

STATES OF JERSEY



PLÉMONT HOLIDAY VILLAGE: GRANT TO NATIONAL TRUST FOR JERSEY (P.107/2014) – COMMENTS

**Presented to the States on 27th June 2014
by the Minister for Treasury and Resources**

STATES GREFFE

COMMENTS

This proposition requests the Minister for Treasury and Resources to identify the appropriate means of funding for the States, should they wish to do so, to provide a grant to the National Trust for Jersey in order for them to acquire the Plémont Holiday Village site.

The Minister for Treasury and Resources considers the potential purchase to be an exceptional and one-off occurrence, and that it should not be seen as a precedent for approving additional expenditure outside of the now well-established Medium Term Financial Plan and Budget processes. In making this consideration, the Minister has taken into account: (a) the fact that the National Trust for Jersey is putting forward matched funding for the potential purchase; and (b) that this is a one-off opportunity to purchase the land in perpetuity.

Potential sources of funding which were considered but are not viable are listed below.

Reprioritisation of Capital Programme

The 2014 Capital Programme, as approved by the States as part of the 2014 Budget, fully allocated the available spending envelope agreed as part of the Medium Term Financial Plan. There is no scope to vary this in 2014 without significant impact on existing projects.

Unspent capital balances from prior year approvals

Extensive discussions with departments have not yielded any unspent allocations that could be used for this purpose. Whilst departments will not spend all of the remaining unspent allocations in 2014, in order to commit to a project and progress through tender and contract stages, a project must have sufficient funding to reach completion. Borrowing from existing capital allocations across years is not deemed appropriate, as it would pre-empt a future States decision to approve the allocation in a subsequent year.

Central Contingency

Central Contingency is oversubscribed in 2014 if all current earmarked allocations are required. A grant for the acquisition of Plémont could be funded from within existing resources, but only by removing several projects previously supported by the Council of Ministers to be funded from Central Contingency. As well as displacing other projects (which, in turn, would then need alternative funding sources as they are unavoidable) this would also reduce the balance of the Central Contingency to zero, removing any flexibility and conflicting with the key principles of financial management set out in the Medium Term Financial Plan.

The Minister will provide States Members with a schedule of Central Contingency funding prior to the debate on P.107/2014.

Process to be followed if the States adopt P.107/2014

Having taken the above into account, and upon advice from the Treasurer of the States, the Minister for Treasury and Resources has identified the process that would need to be followed if the States approves this proposition.

Subject to the confirmation of H.M. Attorney General that the requirements of the Proceeds of Crime (Jersey) Law 1999 have been met, the Minister can advise that the grant could be facilitated by transferring available funds from the Criminal Offences Confiscation Fund to offset appropriate existing, approved expenditure allocations – in this case the Police Relocation capital head of expenditure. This releases funding to be used to provide the National Trust for Jersey with a grant.

The steps would be –

- (1) funding allocated from the COCF treated as revenue income of the Home Affairs Department (subject to the agreement of H.M. Attorney General);
- (2) budget transfer under delegated powers from the Home Affairs revenue to the Police Relocation capital head of expenditure;
- (3) budget transfer under delegated powers from the Police Relocation capital head of expenditure to the Chief Minister's Department revenue head of expenditure; and
- (4) grant from the Chief Minister's Department revenue head of expenditure to the National Trust for Jersey (N.B. under States spending rules, a grant must be made from a Department – it cannot be made directly from the States as a body).

The net effect of these steps is that States expenditure for 2014 would not be increased. The balance of the COCF would decrease by £3.575 million.

	£'m	£'m	£'m	£'m
	Home Affairs Revenue HoE	Police Relocation Capital HoE	CMD Revenue HoE	National Trust for Jersey
(1) Transfer from COCF to Home Affairs revenue HoE	3.575			
(2) Transfer from Home Affairs revenue HoE to Police Relocation capital HoE	(3.575)	3.575		
(3) Transfer from the Police Relocation capital HoE to the Chief Ministers Department (CMD) revenue HoE		(3.575)	3.575	
(4) Grant to National Trust Jersey from CMD			(3.575)	3.575
Net Impact	0.000	0.000	0.000	3.575

HoE – Head of Expenditure

COCF – Criminal Offences Confiscation Fund

CMD – Chief Minister's Department