

STATES OF JERSEY



FINANCIAL PLANNING DISCLOSURES FOR THE 6 MONTH PERIOD ENDED 31ST DECEMBER 2007

**Presented to the States on 1st May 2008
by the Minister for Treasury and Resources**

STATES GREFFE

REPORT

1. The administration of the public finances of Jersey

In accordance with the Public Finances (Jersey) Law 2005 (“the Law”) (including Regulations approved under that Law and Financial Directions) certain matters are required to be reported to the States twice yearly by the Minister for Treasury and Resources (“the Minister”).

This report sets out those matters for the 6 month period ended 31st December 2007.

2. Financial Directions

Matters to be reported by the Minister twice yearly relate solely to financial planning. The Financial Directions (“FD”) referred to in this report – which have all been issued under certain Articles of the Law and provide instructions and guidance on the Law and any Regulations that are in place – are all relevant.

2.1 FD 3.1 – Financial administration of Trading Operations (Article 26)

This Direction supports paragraphs (2) and (3) of Regulation 22, which states that the Minister may in certain circumstances approve the use of money standing to the credit of the trading fund of a States trading operation for a capital project, or for a purpose other than one approved as part of an annual business plan (FD sections 5.13–5.15 refer).

2.2 FD 3.2 – Borrowing (Article 21)

Under Regulation 9, the Minister may authorise certain borrowings in the name of, and on behalf of, the States. The “Borrowing by the Minister for Treasury & Resources” section of this Direction provides guidance on the aforementioned. This function has partly been delegated to the Treasurer of the States (“the Treasurer”) – as permitted by Regulation 10; and FD sections 5.12 and 5.18 refer.

2.3 FD 3.3 – Lending (Article 23)

Sections 5.6 and 5.7 of this Direction support Regulation 13, which authorises the Minister to lend certain money of the States. “Lending by the Treasurer of the States” (FD section 5.9) relates to Regulation 14 which authorises the Minister to delegate to the Treasurer, wholly or partly, a function vested in the Minister by Regulation 13.

2.4 FD 3.6 – Variations to heads of expenditure (Article 15)

This Direction specifies how and when an application for the Minister’s approval under paragraph (1) of Article 15(a) of the Law may be made. Transfers between heads of expenditure are covered in FD sections 5.7–5.13, and the carry forward of revenue balances is referred to in section 5.15 and FD 6. Carry forward of revenue balances. Separate rules relate to designated States trading operations.

3. Reporting on Ministerial and delegated approvals

The areas of administration which are to be reported on for the period ended 30th June include the use of trading funds, borrowing, and variations to heads of expenditure.

3.1 Use of trading funds

The Minister approved (MD-TR-2008-0009) the increase of the Airport’s £500,000 Ground Water Remediation Project budget by £19,936 to fund unforeseen issues.

3.2 Borrowing

The giving of loan guarantees in the States' name falls within the remit of FD 3.2, and during the 6 month period the Treasurer approved one guarantee under the Small Firms Loan Guarantee Scheme ("SFLGS") with a total value of £151,200. Under the terms of the scheme, the Economic Development Department underwrites up to 75% of the value of a loan. The total amount guaranteed to date under the SFLGS is £375,900. The Jersey Student Loan Scheme commenced in September 2007, with 117 students taking out loans totalling £167,875. Terms with the intermediaries require the States of Jersey to underwrite 100% of the value of the loan.

3.3 Variations to heads of expenditure

Direction 3.6 identifies requirements and provides advice on the procedures when variations to revenue and capital heads of expenditure are being considered.

A "head of expenditure" is defined in section 5.1 of the FD as either –

- the annual net revenue budget of a States funded body^[1]; or
- the amount allocated for each capital project.

Please note that unless otherwise indicated in the Appendices, transfers have been approved via delegated authority.

3.3.1 Transfers between revenue heads of expenditure

Transfers between revenue heads are categorised in section 5.7 as –

- non-contentious transfers of up to £100,000, in which case the approval of the Treasurer of the States, or in his absence another person nominated by the Treasurer is required; and
- all other instances, where the approval of the Minister is required.

Revenue transfers during the period ended 31st December 2007 amounted to £1,247,806 (Appendix A refers).

3.3.2 Transfers between capital heads of expenditure

Capital to capital transfers are categorised in sections 5.8–5.10 as –

- non-contentious transfers of up to £100,000 (5.8), which require the approval of the Treasurer of the States, or in his absence another person nominated by the Treasurer is required;
- all other transfers between existing capital heads (5.9), in which case the approval of the Minister is required; and
- transfers to new capital heads^[2] of expenditure (5.10), which require the approval of the Council of Ministers ("CoM") and the Minister.

