
STATES OF JERSEY



MEDIUM TERM FINANCIAL PLAN COMPROMISES AND CENTRAL GROWTH ALLOCATION 2014

**Presented to the States on 23rd September 2013
by the Minister for Treasury and Resources**

STATES GREFFE

REPORT

Medium Term Financial Plan (MTFP) Compromises

During the MTFP debate last November, the Council of Ministers agreed to a number of compromises to amendments to the MTFP proposals brought forward by States members.

These compromises allowed the MTFP proposals to be substantially unaltered and a balanced budget position to be maintained over the 3 years of the MTFP. In each case agreement was reached with the respective States member and the affected department such that alternative funding measures were put in place. These alternative funding measures were recorded in the Addendum to the MTFP 2013–2015.

This report is intended to provide all States members with an update on the progress of the various compromises which shows that in almost all cases the various alternative funding measures have been put in place and approved.

The attached analysis shows all the compromises agreed and the current position in terms of funding approval and the progress by the individual departments.

This update of the MTFP compromises complements the MTFP monitoring of growth funding and carry-forwards that is now part of the regular financial monitoring to the Corporate Management Board and the Council of Ministers.

The Minister hopes States members welcome the progress on these important areas, and should there be any questions please contact Laura Rowley, Treasurer of the States, 440215.

Growth Proposals for 2014 – Budget 2014

This report also provides the opportunity for the Minister for Treasury and Resources to fulfill an obligation under Article 10(1) of the Public Finances (Jersey) Law 2005 in relation to proposals for allocations to growth expenditure in the 2014 Budget.

The Minister for Treasury and Resources has consulted with the Council of Ministers in respect of the proposals for the 2014 Budget, including the proposals for allocations from Central Growth to departments.

The Council of Ministers has agreed the proposals to allocate Central Growth to departments in 2014 and 2015 as outlined in the MTFP, representing £2,210,000 in 2014 and £1,460,000 in 2015 (see attached table).

The proposals for the allocations of Central Growth to departments will form part of the Budget 2014 which is due to be lodged on 8th October 2013 for debate at the States sitting of 3rd December 2013.

MIFP Compromises

Amd. No.	Part	States Member	Description	Dept.	Compromises agreed	Financial Implications	Actions to date	MD or publication Ref
1	1	Deputy Southern	Provide funding for the Sustainable Transport Policy and reduce the grant to Jersey Finance Ltd.	T&TS ED	None – amendment defeated			
	2	Deputy Southern	Provide funding for the town 'Hoppla' bus service and reduce the grant to Jersey Finance Ltd.	T&TS ED	None – amendment defeated			
2		Deputy Young	Provide additional funding for: (a) Countryside Infrastructure, (b) Island Plan 2011 Implementation, and (c) strengthening the protection and regulation of the Island's environment	P&E	CoM agreed that: (a) part of SocSec's Back to Work funding would go towards environmental schemes and an additional sum of £50k would be identified from within existing resources to further supplement this, (b) the Central Planning Vote could be used for Island Plan implementation, and (c) £200k would be found from 2012 underspends to establish a fund allowing environmental research by DoE into water quality issues.	(a) £50,000 (b) £100,000 (c) £200,000	£350,000 was earned forward from 2012 into Central Reserves earmarked for these projects MD signed September 2013 to authorise budget transfer of £250k in 2013 from Central contingency (one-off) to DoE. £100k for Island Plan implementation may not be needed until 2014 and the intention is to use earmarked Central Contingency rather than the Central Planning Vote.	MD-TR-2013-0074
3		Deputy Tadier	Restatement of 24 hrs per wk French language assistant teaching in primary schools from 2013	E,S&C	CoM agreed that E,S&C would fund from existing budget	£25,000 per annum	£75,000 earned forward by E,S&C from 2012 to provide funding for 2013-2015.	
4		Deputy Le Hérisier	Enable additional grants to third sector organizations from 2013	T&R	None – amendment defeated			
5		Deputy Southern	Provide additional funding for public sector pay awards from 2012	Contingency (pay provision) T&R	None – amendment defeated			
6		Senator Farnham	Minister to bring forward further options for the early repayment of the PECRS Pre-1987 and JTSF Pre-2007 debt	T&R	Minister for T&R to present to the States no later than 31st July 2013 further options for the early repayment of the PECRS and JTSF debt	No immediate financial implications	Report presented to the States on 18th June 2013	R.63/2013
7	1	Deputy Le Fondré	Amount of income increased in 2014 by additional distribution from SoJDC	T&R	None – amendment defeated			
	2	Deputy Le Fondré	Amount of income increased in 2015 by additional distribution from SoJDC	T&R	None – amendment defeated			

