
STATES OF JERSEY



FINANCE LAW DELEGATION REPORT FOR THE 6 MONTH PERIOD ENDED 30TH JUNE 2016

Presented to the States on 22nd February 2017
by the Minister for Treasury and Resources

STATES GREFFE

REPORT

1. The administration of the public finances of Jersey

- 1.1 In accordance with the Public Finances (Jersey) Law 2005 (“the Law”) (including Regulations approved under that Law and Financial Directions), certain matters relating to budgeting and to the financial control and administration of States Trading Operations are required to be reported to the States twice yearly by the Minister for Treasury and Resources (“the Minister”).
- 1.2 This report summarises all decisions made during the 6 month period to 30th June 2016. Where decisions have not previously been published, this is due to one of 2 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 to be reported on are as follows –

- borrowing and lending;
- budget transfers; and
- carry forward of revenue balances.

2.1 Borrowing and Lending

2.1.1 *Jersey student loan scheme*

During the 6 month period to 30th June 2016, 7 new loans with a collective value of £10,500.00 were guaranteed by the States under the Jersey Student Loan Scheme. The total amount loaned as at 30th June 2016 was £2,567,858.00.

[P.53/2007](#) – ‘Student Loans for higher education – guarantees’ – was debated by the States Assembly on 6th June 2007, and a maximum outstanding limit of £10 million for an unlimited time period was approved.

2.1.2 *Pilot Starter Home Deposit Loan Scheme*

During the 6 month period to 30th June 2016 no new loans were approved. As of 30th June 2016 the total value of outstanding loans under this scheme was £2,015,206.

2.1.3 *Lending*

No new loans were issued in the 6 month period to 30th June 2016. Of the existing loans, 2 were repaid in full for a total amount of £300,000.

2.1.4 *Infrastructure Investments*

During the 6 month period to 30th June 2016 no new infrastructure investment was approved.

2.1.5 *Housing Development Fund*

During the 6 month period to 30th June 2016, no new loans were approved by the Minister for Treasury and Resources to Andium Homes Ltd. Of the 8 existing loans, an additional £11,182,000 was drawn down during this period.

2.1.6 *Innovation Fund*

To date, 7 Jersey Innovation Fund loans have been approved to 6 companies with a total loan value of £2,210,000.

During the 6 month period to 30th June 2016 no new loans were approved. However, £125,000 was drawn down against one of the approved loans.

The total drawn down loan value at 30th June 2016 was £2,085,000. The balance to be drawn down of £125,000 is subject to performance conditions being fully satisfied.

2.2 Budget transfers

Articles 17 and 18 of the Public Finances (Jersey) Law 2005 permit contingency expenditure and variations between heads of expenditure with the approval of the Minister.

Budget transfers under Articles 17 and 18 of the Public Finances (Jersey) Law 2005 are reported on the following basis –

- transfers from contingency expenditure to heads of expenditure;
- transfers between revenue heads of expenditure;
- transfers between capital heads of expenditure;
- transfers between revenue and capital heads of expenditure;
- transfers between revenue and capital heads of expenditure where the transfer is required in order to comply with accounting standards.

All transfers between departments vary the budgets of individual departments but are net nil in total.

2.2.1 *Transfers from contingency expenditure to heads of expenditure*

Transfers from contingency expenditure to heads of expenditure during the 6 month period to 30th June 2016 are shown below –

Department		£	Funding of –
From –	To –		
Central Contingency	T&R Revenue	281,651.63	Historic Abuse Redress Scheme (“HARS”) costs
Central Contingency	States Assembly	Up to 595,000.00	Independent Jersey Care Inquiry (“IJCI”) costs
Central Contingency – Restructuring Provision	Central Planning Vote	350,000.00	Office Modernisation Project feasibility work
Central Contingency – EPGDP	CMD	50,000.00	Programme Management Support in 2016
Central Contingency Pay Provision	H&SS Revenue	385,000.00	Costs associated with Nurses’ and Doctors’ Pay Award 2015
Central Contingency	CMD Revenue	1,377,978.00	Public Sector Reform Programme
Central Contingency	DfI Revenue	308,000.00	Municipal Services Reorganisation within Public Sector Reform
Central Contingency	Education Revenue	85,000.00	Secondary Education Review
Central Contingency	CCA Revenue	773,000.00	States of Jersey Police Mobile Technology Project
Central Contingency Pay Provision	H&SS Revenue	696,000.00	Doctors’ Pay Award 2016
Central Contingency	CMD Revenue	13,886.00	Brighter Futures 2014 deficit funding

2.2.2 Transfers between revenue heads of expenditure

Revenue transfers during the 6 month period to 30th June 2016 are shown below –

Department		£	Funding of –
From –	To –		
HSSD Revenue	DfI Revenue	74,600.00	Transfer of 2 posts and maintenance responsibilities of H&SS property portfolio to Department for Infrastructure
HSSD Revenue	JG Revenue	22,440.00	Transfer of 0.5 FTE associated with the Mental Health Tribunal
T&R Revenue	DfI Revenue HSSD Revenue	97,500.00 200,000.00	Commercial Insurance Premiums
HSSD Revenue	DoE Revenue	680,200.00	Transfer of Environmental Health Services

2.2.3 Transfers between capital heads of expenditure

Transfers between existing capital heads of expenditure during the 6 month period to 30th June 2016 are shown below –

