
STATES OF JERSEY



FINANCE LAW DELEGATION REPORT FOR THE SIX-MONTH PERIOD TO 31ST DECEMBER 2024

Presented to the States on 7th February 2025
by the Minister for Treasury and Resources

STATES GREFFE

REPORT

Summary:

The purpose of this report is to satisfy a requirement of the Public Finances (Jersey) Law 2019 for the Minister to report to the States Assembly, twice yearly, decisions taken by the Minister under certain Articles of that Law. Details of such decisions are set out in the body of this report. In most cases these decisions vary the amounts for heads of expenditure approved by the Assembly in the Government Plan.

In summary, during the six-month period ending on 31st December 2024 the Minister or Treasurer (acting under delegation from the Minister) approved the following:

- Three transfers between approved heads of expenditure totalling £21.9 million, of which £20.9 million were transfers into the Central Reserve from departmental and project heads of expenditure
- Four uses of additional departmental income above that included in the Government Plan, totalling up to £320,000
- Four allocations from Reserves totalling up to £7.3 million. Of these:
 - up to £400,000 was to fund the Royal visit in July 2024
 - up to £3,989,000 was allocated to provide funding for a ferry services contingency
 - up to £2,947,000 was ringfenced within the amount approved in the Government Plan 2024-2027 for identified pressures and initiatives in the CYPES and Infrastructure departments
- One Letter of Comfort to an Accountable Officer, totalling up to £750,000

Further Ministerial Decisions will be made in early 2025 to effect year-end adjustments once final financial positions for 2024 are known.

Approvals in the period are detailed below.

1. The administration of the public finances of Jersey

In accordance with the Public Finances (Jersey) Law 2019 (“the Law”) certain matters are required to be reported to the States Assembly twice yearly by the Minister for Treasury and Resources (“the Minister”).

The Public Finances Manual requires that this report includes a list of all letters of comfort issued during the preceding six-month period. A letter of comfort from the Minister for Treasury and Resources confirms to an Accountable Officer that additional funding will be allocated from Reserves in that financial year if it appears that the approved head of expenditure may be exceeded.

This report summarises all decisions made, and letters of comfort issued during the six month period to 31st December 2024. Where decisions have not previously been published, this is due to one of two reasons -

- The decisions were exempted from publication under the Freedom of Information (Jersey) Law 2011; 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 required to be reported on are as follows:

- (a) each function undertaken, within the applicable 6-month period under any of Articles 18 to 21, 24 and 26 to 28; and
 (b) each direction given, within the applicable 6-month period by the Minister under Article 15(3) with respect to the amounts appropriated for a reserve head of expenditure.

Article 18 relates to transfers between heads of expenditure.

Article 19 relates to transfers to the following year's reserve.

Article 20 relates to transfers of major project amounts to the following year.

Article 21 relates to the power to allocate excess income.

Article 24 relates to emergency expenditure.

Article 26 relates to financing (borrowing).

Article 27 relates to loans.

Article 28 relates to guarantees and indemnities.

There were no approvals in the period under Article 19, 20, 24, or 27. Other approvals are detailed below.

1. Transfers between heads of expenditure under Article 18.

NB A list of abbreviations used can be found at the end of this report.

Where Ministerial Decisions were public the full decisions can be read on www.gov.je.

Head of expenditure		Amount £	Purpose
From	To		
Infrastructure	Road Safety Improvements	Up to 1,000,000	This is a redirection of usage of the Jersey Car Parking financial return to the States of Jersey, after funding applicable revenue expense on transport initiatives. MD-TR-2024-590.
Various project heads of expenditure (details in table *1)	Central Reserve (General Reserve)	Up to 17,773,000	To ensure sufficient funds are in place to meet the forecast overspend in Health and Community Services for 2024. MD-TR-2024-945.

Various revenue heads of expenditure (details in table *2)	Central Reserve (General Reserve)	Up to 3,133,000	To ensure sufficient funds are in place to meet the forecast overspend in Health and Community Services for 2024. MD-TR-2024-945.
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2. Approvals of the allocation of excess income under Article 21. Excess income in this regard is income over and above 10% (up to a maximum of £100,000) of the relevant departmental income estimates in the Government Plan 2024-2027.

