

---

# STATES OF JERSEY



## FINANCE LAW DELEGATION REPORT FOR THE SIX-MONTH PERIOD TO 30TH JUNE 2024

---

Presented to the States on 16th August 2024  
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 30th June 2024 the Minister or Treasurer (acting under delegation from the Minister) approved the following:

- Five transfers between approved heads of expenditure totalling £1.2 million in 2024.
- Up to £50.5 million of unspent funding from departments, projects and Reserves was transferred to 2024 Reserves at the end of 2023. £4.1 million was subsequently reallocated from Reserves to the same projects in 2024.
- One transfer of major project expenditure approval to the following year, totalling £15.2 million (from 2023 to 2024 - New Healthcare Facilities Project)
- One use of additional departmental income generated in 2023 and eight in 2024 above that included in the Government Plan, totalling up to £1.97 million.
- Fourteen allocations from Reserves made in 2024 totalling up to £85.4 million. Of these:
  - Up to £7.8 million was from the 2023 Reserve to address spending pressures in 2023
  - Of the remaining £77.6 million allocated for 2024:
    - up to £51.5 million was to fund pay awards.
    - up to £10 million was allocated to the First Step Assisted Home Ownership Pilot Scheme.
    - up to £4.4 million was allocated to fund the costs of continued response to major incidents.
    - up to £3.8 million was allocated from the Reserve for Central Risk and Inflation for purchase of the Seaside Café and car park at Greve de Lecq.
    - up to £1.2 million was allocated for additional pressures in 2024 in the Health and Community Services department.
    - up to £6.7 million was to fund other miscellaneous spending pressures in 2024. Of this amount £4.1 million was a reallocation of unspent amounts for projects from 2023 that had been transferred to Reserves at the end of 2023.

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 30th June 2024. Where decisions have not previously been published, this is due to one of two reasons -

- The decisions were exempted 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 24, 27 or 28. Other approvals are detailed below.

### 2.1. 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](http://www.gov.je).*

Head of expenditure		Amount £	Purpose
From	To		
JHA	Infrastructure - Jersey Property Holdings (JPH)	Up to 128,000 net income	Recurring transfer. The purpose was to reintegrate Government of Jersey properties back into Jersey Property Holdings (JPH). JPH to provide consistent and effective management of the transferred properties to retain their value and safety standards and provide a complete corporate overview of the government estate. The amount includes transfer of expenditure budget of £75,000 and income budget of £203,000. (MD-TR-2023-162)
T&E	CO – COO (P&CS)	Up to 460,000	Health & Safety function moved back to its original location under People and Corporate Services within the Cabinet Office. The transfer included sufficient funding to cover the financial impact of the Business Partner post conversion to a Head of Health & Safety. (MD-TR-2024-262)
HCS (Adult Social Services)	CYPES - Child and Adolescent Mental Health Services (CAMHS)	Up to 80,612	A distinct child and adolescent Positive Behaviour Support (PBS) function having been established within CYPES, required transfer of resource from the current all age service. (MD-TR-2024-329)
JHA	SoJP	Up to 396,000	Recurring transfer. This transfer is to ensure improved service delivery and coordination of ESCC (Emergency Services Control Centre) resources. (MD-TR-2024-344)
T&E	HCS	Up to 135,000	The transfer of the Manager – A&MI (Analytics and Management Information) role to HCS to support Person-Level Information and Costing System (PLICS). (MD-TR-2024-385)

2.2. Transfers of unspent 2023 approvals to the following year's Reserve under Article 19.

<b>From Head of expenditure</b>	<b>Amount £</b>	<b>Purpose</b>
Various Heads of Expenditure: <ul style="list-style-type: none"> <li>• Major Projects – see table *1</li> <li>• Other Projects – see table *2</li> </ul>	Up to 12,507,001	The transfer of unspent 2023 funding to Reserves. Major Projects - £8,420,309 Other Projects - £4,086,692 (MD-TR-2024-027)
Various Heads of Expenditure	Up to 38,000,000	The transfer of unspent 2023 funding to Reserves to maintain the following allocations: <ul style="list-style-type: none"> <li>• £10.0 million for the Assisted Home Ownership Pilot Scheme.</li> <li>• £6.6 million for the response to the ongoing Major Incidents work.</li> <li>• £1.7 million to underwrite existing letters of comfort issued by the Minister.</li> <li>• £5.1 million held in the Reserve for Centrally Held Items as smoothing reserves for the Central Market, Court and Case Costs and the Revenue Consequences of Capital will be retained.</li> <li>• £14.6 million to be allocated to the Central Reserve in 2024 to allow government to react to emerging pressures in 2024.</li> </ul> (MD-TR-2024-216)

