

STATES OF JERSEY



GENERAL RESERVE: GRANT OF ADDITIONAL FUNDS TO 31ST DECEMBER 2003

Presented to the States on 30th March 2004
by the Finance and Economics Committee

STATES GREFFE

REPORT

Background

1. Article 18 of the Public Finances (Jersey) Law 1967, as amended, 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*”
2. The purpose of this report is to notify the States, in accordance with Article 18 of the Law, of any decisions made in respect of the granting of funds from the General Reserve in 2003.

Granting of funds

3. Appendix A (attached) provides a summary of the funds which have been granted from the Reserve during 2003.
4. The balance in the Reserve at the beginning of 2003 was approximately £45.2 million, made up of the unspent balance brought forward from 2002 of £17.4 million and the 2003 Budget allocation of £27.7 million.
5. During the year the Committee agreed to grant funds of approximately £24.6 million from the General Reserve, leaving an unspent balance of £20.6 million.

Unspent balance

6. The unspent balance is not indicative of the amount available for the funding of new requests. The Committee is aware of significant probable calls upon the unspent balance of the Reserve to the extent that those calls may well already exceed the balance remaining. The Committee is therefore determined to exercise a high level of financial discipline when considering future requests in order that funding is only granted from the General Reserve for truly urgent and unforeseen requirements.
7. There has been zero allocation to the ‘unforeseen contingency’ in 2004 and current planning provides for an annual allocation of £2 million thereafter.
8. The Committee encourages forward financial planning in the States and is therefore determined that the General Reserve will not be used to circumvent the Fundamental Spending Review process within which future funding demands for revenue and capital expenditure are best determined.
9. The 2004 allocation to the central Pay and Pension Contingency, held within the General Reserve is £5 million. This represents approximately 2% of the States’ total pay expenditure. If this provision is exceeded, the balance available for unforeseen and urgent expenditure will be reduced.

Transfer of funds

10. In accordance with Article 18B of the Public Finances (Administration) (Jersey) Law 1967, the Finance and Economics Committee must also advise the States of any transfer of funds between individual Committees’ authorised revenue and capital votes. Accordingly, details of transfers are shown on Appendices B, C and D 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

Balance of General Reserve brought forward from 2002	£ 17,429,153
Allocation for 2003	<u>27,731,000</u>
Balance as at 1st January 2003	45,160,153

Approval date	Committee	Unforeseen contingency	Revenue £
15-Jan-03	Policy and Resources	(j)-category back tax on Housing subsidy	(133,875)
18-Sep-02	Policy and Resources	Finance Industry Executive	(75,000)
15-Jan-03	Privileges and Procedures	States Building – rent shortfall	(78,310)
26-Mar-03	Finance and Economics	Armed Services Support Advisory Council	(100,000)
26-Nov-02	Finance and Economics	Emergencies Council – warning system	(239,200)
18-Sep-02	Finance and Economics	States Members’ expense allowance	(35,700)
18-Sep-02	Finance and Economics	States Members’ income support	(196,000)
18-Jul-03	Finance and Economics	Jersey Finance Limited – promotional funds	(150,000)
15-Jan-03	Finance and Economics	States Building – rent shortfall	(73,800)
29-Nov-02	Finance and Economics	Income Tax – staff costs re allowance and assessment posts	(121,431)
01-Mar-04	Finance and Economics	Court and case costs	(3,312,247)
18-Dec-02	Environment and Public Services	Feasibility funding – sewerage charge	(30,000)

Approval date	Committee	Unforeseen contingency	Revenue £
1-Sep-03	Environment and Public Services	Bus funding	(1,433,272)
1-Feb-03	Environment and Public Services	Agricultural polythene disposal subsidy	(122,372)
1-Feb-03	Economic Development	School milk – July to December	(81,807)
1-Nov-03	Economic Development	Vehicle Registration Duty – agricultural vehicles	(22,050)
1-Jul-03	Economic Development	Aid to Dairy Industry	(201,979)
1-Oct-02	Economic Development	Airport Task Force – Passenger Initiative	(500,000)
1-Jan-03	Health and Social Services	School milk – January to June	(96,000)
1-Mar-04	Home Affairs	Prison ‘over-population’ costs	(518,000)
1-Mar-04	Home Affairs	Court and case costs	(190,379)
1-Mar-04	Home Affairs	Terrorism equipment funding	(101,000)
1-Mar-04	Housing	Year end overspend	(317,597)
			(8,130,019)
		Pay and Pension Contingency	
1-Mar-04	All Committees	June 2002 Pay Award	(1,250,000)
1-Mar-04	All Committees	June 2002 Award – January to May 2003	(4,201,900)
1-Mar-04	All Committees	June 2003 Award – June to December 2003	(6,905,000)
1-Mar-04	Home Affairs	Prison Officers’ pay review	(100,000)
1-Mar-04	Health and Social Services	Nurses/Medical/HAY Evaluation increases	(2,500,000)
1-Mar-04	Health and Social Services	Junior Doctors/Consultants 2002	(294,000)
1-Mar-04	Health and Social Services	Ambulance Managers’ pensions	(108,400)