Transfers between existing capital heads of expenditure amounted to £3,818,942 for the period (Appendix B refers).

3.3.3 Transfers between revenue and capital heads of expenditure

Transfers between revenue and capital heads are categorised in sections 5.11–5.13 as –

- non-contentious transfers of up to £100,000 (5.11), in which case the approval of the Treasurer of the States, or in his absence another person nominated by the Treasurer is required;
- all other transfers (5.12), which require the approval of the Minister; and
- transfers to new capital heads of expenditure (5.13), in which case the approval of the CoM and the Minister are required.

Transfers between revenue and capital heads of expenditure amounted to £6,589,710 (Appendix C refers). There were no transfers to new capital heads of expenditure during the period.

APPENDIX A

TRANSFERS BETWEEN REVENUE HEADS OF EXPENDITURE TO 31ST DECEMBER 2007

Transfers between revenue heads of expenditure											Total	
	CMD	E30	ES&C	H&SS	Home Affairs	Housing	P&E	Soc Sec	T&TS	T&R	NMSFB	Transfers
	£	£	£	£	£	£	£	£	£	£	£	£
(i) Non-contentious transfers of up to £100k To Stats Unit for cross departmental surveys	20,000	(2,000)	(2,000)	(6,500)		(5,600)		(10,000)				Delegated authority IE, MD-H-2007-0023, MD-ESC-2007-0014, MD-T-2007-0044, MD-PE-2007-0026.
Property Maintenance from ESC to T&R												
0.5 Finance Support FTE from T&R to ESC												
Architects' Software Budget from TTS to T&R												
Court and Case costs												
Internet Management EDD to CMD	19,000	(19,000)										
(ii) All remaining instances												
Safety Grants Fund from T-A to TTS												
Property Maintenance from Housing to T&R												
Subsidies Staff from Housing to Soc Sec												
Recruitment costs from CMD	(275,408)	2,050	51,250	184,500	31,642	3,075	1,025	1,025	841			MB-TR-2007-0054, MD-HA-2007-0018, MD-T-2007-0014
												MB-PH-2007-0035, MD-H-2007-0030
												MB-TR-2007-0116, MD-ESC-2007-0064, MD-HS-2007-0078, MD-H-2007-0053, MD-PE-2007-0022, MD-T-2007-0074
Transfers to revenue heads												
Transfers from revenue heads												
Net transfers	(230,408)	(18,950)	43,870	178,000	79,650	(261,325)	(4,475)	160,000	231,450	218,761	(288,853)	0

APPENDIX B

TRANSFERS BETWEEN CAPITAL HEADS OF EXPENDITURE TO 31ST DECEMBER 2007

Transfers between capital heads of expenditure										Comments
CMD	EDD	ESMC	Housing	P&E	TMS	TFR				
£	£	£	£	£	£	£				
(ii) Non contentious transfers of up to £10k										
Animal Infrastructure from EDD to TTS		(67,500)			67,500					Delegated Authority Mk, MD-T-2008-002, MD-TR-2008-002
(iii) All remaining instances										
TC Strategy funding from Headline and Large Ltd Capital		510,000								Transfer within LSC MD-COC-2008-0002, MD-TR-2008-0011
Victoria Cottage Homes to Clos du Fort		249,309								Transfer within Housing MD-H-2007-0039, MD-TR-2007-0086
Four Sewer Extension to Waste - Minor Capital				329,172						Transfer within TTS, MD-TR-2007-0076
Tower Park Project		(825,000)		(300,000)	2,118,221	(883,201)				MD-T-2007-0078, MD-FHE-2007-0216, MD-TR-2007-0115, MD-C-2007-0049
Repayment of boro loan from St Peter's School to Granville					(545,000)					Transfer within TFR Finance and Economics Committee 10 Nov 2005
Total										
CMD	EDD	ESMC	Housing	P&E	TMS	TFR				
£	£	£	£	£	£	£				
Transfers to capital heads	(925,000)	(67,500)	(510,000)	(249,069)	(300,000)	(329,172)	(1,433,201)			(188,917)
Transfers from capital heads	0	0	510,000	249,309	0	2514,873	565,001			381,922
Net transfers	(925,000)	(67,500)	0	0	0	0	(1,433,201)	0	0	0

APPENDIX C

TRANSFERS BETWEEN CAPITAL AND REVENUE HEADS OF EXPENDITURE TO 31ST DECEMBER 2007

[1] NMSFB – Non-Ministerial States Funded Body.

[2] ‘New’ capital heads of expenditure refers to capital projects that have been initiated without States approval.