Head of expenditure	Amount £	Purpose
Judicial Greffe	Up to 15,800	Use of additional income from fee increases for Enforcement Appeals in 2025 to bring the fee in line with other appeal fees. The additional income will be used to cover the costs of administering appeals. TR-2024-TD031.
Judicial Greffe	Up to 195,000	Use of additional Stamp Duty court fees income in 2024 to cover the contractual costs of the Court Digitisation Annual Revenue Costs. It was initially proposed in P.43/2022 . TR-2024-TD032.
Customer and Local Services (CLS)	Up to 23,000	Use of additional income from 2025 (above 2.5%) from the Control of Housing & Work fees (Non-Resident Undertakings) to offset the staff and non-staff costs of providing services to the public with regards to the Control of Housing and Work (Jersey) Law 2012 (CHWL). TR-2024-TD036.
Law Officers' Department (LOD)	Up to 86,400	A payment from the Criminal Offences Confiscation Fund (COCF) to the Law Officers' Department (LOD) head of expenditure. This allocation was used to purchase laptops for the Honorary Police, to allow 12 support staff to connect to the network from a remote location ensuring access is functional, secure and efficient. MD-TR-2024-951.

3. Approvals of financing (borrowing) under Article 26

There were no new approvals under Article 26 in the six-month period. However, the following information is included in this report for completeness.

Overdraft

During the six months to 31st December 2024, there were no changes to the overdraft facility, which remained at £50 million, as approved by the Treasurer of the States (under delegated authority from the Minister).

Short-term drawdowns from the Revolving Credit Facility (RCF) of £50m as additional overdraft to minimise costs relating to short-term borrowing were approved by the Treasurer of the States (under delegated authority from the Minister). £25 million remained drawn as of 31st December 2024.

Revolving Credit Facility (approved by the States, but included for completeness)

In the six months from 30th June to 31st December 2024, additional drawings of £10.1m were made from the RCF to bring the total drawn to fund the New Healthcare Facilities project to £71.2 million.

4. Approvals of loans under Article 27

There were no new approvals under Article 27 in the six-month period. However, the following information is included in this report for completeness.

Two loans issued by the Minister remain outstanding - the loan to Caesarean Tennis Club and the loan to Blue Islands Limited. Neither loan has seen any drawdowns in the last 6 months.

As of the 31st December 2024 the outstanding balance of the Blue Island Loan was £7,074,347.13, reduced from £7,334,498 as at the 30th June 2024 through capital repayment.

As of the 31st December 2024 the outstanding balance of the Caesarean Tennis Club loan was £35,555, reduced from £38,889 as at the 30th June through capital repayment.

Housing Development Fund (States approved but included for continuity from prior reports)

During the six-month period to 31st December 2024, no new loans were approved by the Minister for Treasury and Resources.

The net value of loans outstanding from the Housing Development Fund fell very slightly from £228,857,681 as of the 30th June 2024 to £228,855,470 as at 31st December 2024. The fall was attributable to capital repayments.

Loans from the HDF were split between the following loan holders:

Andium Homes Limited	£227,615,777
Le Vaux Housing Trust	<u>£1,239,693</u>
Total loans	£228,855,470

5. Approvals of guarantees under Article 28

Under the Public Finances (Jersey) Law 2019 ('PFL'), paragraph 28, the Minister may provide financial guarantees not exceeding £3 million per annum or £20 million in total.

On 2nd July 2024 the Minister signed MD-TR-2024-511 to issue a guarantee to the Royal Bank of Scotland International Limited, relating to a loan of up to £2,500,000 to Beaulieu Convent School Limited, to be secured against the assets of St Meen Properties Limited.

No further guarantees or indemnities have been issued by the Minister in the course of 2024.

The following information is included in this report for completeness.

1. Jersey Student Loan Scheme

During the six-month period to 31st December 2024, no new loans were guaranteed by the States under the Jersey Student Loan Scheme, which provided financial guarantees to four banks. The Scheme closed to new loans in 2018.

