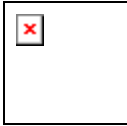


GENERAL RESERVE: GRANT OF ADDITIONAL FUNDS TO 31ST DECEMBER 1999

**Presented to the States on 28th March 2000
by the Finance and Economics Committee**



STATES OF JERSEY

STATES GREFFE

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REPORT

Background

Following changes, as from 1st January 1997, to the Public Finances (Administration) (Jersey) Law 1967, Article 18 allows the Finance and Economics Committee to allocate funds from the general reserve “*where a Committee of the States’ authorised revenue expenditure or any credit for capital expenditure is found to be insufficient to meet the demands made on it, or where a contingency has arisen or will arise which could not reasonably have been foreseen at the time of the submission of estimates under Article 15 of this Law.*”

The purpose of this report is to notify the States, in accordance with Article 18(6) of the Law, of any decisions made in respect of the granting of funds from the general reserve.

Granting of funds

Appendix A (attached) provides a summary of the funds which have been granted from the general reserve during 1999.

The total amount granted from the general reserve in the second half of 1999 was £5.8 million, bringing the total amount granted in 1999 to £13.8 million which is below the £24 million allocation for 1999. However, the residual balance of £10.2 million will be required for the additional cost of on-going capital projects, including the St. Helier surface water link and Haute Vallée School, land acquisition, additional funds which may be required for the States social security fund, crime and drugs strategies, and the cost of a number of new initiatives such as low income support.

All of the requests granted in 1999 have been subject to considerable scrutiny by the Finance and Economics Committee, and the Committee continues to constantly monitor the general reserve. It is only through the strong determination of the Committee that the requests for funds have been kept to a minimum.

Cash limits

Despite the constant reminders that Committees should not commit additional funds after having agreed their cash limits, the Finance and Economics Committee continues to be extremely concerned both at the level of funds allocated from the general reserve in 1999 and also at the number of requests still predicted for 2000. As Committees have agreed their revenue cash limits for the period 2000 - 2002, requests for additional funds from the general reserve will only be granted in the most exceptional circumstances.

Alternative options

Committee Presidents and States members continue to be reminded of the following alternatives which must be considered prior to the submission of requests for funding from the general reserve -

- existing services and funds should be examined and reprioritised;
- the generation of new sources of income should be considered;
- the vote transfer facility should be utilised.

Provisions

The Finance and Economics Committee is concerned that because of the uncertainty of certain Committee estimates, mainly the Employment and Social Security Committee, it has had to make provision for this in the general reserve rather than in the cash limits and as a result is currently unable to meet the target it set itself for reducing the annual allocation to the general reserve to £13 million (or 50 per cent of its 1998 level) by the end of 2001. However, the Finance and Economics Committee will continue to view unreasonable requests for funds from the general reserve as an indication that Committees are failing to adequately plan for the future within their cash limits.

Transfer of funds

In addition, the Committee must also advise the States of any transfer of funds between individual Committees’ authorised revenue and capital votes in accordance with Article 18B(3) of the Law. Accordingly, details of transfers are shown on Appendices B, C and D, and are presented to the States for information.

GRANTS OF FUNDS FROM THE GENERAL RESERVE

The following funds have been granted from the general reserve by the Finance and Economics Committee and are reported to the States in accordance with Article 18(6) of the Public Finances (Administration) (Jersey) Law 1967

Date agreed by Treasurer of the States/Finance and Economics/ States	Committee	Reason	Revenue £'000	Capital £'000
Grants funded to June 1999			2,669	5,289
05-Jul-99	Finance and Economics	St. James Church repairs	100	
05-Jul-99	Health and Social Services	Ambulance service factor comparison	83	
26-Jul-99	Finance and Economics	J.S.P.C.A. grant	300	
03-Aug-99	Finance and Economics	St. James Church repairs	100	
20-Apr-98	Education	Jersey College for Girls additional costs financed in 1998 by vote transfer		3,000
23-Jun-99	Finance and Economics	Implementation of finance function review	165	
27-Aug-99	Public Services	School bus service	99	
27-Aug-99	Public Services	Haute Vallée School cleaning costs	90	
30-Sep-99	Health and Social Services	Child protection training	20	
04-Oct-99	Policy and Resources	Chief Executive Officer recruitment costs	35	
04-Oct-99	Policy and Resources	Study to integrate sustainability and environmental factors into economic model	21	
01-Nov-99	Public Services	St. Helier surface water link - technical, legal and contractual adviser costs		123
29-Nov-99	Education	Child Care Trust	55	
15-Nov-99	Planning and Environment	Acquisition and servicing of land, Lesquende arbitration		169
09-Dec-99	Policy and Resources	Millennium fireworks	17	
22-May-99	Policy and Resources	Service reviews	470	
17-Jan-00	Health and Social Services	Meningitis vaccination programme	38	
17-Jan-00	Health and Social Services	Pay awards	19	
	Employment and Social Security	States contribution to social security fund	240	
20-Dec-99	Defence	Court and case costs	163	
16-Nov-99	Finance and Economics	Crime and drugs strategy	81	
23-Nov-99	Harbours and Airport	Elizabeth Marina contract settlement		471
22-Feb-99	Committee of Inquiry	Review of building costs remaining provision transferred to 2000	(50)	
Total funds granted in 1999			4,715	9,052
Balance on general reserve as at 31st December 1999				13,767
				10,234

CAPITAL VOTE TRANSFERS

The following capital vote transfers are reported to the States in accordance with Article 18B(3) of the Public Finances (Administration) (Jersey) Law 1967

Committee	Vote	From		To		Amount approved £		
		Project	Amount	Committee	Vote			Project
Housing	C1124	Grasett Park Phase II	60,000	Housing	C1103	Building purchase and rehabilitation of buildings	130,000	02-Nov-99
	C1125	Housing facilities for the disabled	<u>70,000</u>					
			<u>130,000</u>					
	C1119	Les Marais refurbishment Phases I and II	2,250,000		C1103	Building purchase and rehabilitation of dwellings	2,250,000	08-Feb-99
Education	C2574	Hautlieu School extension (temporary)	930,000	Education	C2590	Le Rocquier extension	930,000	23-Mar-99

VOTE TRANSFERS BETWEEN REVENUE AND CAPITAL

The following capital vote transfers between revenue and capital are reported to the States in accordance with Article 18B(3) of the Public Finances (Administration) (Jersey) Law 1967

Committee	Vote	From		To		Amount approved		
		Description	Amount	Committee	Vote			Description
			£			£		
Finance and Economics	0413	Supplies and services	25,000	Finance and Economics	C0069	F.I.S.S. Phase II	25,000	01-Nov-99
Planning and Environment	C0945	2-10 Halkett Place	60,000	Finance and Economics	0658A	Arts Trust - St. James Centre	<u>150,000</u>	09-Aug-99
	C0947	Lesquende development	<u>90,000</u>					
			<u>150,000</u>					

REVENUE VOTE TRANSFERS

The following revenue vote transfers between Committees are reported to the States in accordance with Article 18B(3) of the Public Finances (Administration) (Jersey) Law 1967

Committee	Vote	From		Committee	Vote	To	
		Description	Amount			Description	Amount approved
Sport, Leisure and Recreation	R1642	Rental income - Les Creux	£ 6,000	Agriculture and Fisheries	R903	Rental income	£ 6,000