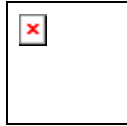


GENERAL RESERVE: GRANT OF ADDITIONAL FUNDS TO 31ST DECEMBER 2000

**Presented to the States on 3rd April 2001
by the Finance and Economics Committee**



STATES OF JERSEY

STATES GREFFE

150

2001

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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 2000.

The total amount granted from the General Reserve in the second half of 2000 was **£8.5 million**, bringing the total amount granted in 2000 to **£17.0 million**, which is below the total **£34.2 million** available for 2000. However, this balance of **£17.2 million** will be required for the additional cost of capital projects, including the St. Helier Surface Water Link and for other potential requests which have been advised to the Committee.

All of the requests granted in 2000 have been subject to rigorous scrutiny by the Finance and Economics Committee and, as a result, the requests for funds have been kept to this level.

Estimates of potential calls on the Reserve already identified show that, on a worst case basis, the balance available in 2001 will not be sufficient to meet all requests.

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 2000 and also at the number of potential requests predicted for 2001. As Committees have agreed their revenue cash limits for 2001 and 2002, requests will only be granted in the most exceptional circumstances, in line with Article 18 of the Public Finances (Administration) (Jersey) Law 1967.

Alternative Funding

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 Reserve -

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

Level of the Reserve

The Committee intends to encourage greater financial discipline by reducing the annual allocation to the General Reserve. In 2001, the allocation has been reduced by £4 million to £20 million and used to fund increases in cash limits.

The Reserve will continue, in the short term, to provide for increased costs of pay awards in excess of the 3.5 per cent provided in cash limits.

The Committee will continue to review all proposals, both revenue and capital, but the expectation is that the General Reserve should only provide for major unforeseen expenditure of an urgent nature. The Committee is determined that the General Reserve will not be used to circumvent the budget process within which priorities for revenue and capital expenditure are determined.

Transfer of Funds

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

£'000

Balance of general reserve brought forward from 1999	10,234
Allocation for 2000	24,000
Balance as at 1st January 2000	34,234

Date agreed by
Treasurer of the
States/Finance
and Economics/
States

	Committee	Reason	Revenue £'000	Capital £'000
Grants funded to June 2000			8,111	698
07-Aug-00	Education	St. Mary's Youth & Community Centre grant	433	
14-Aug-00	Health and Social Services	2000 Funding shortfall	2,000	
16-Oct-00	Education	Headteachers/Teachers performance related pay	255	
13-Nov-00	Education	Haute Vallée School		1,327
11-Dec-00	Planning and Environment	Legal fees	16	
12-Jan-01	All Committees	Effect of 2000 pay awards	2,350	
12-Jan-01	Agriculture and Fisheries	BSE slaughter policy	141	
05-Mar-01	Finance and Economics	Court and case costs	1,600	
05-Mar-01	Home Affairs	Court and case costs	302	
05-Mar-01	Agriculture and Fisheries	Welfare of cats	101	
05-Mar-01	Agriculture and Fisheries	Additional pension provision	50	
05-Mar-01	Agriculture and Fisheries	Pet Travel Scheme	13	
05-Mar-01	Agriculture and Fisheries	Potato review consultancy costs	20	
04-Oct-99	Finance and Economics	Jersey cow sculpture contribution - remaining provision transferred to 2001	(10)	
15-Nov-99	Sport, Leisure & Recreation	Community projects fund transferred to 2001	(360)	
27-Mar-00	Finance and Economics	Airport passenger dues subsidy - remaining provision transferred to 2001	(84)	
Total funds granted to June 2000			14,938	2,025
Balance on general reserve as at 31st December 2000				17,271

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
Policy and Resources	C2952	Millennium Fund	<u>75,000</u>	Planning and Environment	C0949	Urban renewal programme	<u>75,000</u>	16-Feb-00
Sport, Leisure and Recreation	C1257	Fort Regent - modifications to railings	<u>100,000</u>	Sport, Leisure and Recreation	C1263	Fort Regent - sewerage repairs	<u>100,000</u>	27-Mar-00
Education	C2591	New town primary school	<u>3,626,700</u>	Education	C2571	JCG sports facilities	<u>3,626,700</u>	08-May-00
Housing	C1121	Housing Association interest subsidy	<u>900,000</u>	Finance and Economics	C0073	Housing development fund	<u>900,000</u>	26-May-00

