

2.2 Deputy S.C. Ferguson of St. Brelade of the Minister for Education, Sport and Culture regarding the allocation of a carry forward of £1,289,000 to the Education, Sport and Culture Department:

The recent report on allocation of underspends, entitled Financial Planning Disclosures for the 6-month Period Ended 30th June 2007 R98/2007, showed that £1.289 million has been allocated to the Education, Sport and Culture Department. Would the Minister please outline for what purposes this will be used?

Senator M.E. Vibert (The Minister for Education, Sport and Culture):

It is difficult to give great detail in response to this question, given the time allowed in oral reply, but briefly, the sum represents the approved funds that were carried forward from unspent budget balances in 2006 covering all provided schools and Highlands College as well as the Instrumental Music Service and the Community Fund. Schools and Highlands College, which accounts for the majority of the carry forwards over £1 million, are generally permitted to carry forward positive balances in order to support expenditure items such as future contracts and school development plans. This is particularly important as the school and financial years differ and allowing carry forwards in this way allows schools to manage their budgets to reflect the differing periods. Community Fund, which was established with lottery funding, is permitted to carry forward its full amount, which currently stands at £123,000, until it is fully utilised. The funding can only be allocated to community sports initiatives according to the original conditions relating to lottery funding. A number of requests for support from the balance of available funding are currently being processed. The Instrumental Music Service has been permitted to carry forward a balance of just over £6,000. If the questioner or any other States Member wants more detailed information relating to these figures, my Finance Department will provide them with any further breakdowns required.

2.2.1 Deputy R.G. Le Hérissier:

I wondered, Sir, if the Minister could indicate where the largest underspends were and were these underspends the result of judicious management of money or were they pure accidents?

Senator M.E. Vibert:

The largest underspends relate to the fee paying colleges and that is partly to do with the fact that some years ago, it was thought that the new Teachers' Pension Scheme was going to be part of P.E.C.R.S. (Public Employees' Contributory Retirement Scheme) and backdated to 2002 and the colleges prudently put aside extra funds for their portion of what would be the backdating of the pension funds. That has led to considerable carry forwards in the colleges about which I am in discussion with the Treasury as to how they can be used to help the colleges, particularly in some minor capital improvements.

2.2.2 Deputy R.G. Le Hérissier:

I thank the Minister for that answer but why was the money ascribed to the pension funds not needed for that particular purpose?

Senator M.E. Vibert:

The money ascribed for the pension funds was not needed for that purpose because it was discovered that the Teachers' Pension Fund could not be integrated with P.E.C.R.S. and not backdated to 2002 so, in this House last year, there was approval given to a new Teachers' Pension Fund which came in from a later date so that the backdated fundings were not required for their original purpose.