

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY K.M. WILSON OF ST. CLEMENT
QUESTION SUBMITTED ON MONDAY 14th OCTOBER 2024
ANSWER TO BE TABLED ON MONDAY 21st OCTOBER 2024**

Question

“In relation to Government departmental underspends, will the Minister advise –

- (a) which departments, if any, are currently underspending and what the current level of any such underspends are, expressed both as an amount within the departmental budget and as a percentage of that budget;
- (b) the reasons, if known, for any such underspends;
- (c) the projected underspend for each department as of 31st December 2024; and
- (d) where underspends are anticipated, whether these funds have been re-allocated in advance, and if so, to which departments, the reasons for any such increases and the anticipated improvement and efficiency gain arising from any such allocations?”

Answer

- (a) The Council of Ministers receive financial information quarterly with the latest provided being that as at 30 June 2024 (with underspends highlighted):

£'000	Year To 30 June				Full Year			
	Budget	Actual	Under (Over) Spends	Forecast / % to Budget	Budget	Forecast	Under / (Over) Spends	Forecast % to Budget
Cabinet Office	57,258	54,759	2,499	4.4%	90,909	92,129	(1,220)	(1.3%)
Jersey Overseas Aid	8,953	6,707	2,246	25.1%	20,041	20,041	-	0.0%
Customer and Local Services	53,968	52,177	1,791	3.3%	108,085	104,374	3,711	3.4%
Treasury and Exchequer	82,772	81,414	1,358	1.6%	161,449	160,064	1,385	0.9%
Non Ministerial States Bodies	22,139	20,829	1,310	5.9%	45,631	46,389	(758)	(1.7%)
Justice and Home Affairs	21,537	20,632	905	4.2%	43,008	41,789	1,219	2.8%
Financial Services	5,675	5,064	611	10.8%	11,546	10,827	719	6.2%
Ministry of External Relations	1,638	1,455	183	11.2%	3,558	3,428	130	3.7%
States of Jersey Police	14,871	15,062	(191)	-1.3%	29,875	30,112	(237)	(0.8%)
Environment	5,822	6,481	(659)	-11.3%	12,033	11,686	347	2.9%
EDTSC	19,044	20,243	(1,199)	-6.3%	37,523	38,934	(1,411)	(3.8%)
Children, Young People, Education and Skills	111,720	112,899	(1,179)	-1.1%	223,254	225,756	(2,502)	(1.1%)
Infrastructure	24,369	25,977	(1,608)	-6.6%	59,501	60,346	(845)	(1.4%)
Health and Community Services	151,826	165,650	(13,824)	-9.1%	304,551	328,789	(24,238)	(8.0%)

- (b) Below we have included the key drivers to the underspends to 30 June.

Department	Reasons for year to 30 June variance
Cabinet Office	The forecasted underspend in the SPPP is attributed to staff vacancies across services and efforts to meet the 20% growth cut target. Additionally, the department is preparing for the role reduction target set for 2025. However, this is expected to be offset by year-end, potentially leading to an overspend.
Jersey Overseas Aid	This variance is due to a timing difference; the budget is expected to be fully utilized by the end of the year.
Customer and Local Services	CLS is forecasting an underspend in Income Support Weekly Benefits. This is primarily due to lower-than-expected earned income volumes and the timing of various ad hoc benefit payments.
Treasury and Exchequer	The underspend is primarily due to staff vacancies.
Non Ministerial States Bodies	The underspend is largely due to staff vacancies and a minor overachievement of income. However, this is expected to be offset by year-end, potentially leading to an overspend.
Justice and Home Affairs	The underspend is primarily due to staff vacancies.
Financial Services	The underspend is mainly driven by staff vacancies and a reduction in business administration costs.
Ministry of External Relations	The underspend is primarily due to staff vacancies.

(C) This has been included within the answer to part a).

(d) Following the proposal in Budget 2025 to reduce certain previous growth allocated for 2024 by 20%, the Principal Accountable Officer has instructed all Accountable Officers to spend within the reduced levels of growth in 2024 to ensure successful delivery of the savings in 2025. It is anticipated that these amounts will be removed from departments and moved into the Central Reserve. No formal decisions for onward allocation of the amount from the reserve have been made, although the table in part a) shows where there are pressures in departments, in particular in Health, that will need to be addressed.