for 2013 | |
| Allocation for Growth for 2014 | |
| Allocation for Growth for 2015 | |
| | - |
| 2015 Budget Measures | 15,548.5 |
| Total Central Contingency Allocations | 43,482.9 |