Department		£	Funding of –
From –	To –		
DfI Capital – Rolling Vote	DfI Capital – Liquid Waste Strategy	4,500,000.00	Construction of a new Sewage Treatment Works (“STW”)
Central Planning Vote	DfI Capital	350,000.00	Office Modernisation Project feasibility work

2.2.4 Transfers between revenue and capital heads of expenditure

Transfers between revenue (“rev”) and capital (“cap”) during the 6 month period to 30th June 2016 are shown below –

Department		£	Funding of –
From –	To –		
T&R (JPH) Revenue*	Public Markets Maintenance Capital	Up to 150,000.00	Refurbishment of indoor markets
Viscount’s Dept. Rev. (376,773)	LOD Revenue	312,017.00	Court and Case costs within the Law Officers’ Department, Judicial Greffe, Bailiff’s Chambers, and the Office of the Lieutenant Governor
Probation Rev. (201,776)	JG Revenue	26,123.00	
CCA (80,060)	BC Revenue	270,228.00	
	OLG Revenue	36,706.00	
	Smoothing Reserve	13,535.00	
DfI Revenue	DfI Road Safety Improvements Capital	1,000,000.00	Jersey Car Parks – traffic improvements

2.2.5 Transfers between revenue and capital heads of expenditure where the transfer is required in order to comply with accounting standards

The States of Jersey adopted the International Financial Reporting Standards (“IFRS”) as interpreted by the Jersey Financial Reporting Manual (“JFRM”) from 2012 as its Generally Accepted Accounting Principles (GAAP) framework. GAAP accounting requires that expenditure should be accounted for as capital only if it meets the GAAP accounting definition of capital expenditure, and as revenue otherwise.

GAAP transfers between revenue and capital during the 6 month period to 30th June 2016 are shown below –

Department		£	Funding of –
From –	To –		
The Limes Upgrade Capital	T&R (JPH) Revenue*	41,216.75	Planning and feasibility works
Police Relocation Capital	T&R (JPH) Revenue*	150,199.99	Preliminary works
Integrated Assess and IM Care Capital	T&R (JPH) Revenue*	Up to 150,000.00	Willows Care Home maintenance works
Future Hospital Capital	T&R (JPH) Revenue*	Up to 100,000.00	Future Hospital project fees and costs
ESC Revenue	ESC Minor Capital	40,883.00	VCP Bike Shed relocation project
HA Revenue	HA Minor Capital	247,000.00	States of Jersey Police Headquarters new joint control room

*These budget transfers were signed in 2016 but relate to the 2015 accounts when JPH was still included within T&R. JPH is now part of DfI.

2.3 Carry Forwards

Departments' carry forwards were dealt with in Ministerial Decision [MD-TR-2016-0029](#)

Appendix 1							
Sports Strategy £650,000 as a % of Departmental Adjusted Forecast Variance (Underspend) (Excluding Contingency)	Requested Carry forward (£'000)	Contingency Carry Forward (£'000)	Sports Strategy - Proposed Contribution (£'000)	Not Requested by Departments - Return to Consolidated Fund (£'000)	Sports Strategy, Primary Health Care and Ofcom transfer (£'000)	Total Carry Forwards (£'000)	Adjusted Not Requested by Departments - Return to Consolidated Fund (£'000)
Chief Minister's Department	604	1,183	(17)	0	234	2,004	0
- Overseas Aid	6		0	0		6	0
Economic Development	315		(10)	67	416	731	57
Education, Sport and Culture	1,032	50	(46)	630		1,082	584
Department of the Environment	303		(10)	50		303	40
Health and Social Services	2,718		(29)	(2,100)	500	3,189	(2,100)
Home Affairs	711		(14)	(200)		697	(200)
Social Security	6,074		(356)	6,915	(500)	6,074	6,059
Transport & Technical Services	2,160		(87)	1,000		2,160	913
Treasury and Resources	1,367	490	(24)	(500)		1,833	(500)
Non Ministerial States Funded	939	10	(47)	763		949	716
States Assembly	45		(10)	310		45	300
Totals	16,274	1,733	(650)	6,935	650	19,073	5,869
Returned to the Consolidated Fund as per Budget 2015 measure							(500)
Consolidated Fund						Returned to the	£ 869

2.3.1 *Transfers over multiple years between various heads of expenditure*

Multi-Year transfers between various heads of expenditure during the 6 month period to 30th June 2016 are shown below –

Department		£	Funding of –	Transfer between heads of expenditure	Year(s) of transfer
To –	From –				
Central Contingency	DfI Revenue	122,000.00 67,000.00	Municipal Services Reorganisation within Public Sector Reform	Contingency to revenue head of expenditure	2017 to 2018 2019
Central Contingency	ED Revenue	105,000.00 48,000.00	Public Sector Reform	Contingency to revenue head of expenditure	2017 to 2018 2019
Central Contingency	CCA Revenue	529,800.00 142,200.00	States of Jersey Police Mobile Technology Project	Contingency to revenue head of expenditure	2017 2018
HSSD Revenue	DfI Revenue	74,600.00	Transfer of 2 posts and maintenance responsibilities of H&SS property portfolio to Department for Infrastructure	Revenue heads of expenditure	2017 to 2019
HSSD Revenue	JG Revenue	22,440.00	Transfer of 0.5 FTE associated with the Mental Health Tribunal	Revenue heads of expenditure	2017 to 2019
Total transfers		1,111,040.00			