

Minister for
Treasury and Resources



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Deputy Hilary Jeune
Chair, Environment, Housing and Infrastructure Panel

BY EMAIL

28 October 2024

Dear Chair,

RE: Proposed Budget 2025-28 Review

I write in response to your letter of 21 October. I have set out my response to each of your questions below:

- 1. The Minister and officers spoke about the changing nature of the capital programme over the lifetime of the budget as the urgency of various projects changed. Could you indicate what level of change can be enacted by Ministers to the programme without reverting to the States Assembly which approved the capital programme as outlined in the Proposed Budget?**

On my reading, the changes referred to by the Minister for Infrastructure related primarily to the fact that the Capital Programme is subject to change during the annual Budget process. Each year, the Programme is updated to reflect the latest project timescales and cost estimates, as well as any change to ministerial prioritisation. Such changes are subject to approval by the Assembly through its consideration of the Budget.

Outside of the budget process, capital budgets are tightly controlled. Under Article 18, the Public Finances (Jersey) Law 2019 (PFL) gives the Minister for Treasury and Resources the power to re-allocate budgets between heads of expenditure (including capital heads of expenditure) subject to consultation with the relevant ministers. However, the States Assembly must be provided with 4 weeks' notice of any such transfers and a proposition may be lodged to contest the transfers in line with Article 18 (4) of the Law.

Should there be an urgent need to increase the funding available for a project, the PFL provides the power for the Minister for Treasury and Resources to allocate additional funding from the Central Reserve. This could be used to accelerate the delivery of a project or otherwise meet higher costs that need to be incurred in the current financial year. However, as capital project funding requirements are re-based each year in the Budget, it is rarely necessary for Reserve funding to be issued to capital projects.

- 2. Do you feel that enough is done to explain this to the States Assembly and the wider community?**

Yes, I think both the annual budget process and the wider governance surrounding the public finances are appropriately understood by both the Assembly and the community.

All Article 18 transfers and all Article 15 reserve allocations are made through Ministerial Decisions that are published on gov.je. They are also reported to the Assembly twice yearly through the Finance Law Delegation Report.

3. Please could you clarify where the funding for the Town Skate Park is being found for the project to proceed in 2025? The Minister indicated at the hearing that he had been assured by Treasury that the funding would be forthcoming in 2025 despite the budget allocation being provided in 2028. Is it intended that the funding in the document for 2028 is to be reallocated?

I am mindful that successive governments have previously committed capital budgets that proved undeliverable, as departments overestimated how quickly they would be able to complete a project. This left tens of millions of pounds unspent that could have been put to more productive use elsewhere in Government.

Through the Budget 2025-28, we have sought to ensure that capital budgets were more realistic and deliverable. This has led to funding for several projects that were at an early stage, such as those still lacking planning permission, being reprofiled to a later year in the plan.

While the changes have made the new capital programme more realistic, it remains ambitious, so it is likely that some projects may face unforeseen delays and not spend all the funding allocated to them. Where this is the case, I wish to explore opportunities to re-allocate funds to bring forward other projects, so we are maximising the public value generated from the budgets available to us. This is more likely to be possible for projects that are modest in scale such as the Town Skate Park project.

The Government Plan 2024-27 envisaged the Town Skate Park being finished in 2024 but work on the project is behind schedule. Until planning permission is granted, it still remains to be seen exactly when the project can be delivered. I recognise though that there is intent to deliver the project in 2025 and can confirm, if that proves possible then, subject to consultation with the Council of Ministers, funding will be secured through one of the following mechanisms:

- the Capital Programme in the Budget 2026-29
- an allocation of additional funding from the Central Reserve under Article 15 of the PFL
- a transfer of funds from another capital or revenue head of expenditure under Article 18 of the PFL.

I trust this addresses the questions you raised in your letter.

Yours sincerely



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