2.3. Transfers of Major Project heads of expenditure to the following year under Article 20

<b>Head of expenditure</b>	<b>Amount £</b>
New Healthcare Facilities Project (MD-TR-2024-216)	Up to 15,200,000

2.4. 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
CYPES	Up to 227,000	Use of additional income from fee increases for fee-paying provided schools – Jersey College for Girls (JCG) and Jersey College Preparatory School (JCP). (MD-TR-2024-179)
Car Park Trading Fund (CPTF)	Up to 367,000	Use of additional income from an increase in the public parking places unit cost to cover necessary maintenance expenses, administration and development of the Island's public car park estate. (MD-TR-2024-205)
CYPES	Up to 190,000	Use of additional income from fee increases for fee-paying provided schools – Victoria College (VC) and Victoria College Preparatory School (VCP). (MD-TR-2024-220)
LOD	Up to 275,000	Use of additional income from Criminal Offences Confiscation Fund (COCF) to maintain Jersey's position as a donor nation for the next three years, 2024-2026 inclusive, to the International Centre for Asset Recovery (ICAR). (MD-TR-2024-252)
OLG	Up to 30,000	Use of additional income generated in 2023 from Naturalisation fees to cover various departmental pressures. (TR-2024-TD001)
Infrastructure	Up to 365,000	Use of additional income to address pressures related to waste management costs. (TR-2024-TD003)
HCS	Up to 8,000	Use of additional income from increase in the Non-Eligible Patient Tariff to offset the staff and non-staff costs of providing these services to the non-eligible patients. (TR-2024-TD004)
CYPES	Up to 34,000	Use of additional income from the increases in Highlands College fees to partly cover the increasing costs of delivery, materials, and curriculum development to meet new industry standards. (TR-2024-TD013)

HCS	Up to 476,000	Use of additional income from the increase in the 2024 Private Patient Tariff to partly offset the inflation in staff and non-staff costs of providing services to private patients. (TR-2024-TD015)

## 2.5. 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 30th June 2024 the Treasurer of the States (under delegated authority from the Minister) signed one decision in relation to the overdraft facility. TR-2024-TD018 approved the extension of an overdraft facility of £50 million with HSBC.

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

In the six months from 1 January to 30 June 2024, additional drawings of £8.3m were made from the States' revolving credit facility to bring the total drawn to fund the New Healthcare Facilities project to £61.1 million.

## 2.6. 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 30 June 2024 the outstanding balance of the Blue Island Loan was £7,334,498, reduced from £7,855,459 as at the 31 December 2023 through capital repayment.

As of the 30 June 2024 the outstanding balance of the Caesarean Tennis Club loan was £38,889, reduced from £42,222 as at the 31 December 2023 through capital repayment.

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

During the six-month period to 30 June 2024, no new loans were approved by the Minister for Treasury and Resources.

The net value of loans outstanding from the Housing Development Fund was £228,857,681 as of the 30<sup>th</sup> June 2024, reduced from £228,859,851 as at 31st December 2023.

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

Andium Homes Limited	£227,615,777
Le Vaux Housing Trust	<u>£1,241,904</u>
Total loans	£228,857,681

## 2.7. Approvals of guarantees under Article 28

There were no new approvals under Article 28 in the six-month period. However, the following information is included in this report for completeness.

### 2.7.1. Jersey Student Loan Scheme

During the six-month period to 30th June 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. The outstanding balance of these loans guaranteed as at 30<sup>th</sup> June 2024 was £232,334. At the end of December 2023 this was £300,107.

### 2.7.2. 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 30th June 2024, 28 facilities remained active. These facilities had a total facility value of £1.3 million at their respective dates of award. At as 30th June 2024, reflecting repayments made in the period to the year's end, the remaining value of guarantee exposure from these facilities (including accrued interest) is £0.5 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.

