

---

# **STATES OF JERSEY**



## **BUDGET MANAGEMENT FOR THE 6 MONTH PERIOD TO 30TH JUNE 2010**

---

**Presented to the States on 14th December 2010  
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 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”).

This report summarises decisions made during the 6 month period to 30th June 2010, the majority of which have been previously published.

### 2. Reporting on decisions

The areas of administration which are to be reported on are as follows –

- The use of trading funds by States Trading Operations;
- Borrowing;
- Budget transfers (including Economic Stimulus Plan allocations); and
- Carry-forward of revenue balances.

#### 2.1 Use of trading funds

The following Ministerial Decisions on the use of trading funds were taken to 30th June –

- MD-TR-2010-0083 – Transfer of £1.05 million from the Harbours Trading Fund in respect of the St. Aubin Remediation Project.
- MD-TR-2010-0091 – Transfer of £300,000 from Harbours Trading Fund in respect of the Elizabeth East Pier Scour Damage Works.

#### 2.2 Borrowing

##### 2.2.1 Small Firms Loan Guarantee Scheme

During the 6 month period to 30th June, a loan of £150,000 was guaranteed by the Treasurer of the States under the Small Firms Loan Guarantee Scheme (SFLGS). Under the terms of the Scheme, the Economic Development Department underwrites up to 75% of the value of a loan. As at 30th June 2010, the total amount loaned under the SFLGS was £758,049, of which £568,536 was guaranteed by the States.

##### 2.2.2 Jersey Student Loan Scheme

The Jersey Student Loan Scheme commenced in September 2007. As at 30th June 2010, 360 students had taken out a loan under the Scheme, and the total amount

borrowed was £895,460. Terms with the intermediaries require the States of Jersey to underwrite 100% of the value of the loan.

### 2.3 Budget transfers

Budget transfers are reported on the following basis –

- Transfers between revenue heads of expenditure;
- Transfers between capital heads of expenditure; and
- Transfers between revenue and capital heads of expenditure.

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

Economic Stimulus Plan allocations are reported separately in section 2.3.4 below.

#### 2.3.1 Transfers between revenue heads of expenditure

Revenue transfers during the period ended 30th June 2010 are shown in Table 1.

**Table 1: Transfers between revenue heads of expenditure**

Department		£	Funding of –
To	From		
Social Security	H&SS	995,992	Boarding-out Budget
Viscount's	Judicial Greffe	77,197	Judicial Greffier salary split
NMSFB	NMSFB	927,694	Court and Case costs 2009* N.B. See table below
Home Affairs	Social Security	1,278,552	Court and Case costs and Police Investigations
CMD	T&R	1,713,312	Resources Department (Procurement/Financial Systems)

(NMSFB: Non-Ministerial States-funded bodies)

\*Transfers between NMSFB were necessary at the end of 2009 to correctly allocate costs. These transfers were effected as a batch with a net nil overall impact on States spending. The table below details all departments involved.

<b>Department</b>	<b>Transfer from £</b>	<b>Transfer to £</b>
Judicial Greffe	<b>844,141</b>	
Law Officers' Department		<b>(879,882)</b>
Viscount's	<b>31,683</b>	
Bailiff's Chambers	<b>50,375</b>	
Data Protection		<b>(11,515)</b>
Dean of Jersey	<b>1,495</b>	
Official Analyst		<b>(21,295)</b>
Probation Service		<b>(15,002)</b>
<b>Totals</b>	<b>927,694</b>	<b>(927,694)</b>

### 2.3.2 Transfers between capital heads of expenditure

Transfers between existing capital heads of expenditure are shown in Table 2.

**Table 2: Transfers between capital heads of expenditure**

<b>Department</b>		<b>£</b>	<b>Funding of –</b>
<b>To</b>	<b>From</b>		
H&SS	H&SS	615	Equipment replacement
T&R Cap (Property Holdings (P/H))	H&SS Cap	2,512,171	Transfer of Building Projects to ensure correct accounting treatment
CMD	T&R	1,288,880	J.D. Edwards Upgrade and Payroll
T&TS	T&R Planning Vote	300,000	Inert Waste Strategy
T&R (P/H)	T&R (P/H)	1,050,000	Prison – Phase 4 – temporary transfer
T&R (P/H)	Home Affairs	6,902,848	Prison – Phase 2 Redevelopment
CMD	CMD	1,281,500	ISD Projects

### 2.3.3 Transfers between revenue and capital heads of expenditure

Transfers between revenue and capital during the period to 30th June are shown in Table 3.