Approval date	Committee	Unforeseen contingency	Revenue
			£
15-Mar-04	Health and Social Services	Paramedics' pensions	(426,700)
15-Mar-04	Health and Social Services	Junior Doctors/Consultants 2003	(377,000)
12-Nov-03	Health and Social Services	Medical Defence Union Insurance Contribution	(210,000)
15-Mar-04	Health and Social Services	Social Security increases	(68,000)
			(16,441,000)
Total funds granted in 2003			(24,571,019)
Balance on General Reserve as at 31st December 2003			20,589,134

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	Department	FROM Project	Amount \$	Committee	Department	TO Project	Amount \$
Finance and Economics	States Greffe	Transfer of administration of Capital Budgets	(762,800)	Privileges and Procedures	Privileges and Procedures	Transfer of administration of Capital Budgets	762,800
Finance and Economics	Impôts	Transfer of I.T. funding (CAESAR)	(305,000)	Home Affairs	Impôts	Transfer of I.T. funding (CAESAR)	305,000
Finance and Economics	Probation	Transfer of I.T. funding	(30,000)	Home Affairs	Probation	Transfer of I.T. funding	30,000
Environment and Public Services	Public Services	Automation of Power Station	(1,565)	Environment and Public Services	Public Services	Gas Engine Modification - Bellouanne	1,565
Environment and Public Services	Public Services	Anti-Hydrogen Subside	(23,638)	Environment and Public Services	Public Services	Gas Engine Modification - Bellouanne	23,638
Environment and Public Services	Public Services	Enhanced Power Systems Bellouanne	(1,781)	Environment and Public Services	Public Services	Gas Engine Modification - Bellouanne	1,781
Education, Sport and Culture	Education	New Town Primary School	(53,187)	Education, Sport and Culture	Education	JCG - relocation	53,187
Education, Sport and Culture	Education	JCG/JCG Preparatory Car Park	(131,553)	Education, Sport and Culture	Education	JCG - relocation	131,553
Education, Sport and Culture	Education	Hautlieu/Highlands Sports Facility	(159,000)	Education, Sport and Culture	Education	Catholic Schools Fund	159,000
Education, Sport and Culture	Education	Highlands College Art and Technology Block	(30,000)	Education, Sport and Culture	Education	Catholic Schools Fund	30,000
Economic Development	Economic Development	Public Market maintenance	(488,200)	Environment and Public Services	Public Services	Public Market maintenance	488,200

VOTE TRANSFERS BETWEEN REVENUE AND CAPITAL

The following vote transfers between Revenue and Capital are reported to the States in accordance with Article 18B(3) of the Public Finances (Administration) (Jersey) Law 1967

Committee	Department	FROM Description	Revenue/ Capital	Amount £	Committee	Department	TO Description	Revenue/ Capital	Amount £
Policy and Resources	Computer Services	Computer software purchase	Revenue	(116,488)	Finance and Economics	Judicial Greffe	Jersey Legal Information Board	Capital	116,488
Finance and Economics	Non-departmental	Revenue Carry Forward	Revenue	(165,000)	Finance and Economics	Treasury	FISS Phase III implementation	Capital	165,000
Finance and Economics	Treasury	Revenue Carry Forward	Revenue	(135,000)	Finance and Economics	Treasury	FISS Phase III implementation	Capital	135,000
Finance and Economics	Treasury	Revenue Carry Forward	Revenue	(303,000)	Finance and Economics	Treasury	FISS Project – Lease charges	Capital	303,000
Environment and Public Services	Planning and Environment	Revenue Carry Forward	Revenue	(133,000)	Environment and Public Services	Planning and Environment	Haut de la Garenne Project	Capital	133,000
Economic Development	Economic Development	Revenue Carry Forward	Revenue	(90,000)	Economic Development	Economic Development	Public Markets	Capital	90,000
Finance and Economics	Treasury	Central Planning Vote	Capital	(163,600)	Environment and Public Services	Public Services	Severage charge	Revenue	163,600

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	Department	FROM Description	Amount £	Committee	Department	TO Description	Amount £
Policy and Resources	Human Resources	Transfer of manpower function	(76,690)	Finance and Economics	Treasury	Transfer of manpower function	76,690
Policy and Resources	Policy and Resources	Transfer of Environmental Adviser Post	(93,467)	Environment and Public Services	Planning and Environment	Transfer of Environmental Adviser Post	93,467
Finance and Economics	Treasury	Economic Consultancy	(200,000)	Policy and Resources	Policy and Resources	Economic Consultancy	200,000
Finance and Economics	States Greffe	Transfer of Department	(2,114,700)	Privileges and Procedures	States Greffe	Transfer of Department	2,114,700
Finance and Economics	States Greffe	Disaster Plan implementation	(27,800)	Privileges and Procedures	States Greffe	Disaster Plan implementation	27,800
Finance and Economics	Impôts	Transfer of Department	(3,167,500)	Home Affairs	Impôts	Transfer of Department	3,167,500
Finance and Economics	Impôts	Provision of Drugs Dog Service	(51,500)	Home Affairs	Impôts	Provision of Drugs Dog Service	51,500
Finance and Economics	F&E Non-departmental	Grant – Jersey Transport Authority	(40,000)	Economic Development	Economic Development	Jersey Transport Authority	40,000
Finance and Economics	Treasury	Corporate Supplies transfer	(115,474)	Health and Social Services	Health and Social Services	Medical and Surgical Supplies	115,474
Employment and Social Security	Training and Employment Partnership	Transfer of TEP	(1,331,000)	Economic Development	Training and Employment Partnership	Transfer of TEP	1,331,000