## 2.8. 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.

<b>From</b>	<b>To</b>	<b>£</b>	<b>Purpose</b>
Reserve for Central Risk and Inflation	Various Heads of Expenditure - see *3 table below	Up to 4,376,692	Additional funding to ensure completion of the projects. (MD-TR-2024-027)
General Reserve	Bailiff's Chambers	Up to 66,000	Series of ceremonial events in 2023, including festivities to celebrate the Coronation of His Majesty King Charles III as well as other significant annual events such as Liberation Day. (MD-TR-2024-089)
General Reserve	HCS	Up to 7,600,000	Additional funding provided for HCS in 2023 in line with the funding gap identified in the Financial Recovery Plan (FRP). (MD-TR-2024-089)
Reserve for Centrally Held Items (see sub-components in table *4): Court and Cases Costs Smoothing Reserve	LOD	Up to 82,000	Additional funding to cover advisory expenses for court and case costs in 2023. (MD-TR-2024-089)
Reserve for Central Risk and Inflation	Orchard House project	Up to 21,000	A further funding allocation to meet the project costs in 2023. (MD-TR-2024-089)
Reserve for Central Risk and Inflation	Sewage Treatment Works project	Up to 1,000	Additional funding for the Sewage Treatment Works project in 2023. (MD-TR-2024-089)
Reserve for Central Risk and Inflation	Land Acquisition project	Up to 3,800,000	Purchase of the Seaside Café and car park at Greve de Lecq and associated transaction costs. (MD-TR-2024-191)

Central Reserve	CYPES	Up to 7,556,000	Pay award for the Teachers pay group. The 2024 pay award comprised a consolidated 8% increase and a non-consolidated payment of £1,500. (MD-TR-2024-217)
General Reserve	CO	Up to 10,000,000	First Step Assisted Home Ownership Pilot Scheme for a targeted section of Islanders for whom home ownership is assessed as not affordable. (MD-TR-2024-241)
Reserve for Centrally Held Items (see *4 table below for sub-components of this reserve)	Various Heads of Expenditure -- see *5 table below	Up to 36,507,937	Pay Award 2024 - Second Allocation. (MD-TR-2024-305)
Central Reserve	HCS	Up to 1,170,400	Ongoing review and implementation of review findings of the Royal College of Physicians (RCP) on Rheumatology patients care in Jersey in 2024. (MD-TR-2024-411)
Reserve for Centrally Held Items	Various Heads of Expenditure Items – see *6 table below	Up to 7,466,345	Pay Award 2024 - Third Allocation. (MD-TR-2024-434)
Central Reserve – Centrally Held Items	Various Heads of Expenditure – see *7 table below	Up to 2,360,000	Transfer of Parental Leave Funding in 2024. (MD-TR-2024-488)
Central Reserve - General Reserve	Various Heads of Expenditure – see *8 table below	Up to 4,403,423	Continued response to Major Incidents. (MD-TR-2024-497)

\*1 – Major Projects Heads of Expenditure – 2023 transfer breakdown (Article 19)

Head of Expenditure	Department	Amount £
Cyber and Cyber ORI	CO	53,552
MS Foundation	CO	12,273
Integrated Technology Solution	CO	1,324,082
Jersey Opera House	Economy	3,200,408
Learning Difficulties Specialist Accommodation	HCS	387,210
Digital Care Strategy	HCS	567,188
Oakfield and Fort Regent Decant	I&E	15,406
Office Modernisation	I&E	89,970

Sewage Treatment Works	I&E	2,354,326
Ambulance, Fire & Rescue Headquarters	JHA	415,894
<b>Total</b>		<b>8,420,309</b>

\*2 – Other Projects Heads of Expenditure – 2023 and 2024 transfer breakdown  
(Article 15 & 19)

Head of Expenditure	Department	Amount £
IT for Migration Services	CO	178,641
Other Government Wide IT	CO	624,001
Army and Sea Cadets Headquarters	JHA	165,298
Combined Control Room	JHA	971,458
Electronic Patient Records	JHA	177,407
Firearms Range	SoJP	1,969,887
<b>Total</b>		<b>4,086,692</b>

\*3 Other Projects - Additional Allocation – 2024 transfer (Article 15)

