

STATES OF JERSEY



DRAFT PUBLIC FINANCES (AMENDMENT No. 5) (JERSEY) LAW 201-

Lodged au Greffe on 7th March 2017
by the Minister for Treasury and Resources

STATES GREFFE



Jersey

DRAFT PUBLIC FINANCES (AMENDMENT No. 5) (JERSEY) LAW 201-

European Convention on Human Rights

In accordance with the provisions of Article 16 of the Human Rights (Jersey) Law 2000, the Minister for Treasury and Resources has made the following statement –

In the view of the Minister for Treasury and Resources, the provisions of the Draft Public Finances (Amendment No. 5) (Jersey) Law 201- are compatible with the Convention Rights.

Signed: **Senator A.J.H. Maclean**

Minister for Treasury and Resources

Dated: 6th March 2017

REPORT

This draft Law proposes an amendment to the Public Finances (Jersey) Law 2005 (“the Law”) and is a direct consequence of the States approving [P.130/2016 – Future Hospital Funding Strategy \(as amended on 18th January 2017\)](#).

The draft Law –

- facilitates the direct transfer of funds from the Strategic Reserve Fund to the Hospital Construction Fund without a proposition of the Minister for Treasury and Resources, provided that any transfer is in line with the financial limits and parameters agreed by the States Assembly in P.130/2016, as amended;
- ensures the States Assembly is kept informed of transfers from the Strategic Reserve Fund for the new Jersey General Hospital through the inclusion of a requirement for the Minister to report to the Council of Ministers, and then to the States, details of any transfers in each successive 6 month period; and
- guarantees, on the winding-up of the Hospital Construction Fund, that any money remaining in the Fund is transferred to the Strategic Reserve Fund.

The proposals referred to above relate to changes to Part 2 of the Law and require UK Privy Council consideration and consent prior to commencement. In order to streamline the process and to bring Part 2 of the Law into line with Parts 3 and 4, the draft Law also proposes that future changes to Part 2 of the Law can be achieved via Regulations brought forward for the States’ approval by the Minister for Treasury and Resources.

Collective responsibility

The Council of Ministers has a single policy position on this proposition, and as such, all Ministers, and the Assistant Minister for Treasury and Resources, are bound by the principle of collective responsibility to support the proposition, as outlined in the Code of Conduct and Practise for Ministers and Assistant Ministers.

Financial and manpower implications

The cost of the new Jersey General Hospital is detailed in [P.130/2016](#), and there are no further financial or manpower implications arising from the adoption of this draft Law.

Human Rights

No human rights notes are annexed because the Law Officers’ Department has indicated that the draft Law does not give rise to any human rights issues.

Explanatory Note

This Law amends the Public Finances (Jersey) Law 2005 (“principal Law” as defined by *Article 1*).

Article 2 amends the principal Law so that money can be transferred from the strategic reserve fund established under Article 4 of the principal Law directly into the special fund known as the Hospital Construction Fund established under Article 3 of the principal Law in accordance with the proposition set out in P.130/2016 as agreed by the States. Under Article 4(3) of the principal Law money cannot be withdrawn from the strategic reserve fund otherwise than in accordance with a decision of the States made on a proposition lodged by the Minister for Treasury and Resources which provides for the amount withdrawn to be credited to the consolidated fund. The amendment made by *Article 2* allows for money to be withdrawn from the strategic reserve fund and credited to the Hospital Construction Fund without a proposition by the Minister provided that the amount is in accordance with the proposition set out in P.130/2016 as agreed by the States. That proposition sets out the circumstances in which money may be transferred from the strategic reserve fund to the Hospital Construction Fund including limits on the amounts that may be transferred. The Minister must report to the Council of Ministers and then the States the amounts transferred from the strategic reserve fund to the Hospital Construction Fund during each successive period of 6 months. Upon the winding up of the Hospital Construction Fund any balance must be transferred to the strategic reserve fund.

Article 3 amends the principal Law so that the States may, by Regulations, amend Part 2 of the principal Law. Part 2 of the principal Law makes provision for different descriptions of fund and for the investment of money held in such funds. The principal Law currently provides that the States may by Regulations amend Parts 3 and 4 (dealing with financial planning and budgeting and States trading operations).

Article 4 sets out the title of this Law and provides that it will come into force 7 days after it is registered.



Jersey

DRAFT PUBLIC FINANCES (AMENDMENT No. 5) (JERSEY) LAW 201-

A LAW to amend further the Public Finances (Jersey) Law 2005

Adopted by the States [date to be inserted]

Sanctioned by Order of Her Majesty in Council [date to be inserted]

Registered by the Royal Court [date to be inserted]

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law –

1 Interpretation

In this Law “principal Law” means the Public Finances (Jersey) Law 2005¹.

2 Article 4 amended

In Article 4 of the principal Law after paragraph (3) there shall be added the following paragraphs –

- “(4) Notwithstanding paragraph (3), money may be withdrawn from the strategic reserve fund without a proposition lodged by the Minister and credited to the special fund known as the ‘Hospital Construction Fund’ provided that the amount credited to that fund is in accordance with the proposition set out in P.130/2016, including any amendments, as agreed by the States.
- (5) Following each successive 6 month period the Minister shall report to the Council of Ministers and then to the States the amount withdrawn from the strategic reserve fund in accordance with paragraph (4) during that 6 month period.
- (6) Notwithstanding Article 3(5), upon the winding up of the Hospital Construction Fund any balance of that Fund shall be transferred to the strategic reserve fund.”.

3 Article 69A amended

In Article 69A of the principal Law –

- (a) in paragraph (1) for the words “Parts 3 and 4” there shall be substituted the words “Parts 2, 3 and 4”;
- (b) in paragraph (3) for the words “Part 3 or 4” there shall be substituted the words “Part 2, 3 or 4”.

4 Citation and commencement

This Law may be cited as the Public Finances (Amendment No. 5) (Jersey) Law 201- and shall come into force 7 days after it is registered.

¹ *chapter 24.900*