
STATES OF JERSEY



BUDGET MANAGEMENT REPORT FOR THE PERIOD ENDED 30TH JUNE 2013

**Presented to the States on 18th December 2013
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 all decisions made during the 6 month period to 30th June 2013. Where decisions have not previously been published, this is due to one of two reasons –

- The decisions were exempted under the States of Jersey (“SoJ”) Code of Practice on Public Access to Official Information; 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 –

- The use of trading funds by States Trading Operations;
- Borrowing;
- Budget transfers; and
- Carry-forward of revenue balances from 2012.

2.1 Use of trading funds

The following Ministerial Decision in the use of trading funds was approved in the 6 month period that ended 30th June 2013 –

- MD-TR-2013-0008 – Use of Jersey Harbours Trading Fund in 2013 for West Linkspan civil works, Elizabeth Harbour (£2,643,999).

2.2 Borrowing

2.2.1 Jersey student loan scheme

During the 6 month period to 30th June 2013, 16 new loans with a collective value of £24,000 were guaranteed by the Treasurer of the States under the Jersey Student Loan Scheme. As at 30th June 2013, the total amount loaned under the Jersey Student Loan Scheme was £2,054,174.89. Terms with the intermediaries require the States of Jersey to underwrite 100% of the value 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.

2.3.1 Transfers from contingency expenditure to heads of expenditure

Transfers from contingency expenditure to heads of expenditure during the 6 month period to 30th June 2013 are shown below –

Department		£	Narrative for Report
To	From		
**Chief Minister's Department (CMD)	Contingency	247,750	States Pay Awards for 2013 – 1% Consolidated & 1% Non-Consolidated
**Economic Development (EDD)		72,290	
**ESC		1,664,380	
**Health & Social Services (H&SS)		2,096,000	
**Home Affairs (HA)		627,000	
**Housing		51,000	
**Department of the Environment (DoE)		127,320	
**Social Security (SSD)		100,695	
**Transport & Technical Services (TTS)		357,750	
**Treasury & Resources (T&R)		258,260	
**Bailiff's Chamber		15,734	
**Law Officers' Department (LOD)		87,740	
**Judicial Greffe		42,259	
**Viscount's Department		18,172	
**Official Analyst		8,094	
**Office of the Lieutenant Governor (LG)		10,770	
**Data Protection Commission	Contingency	3,825	States Pay Awards for 2013 – 1% Consolidated & 1% Non-Consolidated
**Probation Department		30,849	
**States Assembly & its Services		25,611	
**Grant to the Overseas Aid Commission		1,396	

Department		£	Narrative for Report
To	From		
**EDD	Contingency	20,000	Band of the Island of Jersey
**LG	Contingency	26,000	Cadet and Military Support Officer
Education, Sport and Culture (ESC)	Provision for restructuring	306,300	Faithful Companions of Jesus (FCL) Funding (CSR)
*CMD	Provision for restructuring	1,000,000	Public Sector Reform Programme
T&R – Insurance	Contingency – Insurance	922,816	HCAE Costs
Total transfers		8,122,011	

* Decisions with multi-year budget transfers for 2013 and 2014. The budget transfer for 2013 is reflected above with the budget transfer for 2014 reflected under 2.3.6.

** Decisions with multi-year budget transfers for 2013 to 2015. The budget transfer for 2013 is reflected above with the budget transfer for 2014 to 2015 reflected under 2.3.6.

2.3.2 Transfers between revenue heads of expenditure

Revenue transfers during the 6 month period to 30th June 2013 are shown below –

Department		£	Funding of
To	From		
**CMD	EDD	996,800	Transfer of Financial Services
Bailiff's Chambers	LOD	58,300	To cover overspends on Court and Case Costs
Judicial Greffe		23,100	
LG		30,400	
H&SS	SSD	300,000	Develop a new model of Primary care
CMD	EDD	95,000	Grant to Bureau de Jersey
CMD	T&R	70,000	Law Draftsman's Post
T&R – Taxes Office	SSD	614,500	Long Term Care Charge – Capital Cost
**TTS	CMD	60,540	Corporate Health and Safety Manager
Total transfers		2,248,640	

** Decisions with multi-year budget transfers for 2013 to 2015. The budget transfer for 2013 is reflected above, with the budget transfer for 2014 to 2015 reflected under 2.3.6.

