

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY T.A. VALLOIS OF ST. SAVIOUR
ANSWER TO BE TABLED ON TUESDAY 7th JUNE 2011**

Question

Could the Minister provide a detailed breakdown of the allocation of the £133.69 million remaining from funds of £240 million which were identified by the Treasury Department in the consolidated fund as ‘unallocated’ (P.73/2008 ‘Energy From Waste Facility: Funding’ refers).

What would the current financial position would be as of May 2011 if the Energy from Waste Plant had continued to be funded via a borrowing structure?

Answer

The proposition referred to states that cash balances at that time were “approximately £240 million”. The total project cost of EfW of £106.31 million then appears to have been deducted in the Deputy’s question from the £240 million to give the £133.69 million in the question.

The £240 million cash balance is not the same as the “unallocated” balance on the consolidated fund at that time. As an example, if a capital project for £50 million had been approved by the States in 2007, the whole of that amount would be “allocated” (or earmarked) from the consolidated fund, and could not be used for other purposes. However, actual *cash* expenditure on the project could have been spread over a number of years. So in 2008, for example, £40 million could still have been part of cash balances but none of the £50 million would show as “unallocated” from the consolidated fund. Resource management and cashflow management are both vitally important, but are two different controls.

The second part of the Deputy’s question is hypothetical and any answer could only be speculative as the terms of any loan which may or may not have been taken out are not known. Broadly speaking:

- The “notional” consolidated fund balance would be higher at this point in time by approximately £100 million less loan repayments and interest paid to date - but
- Significant additional States expenditure would be committed for a number of years – for example £5 million per annum for the next 20+ years.
- Loan obligations on the States balance sheet would be higher by approximately £100 million (plus interest) less loan repayments and interest paid to date.
- Cash balances on the States balance sheet would be higher by approximately £100 million (plus interest) less loan repayments and interest paid to date.