P53/2007 (Student Loans for higher education – guarantees) was debated by the States Assembly on the 6th June 2007 and a maximum outstanding limit of £10 million for an unlimited time period was approved. As at 31st December 2024 there were 102 loans outstanding with a balance of £176,724. At the end of June 2024 this was £232,334.

2. Disruption Loan Guarantee Scheme (Covid)

This scheme was introduced alongside other measures to assist businesses as part of Covid support and allowed Government to guarantee loans to businesses from banks. It was not extended after 31st December 2021, therefore no new applications have been made, nor guarantees granted since that date.

169 enquiries had been made by clients to banks under the scheme at the end of 2021, of which 70 had progressed and a facility issued. Whilst £4.3 million of facilities had at one stage or another been approved, by 31st December 2024, 26 facilities remained active. These facilities had a total facility value of £1.1 million at their respective dates of award. At as 31st December 2024, reflecting repayments made in the period to the year's end, the remaining value of guarantee exposure from these facilities (including accrued interest) was £0.4 million. Loan repayments will continue to diminish this guarantee exposure over time, notwithstanding that balances may continue to accrue interest until full repayment.

To date, there have been three confirmed defaults, one in 2021 and two in 2023 which resulted in claims by banks.

The 2021 claim had a value of £28,000 and was paid in January 2022.

The 2023 claims had values of £28,000 and £411,000 and were paid in September 2023 and January 2024 respectively.

6. Allocations from the Reserve under Article 15(3)

Further information on the Minister’s policy for the types of allocation from the Reserve is contained in “Procedures for allocations from the Reserve”, published as R.76/2022.

From	To	Amount (£)	Purpose
Central Reserve (General Reserve)	Bailiff’s Chambers (details in table *3)	Up to 330,000	Additional funding to cover the cost of the planned activities for the Royal visit on 15 July 2024. MD-TR-2024-547. NB A further allocation may be necessary in early 2025 once the final 2024 financial position is known.
Central Reserve (General Reserve)	States of Jersey Police (details in table *3)	Up to 70,000	Additional funding to cover the cost of the planned activities for the Royal visit on 15 July 2024. MD-TR-2024-547. NB A further allocation may be necessary in early 2025 once the final 2024 financial position is known.
Central Reserve (General Reserve)	Economy	Up to 3,989,000	To provide funding for ferry services contingency. MD-TR-2024-582.
Central Reserve (Reserve Centrally Held Items)	Various heads of expenditure (details in table *4)	Up to 2,947,000	Funding ringfenced within the amount approved in the Government Plan 2024-2027 for identified pressures: an Island-wide school meals initiative; to meet forecast income deficits in the Sports

			Division; and to meet increased inflationary prices in the purchase of hydrocarbons and fuels and electricity used across the estate. MD-TR-2024-689.
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*Table 1

Planned underspends against 2024 approval by project Head of Expenditure. MD-TR-2024-945

Project Name	Sponsoring Dept	Amount (£)
Ambulance, Fire & Rescue Headquarters	JHA	600,000
Army and Sea Cadets Headquarters	JHA	90,000
Automatic Electoral Registration	DTS	310,000
Combined Control Room	JHA	450,000
Court Digitisation	JG	937,000
Dewberry House - Sexual Assault Referral Centre	SoJP	1,565,000
Firearms Range	SoJP	906,000
Learning Difficulties - Specialist Accommodation	HCS	2,837,000
Liquid Waste Key Infrastructure	I&E	1,514,000
Mont a' L'Abbe Secondary	CYPES	732,000
Oakfield and Fort Regent Decant	I&E	1,000,000
Probation/Prison Offender Case Management	PRO	425,000
Revenue Transformation Programme (Phase 4)	T&E	1,470,000
Upgrades to CYPES Estates	CYPES	4,937,000
Total		17,773,000

*Table 2

Revised revenue budgets for growth expenditure forecasts (a total of up to £3.1 million). MD-TR-2024-945