Head of Expenditure	Department	Amount £
IT for Migration Services	CO	178,641
Other Government Wide IT	CO	624,001
Army and Sea Cadets Headquarters	JHA	165,298
Combined Control Room	JHA	971,458
Electronic Patient Records	JHA	177,407
Firearms Range	SoJP	1,969,887
Firearms Range - Additional Allocation	SoJP	290,000
<b>Total</b>		<b>4,376,692</b>

\*4 Sub-components of the Reserve for Centrally Held Items

Sub-components	Purpose
Pay award inflation	Provision for the forecast costs of future inflationary pay awards including associated social security and pension requirements.
Non-pay net inflation	Since 2021 there has been a provision where the net forecast non-pay inflation funding was held. In 2024 this non-pay reserve was allocated in the Government Plan 2024-2027
Court and Case Costs smoothing reserve	Departments involved in civil and criminal judicial proceedings hold annual budgets for court and case costs. Expenditure on court and case costs is highly variable and driven by demand that is largely outside of the control of departments. The court and case costs smoothing reserve provides a source of funding to meet peaks in demand. In years where court and case costs are lower than budgeted, surpluses are allocated to the smoothing reserve in order to build capacity for the future.
Markets smoothing reserve	Income from market traders is used to run and maintain the Island's public markets. When income from the public markets exceeds expenditure, the surplus is transferred to the markets smoothing reserve to build capacity for future expenditure such as maintenance or refurbishment needs. In years where expenditure is higher than income funding can be withdrawn from this reserve.

Revenue consequences of capital schemes	Centrally held reserve for the revenue consequences of capital initiatives, which will be released once projects in the capital programme have reached the point of incurring associated revenue costs. Funding is held in the reserve due to the inevitable variability involved in the timescales for capital projects, which are subject to assumptions and estimation.
---	--

\*5 Pay award – second allocation - breakdown by department MD-TR-2024-305

<b>Heads of Expenditure</b>	<b>Amount £</b>
CO	4,059,833
CYPES	7,690,720
CLS	1,257,840
Infrastructure	2,464,160
Environment	1,133,520
HCS	9,298,293
JHA	2,825,171
SoJP	1,983,520
EDTSC	403,680
External Relations	180,880
Financial Services	331,200
T&E	2,455,920
<b>Ministerial Total</b>	<b>34,084,737</b>
Bailiff's Chambers	200,640
Judicial Greffe	326,480
Law Officer's Department	886,880
Office of Lieutenant Governor	56,320
Official Analyst	41,680
Probation and Aftercare Service	211,760
States Assembly	503,920
Viscount's Department	195,520
<b>Non-Ministerial Total</b>	<b>2,423,200</b>
<b>Total – Reserve for Centrally Held Items</b>	<b>36,507,937</b>

\*6 Pay award – third allocation - breakdown by department MD-TR-2024-434

<b>Heads of Expenditure</b>	<b>Amount £</b>
CO	31,687
CYPES	185,000
JHA	36,749
HCS	7,212,909
<b>Total – Reserve for Centrally Held Items</b>	<b>7,466,345</b>

\*7 Transfer of Parental Leave Funding in 2024 – MD-TR-2024-488

<b>Head of Expenditure</b>	<b>Amount £</b>
CYPES	Up to £1,275,000
HCS	Up to £580,000

JHA	Up to £345,000
SoJP	Up to £160,000
<b>Total</b>	<b>Up to £2,360,000</b>

\*8 Funding for ongoing Major Incidents – MD-TR-2024-497

<b>Head of Expenditure</b>	<b>Amount £</b>
SoJP	Up to £2,600,000
JHA	Up to £890,756
Environment	Up to £500,000
Economy	Up to £412,667
<b>Total</b>	<b>Up to £4,403,423</b>

### 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.

There were no Letters of Comfort issued during the six-month period to 30th June 2024.

Minister for Treasury and Resources

August 2024

#### Abbreviations

CLS	Customer and Local Services
CO	Cabinet Office
CO-COO	Cabinet Office - Chief Operating Office
CYPES	Children, Young People, Education and Skills
EDTSC	Economic Development, Tourism, Sport and Culture
HCS	Health and Community Services
JHA	Justice and Home Affairs
OLG	Office of Lieutenant Governor
P&CS	People and Corporate Services
SoJP	States of Jersey Police
T&E	Treasury and Exchequer