

STATES OF JERSEY



INDEPENDENT JERSEY CARE INQUIRY: AMENDMENT TO MEDIUM TERM FINANCIAL PLAN 2013 – 2015 (P.75/2015) – AMENDMENT

Lodged au Greffe on 7th September 2015
by the Council of Ministers

STATES GREFFE

INDEPENDENT JERSEY CARE INQUIRY: AMENDMENT TO MEDIUM TERM
FINANCIAL PLAN 2013 – 2015 (P.75/2015) – AMENDMENT

1 PAGE 2 –

Before the words “to agree, in accordance with the provisions of Articles 9(1)(c) and 9(2)(ca) of the Public Finances (Jersey) Law 2005 –” insert the words “in order to provide additional funding for the Independent Jersey Care Inquiry and additional funds for the Redundancy Provision”.

2 PAGE 2, PARAGRAPH (a) –

For the amount “£730,629,500” substitute the amount “£734,629,500”, and after the words “Appendix 1” insert the words “to the amendment of the Council of Ministers dated 7th September 2015.”

3 PAGE 2, PARAGRAPH (b) –

For the amount “£43,482,900” substitute the amount “£47,482,900”, and after the words “Appendix 2” insert the words “to the amendment of the Council of Ministers dated 7th September 2015).”

COUNCIL OF MINISTERS

REPORT

The Council of Ministers is proposing an amendment to the ‘Independent Jersey Care Inquiry: amendment to Medium Term Financial Plan 2013 – 2015’ (P.75/2015) as lodged, to reflect the proposed re-phasing of funding for a Redundancy Provision.

At the time of lodging the Medium Term Financial Plan 2016 – 2019 (“MTFP”), the initial Voluntary Release Scheme had only recently closed and applications had not been assessed. It is now clear that significantly more funding than the £2 million initially set aside for redundancy funding in 2015 will be required. The current estimate for the initial scheme is £6 million, including a small number of applications still to be re-assessed.

The Council of Ministers is determined that savings should be taken as soon as possible in order to facilitate the delivery of the £70 million people savings required by 2019, and is therefore proposing that additional redundancy funding be brought forward to 2015.

Following assessment of the applications, 104 have been approved by the V.R. Panel, with a further 10 to be re-assessed. The estimated additional cost is £6 million in 2015, compared to the current funding available of £2 million in 2015.

The revised proposal is for £4 million to be transferred from the Strategic Reserve in 2015 and £16 million in 2016, rather than £10 million in 2016 and 2017. This will provide for a Central Contingency Allocation for a Redundancy Provision of £6 million in 2015 and £16 million in 2016, rather than £2 million in 2015 and £10 million in 2016 and 2017.

This requires a number of amendments to existing propositions:

- This amendment to ‘Independent Jersey Care Inquiry: amendment to Medium Term Financial Plan 2013 – 2015’ (P.75/2015), to increase the total States net expenditure and contingency expenditure in 2015;
- An amendment to ‘Medium Term Financial Plan 2016 – 2019’ (P.72/2015) to agree –
 - the increase in total States net expenditure in 2016 and the reduction in total States net expenditure in 2017; and
 - the increase in the intended transfer from the Strategic Reserve to the Consolidated Fund in 2016 and the reduction in the intended transfer from the Strategic Reserve to the Consolidated Fund in 2017;
- An amendment to ‘Strategic Reserve Fund: funding for Independent Jersey Care Inquiry and transfers from and to the Consolidated Fund’ (P.76/2015) to agree an increased transfer in 2015 and 2016, and a reduced transfer in 2017.

The Council of Ministers is satisfied that this expenditure is urgent and cannot be funded from existing allocations in accordance with Article 9(2)(ca) of the Public Finances (Jersey) Law 2005.

A revised Appendix 1 and revised Appendix 2 for this amendment to P.75/2015 are attached for approval.

Financial and manpower implications

The effect of approving this amendment would be to increase the Total States Net Expenditure and Contingency Expenditure in 2015 by £4 million.

The manpower implications of this amendment are that there would be an anticipated reduction of 104 FTE, with a small number of applications to be re-assessed.

APPENDIX 1

Extract from MTFP 2013 – 2015 – Summary Table A

	Per 2015 Budget
	2015
	£'000
States Expenditure	
Departmental Net Revenue Expenditure (Revised)	687,146.6
Central Allocations (Revised)	47,482.9
Total Net Revenue Expenditure (excl: Depn)	734,629.5

APPENDIX 2

MTFP 2013 – 2015 Summary Table C

	Per 2015 Annex Update
Central Contingency Allocations	2015 £'000
Net Pay Provision	3,764.4
Restructuring Provision (Net of Savings)	7,170.0
Allocation for Contingencies	
– Central Reserves – AME	2,000.0
– Central Reserves – DEL	
– Central Reserves – One-Off	1,000.0
– Central Contingency – Smoothing Reserve	
– Commitments for "One-Off Items"	
– Contingency for Emerging Items	4,000.0
– Contingency for Independent Jersey Care Inquiry	10,000.0
– Contingency for Redundancy Provision	4,000.0
	21,000.0
Allocation for Growth	
Allocation for Growth for 2013	
Allocation for Growth for 2014	
Allocation for Growth for 2015	
	–
2015 Budget Measures	15,548.5
Total Central Contingency Allocations	47,482.9