2.3.3 Transfers between capital heads of expenditure

Transfers between existing capital heads of expenditure during the 6 month period to 30th June 2013 are shown below –

Department		£	Funding of
To	From		
CMD Enterprises Systems Development (ESD)	CMD Human Resources Information System (HRIS)	740,000	HRIS Replacement
New Public Recycling Centre Feasibility Study	Central Planning Vote (CPV)	200,000	Feasibility study into the new Public Recycling Centre
Scrap Yard Infrastructure Feasibility Study	CPV	150,000	Feasibility study into the Scrap Yard Infrastructure
JPH – Replacement School Feasibility and Planning	CPV	250,000	Feasibility Study and Planning into Replacement School
JPH – Autism Support Unit Feasibility	CPV	50,000	Feasibility Study into Autism Support Unit
TTS Replacement Assets	TTS Waste Management Assets Vote	1,313	Asset replacement programme
JPH – Green Street Car Park Extension	CPV	100,000	Green Street Car Park Extension
JPH – Refurbishment of Sandybrook	CPV	100,000	Refurbishment of Sandybrook
Ports of Jersey – Harbours – St. Helier Marina	Ports of Jersey – Harbours – RoRo No. 5 access ramp replace/upgrade	300,000	Support No. 5 RoRo removal and St. Helier Marina Phase 1 works
Total transfers		1,891,313	

2.3.4 Transfers between revenue and capital heads of expenditure

Transfers between revenue (Rev) and capital (Cap) during the 6 month period to 30th June 2013 are shown below –

Department		£	Funding of
To	From		
JPH Cap	HA Rev	46,962	Prison Horticulture
EDD Rev	T&R Corporate Contingency	34,450	Capital Economics Study
*CMD Cap	Provision for restructuring	1,685,000	Public Sector Reform Programme
Public Markets Maintenance Cap	Central Market Surplus (JPH) Rev	276,266	Central Market Refurbishment
HA Cap	HA Rev	94,784	Various Capital Projects
H&SS Cap	H&SS Rev	446,638	Development of intermediate care

Department		£	Funding of
To	From		
TTS Rolling Infrastructure Cap	DVS Rev	10,675	DVS on-line driving test booking system extension
TTS Infrastructure Cap	TTS Rev	450,000	Parish Centre Improvements
**CMD Rev	T&R Corporate Contingency	9,500	HR Broad-banding
Lieutenant Governor (LG) Rev	T&R Corporate Contingency	30,000	HMS Iron Duke
T&R Rev	T&R Corporate Contingency	35,000	Legal costs associated with Low Value Consignment Relief (LVCR)
Total transfers		3,119,275	

* Decisions with multi-year budget transfers for 2013 and 2014. The budget transfer for 2013 is reflected above with the budget transfer for 2014 reflected under 2.3.6.

** Decisions with multi-year budget transfers for 2013 to 2015. The budget transfer for 2013 is reflected above with the budget transfer for 2014 to 2015 reflected under 2.3.6.

2.3.5 Transfers between revenue and capital heads of expenditure where the transfer is required in order to comply with Generally Accepted Accounting Principles (GAAP)

The States of Jersey implemented Generally Accepted Accounting Principles (GAAP) in 2009. 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 6 month period to 30th June 2013 are shown below –

Department		£	Funding of
To	From		
T&R Cap	T&R Rev	346,440	ITAX System Development for 2012
T&R Cap	T&R Rev	38,335	Purchase of two IT Servers
Total transfers		384,775	

2.3.6 Transfers over multiple years between various heads of expenditure

Multi-year transfers between the various heads of expenditure during the 6 month period to 30th June 2013 are shown below –

Department		£	Funding of	Transfer between heads of expenditure	Year(s) of transfer
To	From				
Departments	Contingency	6,504,854	Recurring effect of the 1% Consolidate Pay Award from 2013 for all States Departments	Contingency to Revenue heads of expenditure	2014 to 2015
CMD Cap	Provision for restructuring	745,000	Public Sector Reform Programme	Contingency to capital heads of expenditure	2014
CMD Rev	Provision for restructuring	950,000	Public Sector Reform Programme	Contingency to revenue heads of expenditure	2014
CMD Rev	EDD Rev	2,033,000	Financial services transfer of service	Revenue heads of expenditure	2014 to 2015
EDD Rev	Contingency	40,000	Band of the Island of Jersey	Contingency to revenue heads of expenditure	2014 to 2015
LG Rev	Contingency	84,000	Cadet and Military Support Officer	Contingency to revenue heads of expenditure	2014 to 2015
CMD Rev	T&R Corporate Contingency	69,200	HR Broad-banding	Capital to revenue heads of expenditure	2014 to 2015
TTS Rev	CMD Rev	121,200	Corporate Health and Safety Manager	Revenue heads of expenditure	2014 to 2015
Total transfers		10,547,254			

2.4 Carry-forwards

Carry-forwards were dealt with in Ministerial Decision MD-TR-2013-0017.