**Table 3: Transfers between revenue and capital heads of expenditure**

Department		£	Funding of –
To	From		
HA Rev	T&R Cap	16,101	GST Implementation
T&R Cap	T&R Rev	87,952	Transfer to align budgeting and accounting treatment
T&R Rev	T&R Cap	354,200	Transfer to align budgeting and accounting treatment
T&R Rev (P/H)	T&R Cap (P/H)	211,562	Indoor market surplus 2009
P&E Cap	P&E Rev	34,000	Transfer to align budgeting and accounting treatment
ESC Rev	T&R Cap (P/H)	403,000	JCG/Victoria College project works
H&SS Rev	T&R Contingency	2,598,540	End of Reciprocal Health Agreement
H&SS Rev	T&R Contingency	315,710	Williamson recommendations
P&E Rev	P&E Minor Cap	30,000	Reverse previous budget transfer for work not undertaken
T&R Cap	T&R Rev	267,305	Transfer to align budgeting and accounting treatment
H&SS Rev	H&SS Cap	181,036	Transfer to balance Completed Works ledger
CMD Cap	CMD Rev	707,933	Transfer to align budgeting and accounting treatment
ESC Rev	ESC Cap	3,106	Transfer to align budgeting and accounting treatment
H&SS Rev	T&R Contingency	170,770	Historic Child Abuse Enquiry (HCAE) (2009 Q4)
HA Rev	T&R Contingency	185,315	HCAE (2009 Q4)
Law Officers' Department	T&R Contingency	168,644	HCAE (2009 Q4)
H&SS Rev	T&R Contingency	1,392,000	Pandemic Flu preparations
HA Rev	T&R Contingency	7,000	Pandemic Flu preparations

Department		£	Funding of –
To	From		
EDD Rev	EDD Cap	400,000	Transfer to align budgeting and accounting treatment
ESC Rev	T&R Contingency	370,000	Jersey Heritage Trust
CMD Rev	T&R Contingency	1,577,000	Integrated Business Improvement Plan
HA Rev	T&R Contingency	143,200	HCAE (2010 Q1)
Law Officers' Department	T&R Contingency	71,568	HCAE (2010 Q1)
CMD Rev	CMD Cap	186,000	HR Transformation Programme
HA Cap	HA Rev	10,500	IT Equipment purchase

#### 2.3.4 Economic Stimulus Plan allocations

The States agreed the transfer of £44 million from the Stabilisation Fund to the Consolidated Fund in order to provide funding for the proposed economic stimulus package (P.55/2009 refers).

During the period to 30th June 2010, the Minister approved the re-allocation of £22,088,341 from the Consolidated Fund (see Table 4 below).

**Table 4: Economic stimulus budget allocations**

Department	£	Purpose of allocation:
Housing (Rev)	70,000	Heating replacement programme
T&R (P/H) (Rev)	2,600,000	Jersey Hospice Care grant
ESC (Rev)	134,900	Careers Service Strengthening
EDD (Rev)	80,000	St. Aubin's Pier repairs
TTS (Cap)	346,792	Queen's Road to Midvale Road surface water separation project
TTS (Cap)	485,155	Railway Walk foul sewer upgrade
Housing (Rev)	210,229	Door replacement at Les Cinq Chênes and Brighton Close windows
T&R (P/H) (Rev)	203,990	General Hospital asbestos remediation and works on public conveniences and States' owned cafes

<b>Department</b>	<b>£</b>	<b>Purpose of allocation:</b>
CMD (Rev)	1,550,000	Finance Industry support
EDD (Rev)	867,000	Finance Industry support
T&R (P/H) (Rev)	476,673	Le Pouquelaye School
T&R (P/H) (Rev)	52,500	Building maintenance works
Housing (Rev)	498,708	Heating Installation Projects – Les Cinq Chênes and St. Peter’s School Estate
TTS (Cap)	550,000	Rozel rising mains upgrade project
Housing (Rev)	185,004	Heating Installation Projects – Vincent Court and Albert Villas
T&R (P/H) (Cap)	803,440	Backlog maintenance projects within States-owned properties
ESC (Rev)	620,500	Highlands College additional full-time student places
T&R (Rev)	100,000	Programme management costs
TTS (Cap)	400,000	Cheapside Urban Renewal
T&R (P/H) (Rev)	235,020	McKinstry Ward project
Housing (Rev)	1,046,855	Backlog maintenance projects at Social Housing Estates
Housing (Cap)	8,137,962	Le Squez development project, Phase 2a
Housing (Rev)	637,000	Building maintenance works at Social Housing Estates
EDD (Rev)	100,000	Finance Industry support
ESC (Rev)	966,613	Advance to Work scheme and new skills initiative for the 20+
EDD (Rev)	230,000	Jersey Finance Ltd. grant 2011
EDD (Rev)	500,000	Multi-media marketing campaign
<b>Total</b>	<b>£22,088,341</b>	

## 2.4 Carry-forwards

Total 2009 Year End Carry-forwards of £5,812,205 were approved by the Minister (MD-TR-2010-0067), following discussions with the Council of Ministers (Table 5 below refers).

**Table 5: Carry-forwards**

<b>Department</b>	<b>Approved amount</b>
	<b>£</b>
Chief Minister's	418,900
EDD	796,840
ESC	1,159,000
HSS	1,742,060
Home Affairs	311,951
Housing	776,500
P&E	76,342
Social Security	100,000
TTS	133,871
T&R	100,000
NMSFB	196,741
States Assembly	0
<b>Total</b>	<b>£5,812,205</b>