

**Minister for
Treasury and Resources**



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Deputy Catherine Curtis
Chair, Children, Education and Home Affairs Scrutiny Panel

BY EMAIL

23th October 2023

Proposed Government Plan 2024-2027 (P.72/2023): Criminal Offences Confiscation Fund

Thank you for your letter dated the 16th October with questions in relation to the Children, Education and Home Affairs Scrutiny Panel's review of the Proposed Government Plan 2024-2027. Please see the responses below on behalf of the Minister.

1. Please could you provide income statement details for the COCF, to include:

- a. the estimated opening balance for 2024;**
- b. the estimated financial transfers in / out;**
- c. the estimated closing balance for 2024.**

| Criminal Offences Confiscation Fund | | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2024 | 2025 | 2026 | 2027 |
| £'000 | Estimate | Estimate | Estimate | Estimate |
| Opening Balance | 1,253 | 476 | 476 | 476 |
| Income | - | - | - | - |
| Transfer to Consolidated Fund | (777) | - | - | - |
| Closing Balance | 476 | 476 | 476 | 476 |

There are no obvious patterns to the amounts received into the COCF fund, which depend on the volume and value of court cases where monies are confiscated. In addition, we return Confiscated funds to the person where no crime has been proved, again, adding to the uncertainty of how much is received in a year to be utilised for grants. No confiscations are therefore budgeted.

The fund transfers in the GP 2024 are from accumulated balances in the fund.

2. As per Article 24 of the Proceeds of Crime (Jersey) Law 1999, we understand that monies in the COCF may be applied by the Minister for Treasury and Resources for specific purposes. Please could you confirm what oversight, if any, you retain over the use of the funds for the specific purposes once they have been transferred to the Consolidated Fund?

a. What governance is in place to ensure that money originating from the COCF is attributed directly to assigned projects, as per the Government Plan and approved business cases?

Any funding request from the COCF is subject to a business case process, which will determine the approximate level of funding for the project. Treasury and Exchequer will write to the Attorney General requesting approval to use the amount requested for that specific project, to ensure it is an appropriate use of the fund.

Funds are transferred from the COCF to the Consolidated Fund in the relevant financial year, and the budget for the project created in the normal manner. If the project does not utilise all its budget in the year, any remaining budget is transferred to the next financial year for the same project via the end of year flexibility process. If the budget is not needed at all it will be returned to the COCF. Governance exists around budgets for projects in the Public Finances Manual to ensure that budgets, including those funded by the COCF, are used for the specific purposes intended.

3. Please could you advise how the cashflow out of the COCF is managed and authorised?

a. Please could you provide a list of the projects that have been funded through money from the COCF in the last five years?

i. Please could you indicate when funding payments for the projects named in the response to part (a) have been made.

The following transfers from the COCF to fund projects were approved in a Government Plan, or by the Treasury Minister in year:

| £'000 | 2020 | 2021 | 2022 | 2023* | 2024 |
|---------------------------------------|--------------|--------------|--------------|--------------|-------------|
| Prison Phase 6B | 1,714 | 90 | 230 | | |
| Prison Phase 8 | | 666 | 1,609 | 133 | |
| SoJP Firearms Range | | 1,200 | 264 | 775 | |
| Magistrates Court Conversion | | 440 | | 312 | |
| Sexual Assault Referral Centre (SARC) | | 1,800 | 882 | 591 | 777 |
| Totals | 1,714 | 4,196 | 2,985 | 1,811 | 777 |

*Balances in 2023 have not yet been transferred.

4. Please could you advise whether the monies in the COCF are held by the States Treasury, or deposited in specific bank deposit accounts?

a. Please could you provide details about how, or if, the COCF money is ringfenced from other special funds?

b. What rate of interest does the COCF balance accrue?

c. Have you taken any advice about the long-term fund management of any monies held by the COCF?

- a. Any monies collected for the COCF are held in separate bank account, through the Government's bank (HSBC) or deposited with our cash manager, Ravenscroft. Ravenscroft invest the monies based on a conservative mandate we have provided them which covers all States funds.
- b. Monthly rolling fixed deposits with HSBC are used, or alternatively investments in cash assets through Ravenscroft across a conservative range of cash products such as fixed certificates of deposit which generate market rate interest. The return of the Fund should roughly equate to SONIA (Sterling Overnight Index Average). Long term Fiscal Policy Panel (FPP) projections of 'interest rates' are therefore used as a reasonable projection of long-term return rates.
- c. The funds and bank/deposit accounts are managed by the Treasury and Investment Management Team, which administers all the States investments. Due to the liquidity required and low risk appetite, a higher risk/return approach would not be suitable for this fund, this strategy is periodically reviewed.

Yours sincerely



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