Amd No.	Part	States Member	Description	Dept.	Compromises agreed	Financial Implications	Actions to date	MD or publication Ref.
8	1	Deputy Le Fondré	Do not use funds from redemption of JT preference shares for capital programme 2013	T&R	None – amendment defeated			
	2	Deputy Le Fondré	Corporate Services Scrutiny Panel to review decision to redeem JT preference shares	T&R	None – amendment defeated			
9	1 and 2	Corporate Services Scrutiny Panel	Take growth from Departmental budgets and put into Central Growth allocation for 2014	CMD ED E,S&C HA SoeSee T&TS	CoM submitted an amendment (which was adopted) to place the budgets for only certain Departmental schemes into a Central Growth allocation for 2014 and 2015, resulting in total Central Growth allocations of £2.21 million and £1.46 million respectively. These allocations will be debated at the time of the 2014 and 2015 Annual Budgets.	Neutral	CoM has agreed to propose the allocation of Central Growth for 2014/15 to Departments in line with the MTFP as part of the 2014 Budget.	Subject to Budget 2014 and 2015
	3	Corporate Services Scrutiny Panel	Require the Minister for T&R to put in place a new reporting mechanism to report on progress on MTFP implementation	T&R	CoM agreed to expand the effective performance-monitoring and reporting framework already in place to include: use of carry-forwards and growth allocations, progress on CSR savings and more detail on reserves, provisions and balance sheet management.	None	2013 Q1 Report to CoM contained new additional sections detailing: a breakdown of the spend to the end of March 2013 against Carry-Forward, Contingencies and MTFP Growth allocations, a CSR update and sections on Investment Management and Central Reserves and Restructuring.	
10	1 and 4	Deputy Higgins	Provide additional funding for Band of the Island of Jersey uniforms in 2013	EDD	CoM agreed to provide £60k from Social Security underspends in 2012 to ED to enable them to give £20k p.a. to the Band of the Island of Jersey as a grant for uniforms and equipment.	£60,000	£60k carried forward from 2012 into Central Contingencies – MD signed June 2013 to authorise budget transfer of £20k p.a. from Central contingency (one-off) to EDD	MD-TR-2013-0038
10	2 and 5	Deputy Higgins	Provide additional funding for a Military Liaison Officer from 2013	Home Affairs	CoM agreed to fund £40k p.a. from 2012 underspends for a Cadet and Military Support Officer, to be supplemented by £8k p.a. currently held within Home Affairs. Funding to be provided to the Office of the Lieutenant Governor.	£120,000	£120k carried forward from 2012 into Central Contingencies – MD signed June 2013 to authorise budget transfer of £26k in 2013 and £42k (recurring) in 2014 and 2015 from Central contingency (one-off) to OLG. TD signed December to authorise budget transfer of £8k per annum (recurring) from HA to OLG	MD-TR-2013-0042 TR-2012-DD123

Amd. No.	Part	States Member	Description	Dept.	Compromises agreed	Financial Implications	Actions to date	MD or publication Ref.
10	3 and 6	Deputy Higgins	Additional funding for new Sea Cadets HQ in 2013.	T&R (JPH)	CoM proposed that a venture with a third party provide the required facility but if unsuccessful, CoM agreed to support the inclusion of £800k in the 2014 capital programme to supplement £400k already available within JPH.	£800,000	JPH has entered into an agreement with a third party to explore the potential to create a 'Joint Venture' ("Marine-Based Community Facilities project"). A design has been developed based on the brief provided by the Sea Cadets and other community groups, which has been worked up to form a concept that incorporates complementary commercial activity on site to cross-subsidise the community facilities. It is expected that a completed concept design and business case will be available for consideration by the end of September. The timeline for delivery will be dependent on achieving planning approval. The current indicative programme assumes a 'best case' of commencement on site in March 2014, with construction completion by March 2015, and no additional funding will be required over and above the £400k already available within JPH.	

Growth Proposals for 2014 and 2015

Proposed Allocations to Departments from Central Growth Allocation in 2014 and 2015		2013 £'000	2014 £'000	2015 £'000
	Dept			
33	External Relations: International meetings, monitoring and visitors dignitaries	0	160	160
34	External Relations: External specialist advice	0	100	100
52	CSR: Fund permanent members of the CSR delivery team	0	150	150
		0	410	410
43	Marine Response Team	0	25	25
43a	Increased running costs of new prison facilities	0	25	25
		0	50	50
18	Private Sector Rental Support	0	750	1,000
49	Treatment and disposal of ash	0	1,000	0
	Total	0	2,210	1,460
The allocation to Home Affairs was initially a single allocation of £50,000 to Maritime Incident Response Group.				