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		To		Amount approved		
		Description	Amount	Committee	Vote			Description
Policy and Resources	6505	Establishment - Jersey Consumer Council	<u>20,000</u>	Industries	7306	Grants and sponsorships	<u>20,000</u>	06-Apr-00
Finance and Economics	0612	Trade and Industry Sub-Committee	154,800	Industries	7303	Supplies and services	33,700	15-Nov-99
					7305	Establishment	21,100	
					7306	Grants and sponsorships	<u>100,000</u>	
			<u>154,800</u>				<u>154,800</u>	
Finance and Economics	0421	Regulation of Undertakings - staff	166,100	Industries	7301	Staff	166,100	15-Nov-99
	0422	Regulation of Undertakings - premises	39,000		7302	Premises	39,000	
	0423	Regulation of Undertakings - supplies and services	39,900		7303	Supplies and services	39,900	
	0425	Regulation of Undertakings - establishment	22,100		7304	Transport	400	
	R141	Regulation of Undertakings - miscellaneous	(8,000)		7305	Establishment	21,700	
					R1901	Licence fees	<u>(8,000)</u>	
			<u>259,100</u>				<u>259,100</u>	
Public Services	Q50M1	Regulatory Services - staff	396,300	Industries	7301	Staff	396,300	07-Jan-00
	Q50N2	Regulatory Services - premises	96,500		7302	Premises	96,500	
	Q50N3	Regulatory Services - supplies and services	16,000		7303	Supplies and services	16,000	
	Q50N4	Regulatory Services - transport	1,800		7304	Transport	1,800	
	Q50N5	Regulatory Services - establishment	16,200		7305	Establishment	16,200	
	Q50R3	Regulatory Services - rentals	(324,400)		R1900	Rentals	(324,400)	

	Q50R4	Regulatory Services - recharges	(10,000)		R1902	Miscellaneous receipts	(35,000)	
	Q50R9	Regulatory Services - miscellaneous	<u>(25,000)</u>				_____	
			<u>167,400</u>				<u>167,400</u>	
Broad-casting	6200	General expenses	66,000	Industries	7303	Supplies and services	66,000	14-Dec-99
	R1207	Licence recharge	<u>(46,000)</u>		R1901	Licence fees	<u>(46,000)</u>	
			<u>20,000</u>				<u>20,000</u>	
Finance and Economics	0662	Crime and Drugs Strategy Unit	427,500	Home Affairs	1351	Staff	75,092	02-Oct-00
					1353	Supplies and services	<u>352,408</u>	
			<u>427,500</u>				<u>427,500</u>	
Home Affairs	1353	Supplies and services	<u>352,408</u>	Health and Social Services	3293	Comm. and social services - supplies and services	<u>352,408</u>	02-Oct-00
Housing	5412	Maintenance of states dwellings	<u>150,000</u>	Cottage Homes	4902	Premises	<u>150,000</u>	21-Aug-00
Agriculture and Fisheries	4101	Research and advisor services - staff	<u>25,000</u>	Finance and Economics	0411	Treasury - staff	<u>25,000</u>	16-Oct-00
Public Services	Q40M1	Staff	37,700	Finance and Economics	0411	Treasury - staff	37,700	16-Oct-00
	Q40N3	Supplies and services	<u>22,400</u>		0413	Treasury - supplies and services	<u>22,400</u>	
			<u>60,100</u>				<u>60,100</u>	
Finance and Economics	0351	Probation Service - staff	871,300	Home Affairs	1391	Probation Service - staff	871,300	02-Oct-00
	0352	Probation Service - premises	160,500		1392	Probation Service - premises	160,500	
	0353	Probation Service - supplies and services	41,100		1393	Probation Service - supplies and services	41,100	
	0354	Probation Service - transport	11,300		1394	Probation Service - transport	11,300	
	0355	Probation Service - establishment	44,900		1395	Probation Service - establishment	44,900	
	0356	Probation Service - maint. of persons	<u>71,000</u>		1396	Probation Service - Maint. of persons	<u>71,000</u>	

			<u>1,200,100</u>				<u>1,200,100</u>	
Policy and	6505	Establishment	<u>25,000</u>	Finance	0668	Commission Amicale	<u>25,000</u>	16- Oct- 00
Resources				and Economics				
Industries	7303	Supplies and services	<u>145,000</u>	Policy and Resources	6505	Establishment	<u>145,000</u>	12- Jan- 00