

STATES OF JERSEY



GENERAL RESERVE: GRANT OF ADDITIONAL FUNDS TO 30TH JUNE 2004

Presented to the States on 17th August 2004
by the Finance and Economics Committee

STATES GREFFE

REPORT

Background

1. Article 18 of the Public Finances (Administration) (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 up to 30th June 2004.

Granting of funds

3. Appendix A attached provides a summary of the funds which have been granted from the Reserve from 1st January to 30th June 2004.
4. The balance on the Reserve at the beginning of 2004 was approximately **£25.6 million** made up of the unspent balance brought forward from 2003 of **£20.6 million** and the 2004 Budget allocation for Pay and Pension Contingency of **£5 million**
5. During the 6 months to 30th June 2004 the Committee agreed to grant funds of approximately **£1.3 million** from the General Reserve, leaving an unspent balance of **£24.3 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 continue 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 only £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 2003	20,589,134
		Allocation for 2004	<u>5,016,000</u>
		Balance as at 1st January 2004	25,605,134
Approval date	Committee	Unforeseen contingency	Revenue £
05-Nov-03	Policy and Resources	Finance Industry Fund	(200,000)
13-May-04		Liberation Day 2005	(100,000)
30-Jan-04	Environment and Public Services	Jersey Meteorological Office 2004	(600,000)
01-Apr-04	Home Affairs	Fire Terrorism equipment	(101,000)
			<u>(1,001,000)</u>
		Pay and Pension Contingency	
12-Nov-03	Health and Social Services	Medical Defence Subscriptions	(233,000)
15-Mar-04	Health and Social Services	Emergency Ambulance Pension Increase	(30,400)
08-Apr-04	Economic Development	VR/VER Payment	(19,996)
			<u>(283,366)</u>
		Total funds granted as at 30th June 2004	<u>(1,284,366)</u>
		Balance on General Reserve as at 30th June 2004	<u><u>24,320,768</u></u>

APPENDIX B

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	Non-departmental	Planning Vote	(265,000)	Education, Sport and Culture	Education	Greenfields Centre	265,000
Finance and Economics	Non-departmental	Capital Reserve Vote	(4,052)	Health and Social Services	Health and Social Services	Robin Ward	4,052
Finance and Economics	Non-departmental	Housing Development Fund	(85,000)	Environment and Public Services	Planning	Housing Site Investigations	85,000
Education, Sport and Culture	Education	New Town Primary School	(575,623)	Education, Sport and Culture	Education	La Fouquetelaye School Redevelopment	575,623
Education, Sport and Culture	Education	New Town Primary School	(280,677)	Education, Sport and Culture	Education	Catholic Schools Grant	280,677
Environment and Public Services	Public Services	Beach Guards Feasibility Study Rockface Stabilisation Feasibility Study States Building Risk Workshop	(5,000) (10,000) (5,000)	Finance and Economics	Non-departmental	Planning Vote	20,000

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 £
Finance and Economics	Treasury	Carry forwards	Revenue	<u>(199,984)</u>	Finance and Economics Committee	States Treasury	Shared services – JDE Upgrade	Capital	<u>199,984</u>
Finance and Economics	Judicial Greffe	JLIB Funding 2004	Revenue	<u>(100,000)</u>	Finance and Economics Committee	Judicial Greffe	JLIB Funding 2004	Capital	<u>100,000</u>

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	Manpower function	(15,298)	Finance and Economics	States Treasury	Manpower function	15,298
Finance and Economics	Non-departmental	OXERA Budget	(200,000)	Policy and Resources	Policy and Resources	OXERA Budget	200,000
Finance and Economics	States Greffe	VRRER	(56,000)	Privileges and Procedures	States Greffe	VRRER	56,000
Finance and Economics	Non-departmental	Cost of fuel farm consultation	(17,000)	Economic Development	Economic Development	Cost of fuel farm consultation	17,000
Finance and Economics	States Treasury	Corporate Supplies	(116,543)	Health and Social Services	Health and Social Services	Medical and Surgical Supplies	116,543
Finance and Economics	Non-departmental	Grant – Jersey Finance Limited	(250,000)	Economic Development	Economic Development	Grant – Jersey Finance Limited	250,000
Environment and Public Services	Planning and Environment	Environmental Analyst	(55,000)	Finance and Economics	Official Analyst	Environmental Analyst	55,000
Economic Development	Agriculture and Fisheries	MOGR Service Re-allocation	(1,946,066)	Environment and Public Services	Planning and Environment	MOGR Service Re-allocation	1,946,066
Economic Development	Agriculture and Fisheries	MOGR Service Re-allocation	(1,531,325)	Environment and Public Services	Public Services	MOGR Service Re-allocation	1,531,325