Head of Expenditure	2024 Approve £	2024 Underspend (Up to) £	2024 Revised £
Cabinet Office	4,696,000	(788,000)	3,908,000
Children, Young People, Education & Skills	4,700,000	(935,000)	3,765,000

Customer and Local Services	1,642,000	(227,000)	1,415,000
Health & Community Services	21,075,000	-	21,075,000
Infrastructure	1,516,000	(117,000)	1,399,000
Environment	300,000	(60,000)	240,000
Justice and Home Affairs	1,994,000	(90,000)	1,904,000
States of Jersey Police	237,000	(47,000)	190,000
External Relations	134,000	(27,000)	107,000
Department for the Economy	5,250,000	(220,000)	5,030,000
Financial Services	1,496,000	(287,000)	1,209,000
Treasury and Exchequer	5,976,000	(335,000)	5,641,000
Non-Ministerial	2,161,000	-	2,161,000
Total	51,177,000	(3,133,000)	48,044,000

*Table 3

Funding for the Royal visit on 15 July 2024. MD-TR-2024-547

Head of Expenditure	Detail	Amount (£)
Bailiff's Chambers	Communications to promote the visit, display and branding of the royal visit, information leading up to the visit, informing the public about Jersey's links with the Sovereign, and live streaming of the visit in St Helier only	100,000
	Infrastructure arrangement covering seating, sanitation, safety measures, marquees, road closure signage etc.	60,000
	Transport and logistics for the visit - including parish transport and logistics for infrastructure	30,000
	Catering for the tea party for up to 340 guests, refreshments for all guests within the secure areas, refreshment stations for school children bussed in.	10,000
	Exhibitor's fund to enable exhibitors professionally display information related to the subject. Allowing the exhibitor to access resources that may not be available to them during usual operation and that can be reused for future events.	50,000
	Fees to contractors and third parties assisting with planning and delivery of the visit this includes first aid and other providers. By using external contractors this provides resilience and	80,000

	expertise that is specific to event management at the anticipated scale of 20,000 people.	
SoJP	Off Island (mutual aid) support for SOJP, and overtime costs.	70,000
Total		400,000

*Table 4

Proposed Release of Funding Held Centrally. MD-TR-2024-689

IA Ref	Title	Head of Expenditure	of 2024 Up to (£)
IA24-019	School Meals	CYPES	1,611,000
IA24-013	Inflation - Sports Income	Infrastructure	500,000
IA24-013	Inflation - Hydrocarbons and Fuels	Infrastructure	836,000
Total			2,947,000

3. Letters of Comfort

A letter of comfort from the Minister for Treasury and Resources confirms to an Accountable Officer that additional funding will be allocated in that financial year if it appears that the approved head of expenditure may be exceeded, even after appropriate actions have been taken to control spending levels, or if urgent funding is required. The Minister decided, when approving the relevant Public Finances Manual section, that a list of these decisions should be published twice-yearly in this report. Letters of comfort provide temporary assurance, pending preparation of full business cases, to Accountable Officers so that necessary expenditure can continue. Budgets are not formally increased until such time as an allocation of funding is made (for example from Reserves) under the Minister's powers in the Public Finances Law.

Some letters may not result in a formal allocation of additional funding if expenditure can be managed within existing approvals.

There was only 1 Letter of Comfort issued during the six-month period to 31st December 2024.

Reference number	Department	Subject/ Pressure	Maximum amount £
LOC-2024-32	HCS	Funding for costs related to a civil court case.	750,000

Minister for Treasury and Resources

February 2025

Abbreviations

CLS	Customer and Local Services (now Employment, Social Security and Housing)
CO	Cabinet Office
CYPES	Children, Young People, Education and Skills
DTS	Digital and Technology Services (now Digital Services)
EXT	External Relations
I&E	Infrastructure and Environment
HCS	Health and Community Services (now Health Care Jersey)
H&SS	Health and Social Services
JG	Judicial Greffe
JHA	Justice and Home Affairs
P&CS	People and Corporate Services (now People Services)
PRO	Probation
.SoJP	States of Jersey Police
T&E	Treasury and Exchequer