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.

MTFP Compromises

Dept T&TS ED T&TS ED P&E Contingency (pay provision) T&R T&R T&R	Compromises agreed None – amendment de None – amendment de CoM agreed that: CoM agreed that: CoM agreed that: CoM agreed that of SocSec's B funding would go to w ervironmental scheme additional sum of £50 identified from within to further supplement; (b) the Central Planni used for Island Plan in (c) £200k would be for underspends to establic underspends to establic water quality issues. CoM agreed that E.S& from ex isting budget None – amendment de None – amendment de PECRS and JTSF debt None – amendment de	steated steated stack to Work ands stand an k would be existing resources this, this, this, this 2012 sh a fund allowing h by DoE into cC would fund steated seat to the States 2013 further payment of the feated feated	reared fractions researed and an annum researed fractions and an k would be existing resources this, would be into mplementation, and only from 2012 sh a fund allowing h by DoE into a freated annum annum resear to the States No researt to the States immediate financial implications releated	Dept. Compromises agreed	T&TS ED	T&TS ED	P&E	(a) part of SocSec's E funding would go tow environmental scheme additional sum of £500 identified from within	to further supplement (b) the Central Planni used for Island Plan in	**************************************	E,S&C	T&R	Contingency s (pay provision)	T&R	T&R	T&R
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Description Description Sustainable Transport Poland reduce the grant to Je Fin ance Lat. Provide funding for the te Hoppa' bus service and reduce the grant to Jersey Finance Lat. Provide additional fundin for: Provide additional fundin for: (a) Countryside Infrastructure, (b) Island Plan 2011 Implementation, and (c) strengthening the protection and regulation the Island's environment for: (a) Countryside additional grants of the Island of Surviyal and Tegulation the Island is environment the Island is environment the Island sector organizations from 2013 Provide additional grants from 2013 Provide additional fundin for public sector pay awa from 2013 Provide additional fundin for public sector pay and JTSF Pre-264 Annount of income increase in 2014 by additional fundingin from SolDC debt. Annount of income increase in 2015 by additional fundingin from SolDC debt. Annount of income increase in 2015 by additional fundinginging for many for the many form SolDC debt. Annount of income increase in 2015 by additional fundingingingingingingingingingingingingingi	ding for the T&TS Transport Policy The grant to Jersey ding for the town I & Service and grant to Jersey Intonal funding Intonal funding F&E Intonal grants to Intonal grants	ding for the T&TS Transport Policy ED ding for the town T&TS service and ED trant to Jersey from 2011 too, and ED eming the end regulation of environment environment primary schools tional grants to T&R tional grants to T&R tional funding Contingency ector pay awards (pay provision) bring forward ons for the early of the PECRS d JTSF Pre-2007 from SoDOC moome increased T&R from SoDOC moome increased T&R from SoDOC moome increased T&R from SoDOC	ding for the T&TS None – amendment defeated the grant to Jersey Tamsport Policy Tams Tamsport Policy Tams Tamsport Policy Tams Tams Tams Tams Tams Tams Tams Tams Tams Tams Tams Tams Tams Tams Tams Ta	States I Member	Deputy Southern s	Southern n	Deputy F	7/		- U H H	Deputy F	Deputy E Le Hénssier ti	Deputy F Southern f	Farnham fi	Deputy / Le Fondré i	Deputy /
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Work (Work (d be d be station, and om 2012 (and allowing oE into othe States) further int of the first of the firs	00 00 00 str	Actions to date £350,000 was carried forward from 2012 into Central Reserve earnarked for these projects. MD signed September 2013 to authorise budget transfer of £250k in 2013 from Central contingency (one-off) to DoE. £100k for Is land Plan implementation may not be needed until 2014 and the intention is to use earnarked Central Contingency rather than the Central Planning Vote. £75,000 carried forward by E,S&C from 2012 to provide funding for 2013-2015.		MD or publication Ref.			MD-TR- s 2013-0074							n R 63/2013		÷

MD or publication Ref.			Subject to Budget 2014 and 2015		MD-7R- 2013-0038	MD-TR- 2013-0042 TR-2012- DD123
Actions to date			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.	2013 Q1 Report to CoM contained new additional sections detailing: a breadkdown 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.	£60k carried forward from 2012 into Central Contingencies – MD signed June 2013 to authorise budget transfer of £20k pa. from Central contingency (one-off) to EDD	£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-eff) to OLG. TD signed December to authorise budget transfer of £8k per annum (recurring) from HA to OLG.
Financial			Neutral	None None	£60,000	000,000
Compromises agreed	None – amendment defeated	None – amendment defeated	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.	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.	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.	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.
Dept	T&R	T&R	CMD ED ES&C HA SecSec T&TS	T&R	EDO	Affairs
Description	Do not use funds from redemption of JT preference shares for capital programme 2013	Corporate Services Scrutiny Punel to review decision to redeem JT preference shares	7	Require the Minister for T&R to put in place a new reporting mechanism to report on progress on MTFP implementation	Provide additional funding for Band of the Island of Jersey uniforms in 2013	Provide additional funding for a Military Liaison Officer from 2013
States Member	Deputy Le Fondré	Deputy Le Fondré	Corporate Services Scrutiny Panel	Corporate Services Scrutiny Panel	Deputy Higgins	Deputy
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MD or publication Ref.	
Actions to date	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 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.
Financial	000'00083
Compromises agreed	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.
Dept	T&R (JPH)
Description	Additional funding for new Sea Cadets HQ in 2013
Part States Member	Deputy Higgins
Part	e and e
Amd. No.	9

Growth Proposals for 2014 and 2015

Propo Alloca	Proposed Allocations to Departments from Central Growth Allocation in 2014 and 2015		2013	2014	2015
		Dept	£,000	£,000	£,000
33	External Relations: International meetings, monitoring and visitors dignitaries	CMD	0	160	160
34	External Relations: External specialist advice	CMD	0	100	100
25	CSR: Fund permanent members of the CSR delivery team	CMD	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	20	20
18	Private Sector Rental Support	SSD	0	750	1,000
49	Treatment and disposal of ash	TTS	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.	Maritime Inc	ident Resp	oonse Group	