
STATES OF JERSEY



FINANCE LAW DELEGATION REPORT FOR THE 6-MONTH PERIOD TO 31ST DECEMBER 2019

Presented to the States on 28th February 2020
by the Minister for Treasury and Resources

STATES GREFFE

REPORT

1. The administration of the public finances of Jersey

In accordance with the [Public Finances \(Jersey\) Law 2019](#) (“the 2019 Law”), certain matters are required to be reported to the States twice-yearly by the Minister for Treasury and Resources (“the Minister”).

This report summarises all decisions made during the 6-month period to 31st December 2019. 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 31st December 2019, no new loans were guaranteed by the States under the Jersey Student Loan Scheme.

[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 Infrastructure investments

During the 6-month period to 31st December 2019, no new loans were approved.

2.1.3 Housing Development Fund

During the 6-month period to 31st December 2019, one new loan was approved by the Minister for Treasury and Resources –

- [MD-TR-2019-0092](#) approved a loan of £17,640,000 for basement works (initial Piling and Ground Slab Works) at La Collette low rise.

[MD-TR-2019-0108](#) extended the repayment period for Loan 11 (Ann Street Brewery) to 31st December 2020.

The net value of loans outstanding from the Housing Development Fund increased from £152,731,714 at 30th June 2019 to £215,559,223 at 31st December 2019.

2.1.4 Other loans

During the 6-month period to 31st December 2019, no new loans were approved by the Minister for Treasury and Resources.

2.2 Budget transfers

Article 58 of the 2019 Law states that the provisions of the previous Law, as they have effect immediately before the 2019 Law came into force, continue to apply to money received, expended or otherwise handled by or on behalf of the States during the financial year in which this Law came into force.

Articles 17 and 18 of the [Public Finances \(Jersey\) Law 2005](#) (“the 2005 Law”) permit contingency expenditure and variations between heads of expenditure with the approval of the Minister.

Budget transfers under Articles 17 and 18 of the 2005 Law 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 between contingency expenditure and heads of expenditure

Transfers between contingency expenditure and heads of expenditure during the 6-month period to 31st December 2019 are shown below –

Department		£	Purpose
From –	To –		
Central Contingency	Various Departments	443,087	Costs associated with the 2019 Voluntary Release (VR) and Redundancy Scheme – see MD-TR-2019-0059 .
Central Contingency	HCS	up to 845,000	To fund the Hospital Site Review and Site Selection – see MD-TR-2019-0065 .
Central Contingency	GHE	500,000	MD-TR-2019-0069 allowed sums previously approved for demolition to be used for essential maintenance works.

Department		£	Purpose
From –	To –		
Central Contingency	Various Departments	up to 2,066,500	Additional funding requests for 2019 – see MD-TR-2019-0070 .
Central Contingency	CYPES and HCS	4,081,670	To cover the recurring cost associated with the additional 2018 and 2019 Pay Award in respect of Teaching Assistants, and to cover the 2018 recurring costs and 2019 Pay Award for Nurses and Midwives – see MD-TR-2019-0075 .
Central Contingency	States Assembly	211,000	To meet the costs of the Independent Jersey Care Inquiry Panel's return to Jersey – see MD-TR-2019-0085 .
Central Contingency	Various Departments	185,938	Costs associated with the 2019 Voluntary Release (VR) and Redundancy Scheme – see MD-TR-2019-0086 .
Central Contingency	COO	up to 490,000	Costs of the Cyber Security Programme initiation phase – see MD-TR-2019-0091 .
Central Contingency	CYPES	1,400,000	To fund the increased costs of Higher Education Funding in 2019 – see MD-TR-2019-0116 .
Central Contingency	Various Departments	743,977	Costs associated with the 2019 Voluntary Release (VR) and Redundancy Scheme – see MD-TR-2019-0117 .
Central Contingency	OCE	up to 1,146,000	To fund the Office of the Data Protection Commissioner (by means of a grant from OCE) – see MD-TR-2019-0118 .
Central Contingency	T&E	43,993	Costs associated with the Historic Abuse Redress Scheme.
Central Contingency	CYPES	70,000	Actions to address IJCI recommendations – Accredited Training in Systematic Practice for Children's Services staff.
Central Contingency	CYPES	174,125	Actions to address IJCI recommendations – to fund the recruitment and retention of Children's Social Workers.
Central Contingency	SPPP	100,000	Actions to address IJCI recommendations – to commission a review of domestic law to support the Council of Ministers in making a decision on UNCRC incorporation.
Central Contingency	SPPP	902,390	Actions to address IJCI recommendations – various.

Department		£	Purpose
From –	To –		
Central Contingency	CYPES	204,000	Actions to address IJCI recommendations – to fund practice improvement work for all Children’s Services staff.
Central Contingency	CYPES	Up to 90,745	Actions to address IJCI recommendations – Voice of Jersey – Youth Assembly Project (Jersey Youth Connect).

2.2.2 Transfers between revenue heads of expenditure

Revenue transfers during the 6-month period to 31st December 2019 are shown below –

Department		£	Purpose
From –	To –		
HCS	CYPES	2,002,000	Agreed transfer of Children’s Services budgets – see MD-TR-2019-0098 .

2.2.3 Transfers between capital heads of expenditure

Transfers between existing capital heads of expenditure during the 6-month period to 31st December 2019 are shown below –

Department		£	Purpose
From –	To –		
None			

2.2.4 Transfers between revenue and capital heads of expenditure

Transfers between revenue and capital during the 6-month period to 31st December 2019 are shown below –

Department		£	Purpose
From –	To –		
JHA Minor Capital	JHA revenue	up to 191,700	To fund the recruitment of 6 Police Officers and 4 Police staff.

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 International Financial Reporting Standards (“IFRS”) as interpreted by the Jersey Financial Reporting Manual (“JFReM”) from 2012 as its framework. Under IFRS, expenditure that meets the definition of capital expenditure must be capitalised. The following transfers show the movement between capital and revenue required to align the budgeting treatment of expenditure with the accounting treatment, in order to comply with IFRS.

IFRS transfers between revenue and capital during the 6-month period to 31st December 2019 are shown below –

Department		£	Purpose
From –	To –		
Refurbishment of Sandybrook Capital	HCS Revenue	28,806	Reclassification of spending as revenue.
Eastern Cycle Network Capital	GHE Revenue	87,835	Works in relation to infrastructure improvement works on land not owned by the Government of Jersey.
Road Safety Improvements Capital	GHE Revenue	55,608	Works in relation to infrastructure improvement works on land not owned by the Government of Jersey.
COO Capital	COO Revenue	up to 8,949,588	Expenditure was in the majority for the research and discovery phases of IT projects which should be classified as revenue expenditure.

Acronyms and Abbreviations

CCA	Community and Constitutional Affairs
COO	Chief Operating Office
CMD	Chief Minister’s Department
CYPES	Children, Young People, Education and Skills
DfI	Department for Infrastructure
GHE	Growth, Housing and Environment
HCS	Health and Community Services Department
IJCI	Independent Jersey Care Inquiry
SPPP	Strategic Policy, Performance and Population
T&E	Treasury and Exchequer

3. Investment performance

The Public Finances Manual requires Treasury and Investment Management to prepare a performance report for all Government of Jersey funds and present it to the Government of Jersey in a timely manner for inclusion in the 6-monthly update delivered by the Minister for Treasury and Resources to the States Assembly.

Investment performance for the second half of 2019 will be reported in the Annual Report and Accounts, which are currently subject to audit and will be published shortly.