

# STATES OF JERSEY



## **GOVERNMENT PLAN 2020–2023 (P.71/2019): FOURTEENTH AMENDMENT (P.71/2019 Amd.(14)) – COMMENTS**

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**Presented to the States on 22nd November 2019  
by the Council of Ministers**

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**STATES GREFFE**

## COMMENTS

The Connétable of St. Helier proposes the following in [P.71/2019 Amd.\(14\)](#) –

### **PAGE 2, PARAGRAPH (f)(i) –**

After the words “Appendix 3 to the Report” insert the words “, except that decisions on disbursements from the Fund shall be decided by a Committee of States Members, elected by the States, whose composition and terms of reference shall be approved by the States, following a proposition to be presented by the Privileges and Procedures Committee”.

### **The Council of Ministers opposes this proposal and urges States Members to reject the amendment.**

The Council of Ministers does not support the Connétable of St. Helier’s proposal that decisions on disbursements from the Climate Emergency Fund should be decided by a Committee of States Members elected by the States Assembly, as it would dilute the existing Terms of Reference for the Fund, which states that “All expenditure to be incurred from the Fund must be approved as part of a Government Plan or any amendment to such” (see attached **Appendix**.)

The Council of Ministers gives high priority to Jersey’s contribution to the global climate emergency, which is why its Terms of Reference for the Climate Emergency Fund clearly state that expenditure from this Fund must be approved by the States Assembly as part of the Government Plan or any amendment to an approved Plan.

Although the Council of Ministers has determined that the Minister for the Environment will have overall policy responsibility within the executive, for the delivery of policies and initiatives to meet Jersey’s response to this important global issue, these policies and initiatives will need to have been approved by the States Assembly.

Furthermore, the Council does not accept the Connétable of St. Helier’s assertion that it has vested the power to make disbursements from the Fund in the hands of a single Minister. The Minister only has authority to approve disbursements which are in line with expenditure proposals approved by the Assembly.

The proposed expenditure, and indeed income sources, from and to the Climate Emergency Fund, are capable of being reviewed and scrutinised by the same Scrutiny Panels which review and scrutinise the overall Government Plan. Income and expenditure relating to the Climate Emergency form, and will continue to form, part of the proposals put forward in the Government Plan (and any amendment to an approved Government Plan).

Recognising the importance that the Assembly has given to the global climate emergency, the Council of Ministers is committed to informing and updating the States Assembly on Jersey’s response to the global climate emergency, having stated that monitoring and update reports, including information on validated carbon emissions data, will be presented to the Council of Ministers and States Assembly by the Minister for the Environment. Full details on the frequency of all such reports will be included

in future plans and strategies for, amongst other matters, energy use and management, carbon reduction, and sustainable transport.

In summary, the Council of Ministers believes that the structure, governance and accountability framework included in the Government Plan for the Climate Emergency Fund is sound and transparent, and will ensure that all States Members have the opportunity to contribute to Jersey's response to the global climate emergency.

## APPENDIX

### Climate Emergency Fund – Terms of Reference

The Climate Emergency Fund is established as a “States Fund” in accordance with Article 6 of the [Public Finances \(Jersey\) Law 2019](#) which enables the States, on a proposition lodged by or with the consent of the Minister for Treasury and Resources, to establish a “States Fund” for specific purposes.

#### 1. The purpose of the Climate Emergency Fund

1.1. The purpose of the Climate Emergency Fund (“the Fund”) is:

- (a) to support initiatives that respond to the climate emergency, as declared in [P.27/2019](#), and initiatives that reduce carbon emissions and other pollutants, in line with adopted future plans or strategies for, *inter alia*, energy use and management, carbon reduction, sustainable transport approved by the States Assembly including as part of an approved Government Plan; and
- (b) to receive the following funding sources to support initiatives as defined in (a) above –
  - (i) transfers from the Consolidated Fund, and other Funds as necessary;
  - (ii) a grant from a head of expenditure approved in a Government Plan;
  - (iii) income or charges as agreed in a Government Plan.

#### 2. The powers and limitations of the Fund

- 2.1. The purpose of the Fund can only be varied by the States Assembly on a proposition lodged by, or with the consent of, the Minister for Treasury and Resources.
- 2.2. Money held in the Fund will not form part of the Consolidated Fund balance.
- 2.3. Only those costs associated with the purpose of the Fund can be met out of the Fund.
- 2.4. All expenditure to be incurred from the Fund must be approved as part of a Government Plan or any amendment to such.
- 2.5. The Climate Emergency Fund will be maintained until such time as:
  - (a) the States Assembly is of the opinion that there is no longer a Climate Emergency; or
  - (b) alternative arrangements are put in place to fund initiatives that respond to the climate emergency, and initiatives that reduce carbon emissions,

in line with adopted future plans or strategies for, inter alia, energy use and management, carbon reduction, sustainable transport, or related issues.

- 2.6. Upon the winding up of the Fund, any balance remaining in it shall be transferred to the Consolidated Fund.
- 2.7. The operation of the Fund must be in accordance with the [Public Finances \(Jersey\) Law 2019](#) and the requirements of the Public Finances Manual.

### **3. Those empowered to carry out actions on behalf of the Fund.**

- 3.1. The Minister for the Environment has overall policy responsibility within the executive, on behalf of the Council of Ministers, for the Fund; this will include being answerable to the States Assembly and responding to questions relating to the assessment of climate conditions, appropriate strategy and responses, and delivery of associated policies and initiatives through the Fund.
- 3.2. The Minister for Treasury and Resources has ministerial responsibility for setting an appropriate investment strategy for the Fund, as required.
- 3.3. The Principal Accountable Officer has responsibility under the [Public Finances \(Jersey\) Law 2019](#) for the appointment of the Accountable Officer(s) for the Fund.
- 3.4. An Accountable Officer is accountable for the proper financial management of the Fund, which includes ensuring that payments from the Fund are progressed in line with States' approvals and that the Fund is administered in a prudent and economical manner; responsibility for ensuring that proper control and assurance frameworks exist; and responsibility for ensuring that systems are in place to manage risks related to the Fund.
- 3.5. An Accountable Officer for the Fund is answerable to the States' Public Accounts Committee for the performance of their functions.
- 3.6. An Accountable Officer can delegate functions to others, but will remain accountable. In order to ensure that good governance and control is achieved, any delegation must be documented in a Scheme of Delegation.
- 3.7. The Comptroller and Auditor General has a duty under Article 11 of the [Comptroller and Auditor General \(Jersey\) Law 2014](#) to provide the States with independent assurance that the public finances of Jersey are being regulated, controlled, supervised and accounted for in accordance with the Law. This duty extends to the Fund.

### **4. Reporting arrangements**

- 4.1. Details of the Climate Emergency Fund will be included in the published States of Jersey Annual Financial Statement, and financial updates provided to the States Assembly by the Minister for Treasury and Resources.

- 4.2. In addition, monitoring and update reports on the response to the Climate Emergency, including validated carbon emissions data, will be presented to the Council of Ministers and States Assembly by the Minister for the Environment. The frequency and scope of these reports will be set out in adopted future plans or strategies for, *inter alia*, energy use and management, carbon reduction, sustainable transport, or related issues.
- 4.3 The Government Plan will include details of the estimated amounts that will be in the Fund at the start and end of each of the years covered by the Plan.