
STATES OF JERSEY



BUDGET MANAGEMENT REPORT FOR THE PERIOD ENDED 31ST DECEMBER 2011

**Presented to the States on 3rd July 2012
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 relating to budgeting and to the financial control and administration of States Trading Operations are required to be reported to the States twice yearly by the Minister for Treasury and Resources (“the Minister”).

This report summarises all decisions made during the 6 month period to 31st December 2011, the majority of which have been previously published. Where decisions have not previously been published, this is due to one of 2 reasons –

- The decisions were exempted under the States of Jersey (‘SoJ’) Code of Practice on Public Access to Official Information; or
- The decisions were taken by the Treasurer of the States under delegated authority from the Minister.

2. Reporting on decisions

The areas of administration which are to be reported on are as follows –

- Borrowing; and
- Budget transfers.

2.1 Borrowing

2.1.1 Jersey Student Loan Scheme

The Jersey Student Loan Scheme commenced in September 2007. As at 31st December 2011, 573 students had taken out a loan under the Scheme, and the total amount borrowed was £1,653,297. Terms with the intermediaries require the States of Jersey to underwrite 100% of the value of the loan.

2.2 Budget transfers

Article 15(1)(a) of the Public Finances (Jersey) Law 2005 (superseded on 1st January 2012 by Article 18(1)) states that all or any part of the amount appropriated by a head of expenditure may, with the approval of the Minister, be used for the purposes of another head of expenditure.

Budget transfers under Article 15(1)(a) are reported on the following basis –

- Transfers between revenue heads of expenditure;
- Transfers between capital heads of expenditure;
- Transfers between revenue and capital heads of expenditure; and
- Transfers between revenue and capital heads of expenditure where the transfer is required in order to comply with Generally Accepted Accounting Principles (GAAP).

Budget transfers between departments vary the budgets of individual departments but are net nil in total.

2.2.1 Transfers between revenue heads of expenditure

Revenue transfers during the 6 month period to 31st December 2011 are shown below:

Department		£	Funding of –
To:	From:		
T&R (JPH)	H&SS	770,000	Enabling works in advance of ICU refurbishment
CMD	EDD	160,200	Regulation of Undertakings and Development Law
H&SS	Home Affairs	37,000	Implementation of Sex Offenders legislation
Probation	Homes Affairs	89,400	Implementation of Sex Offenders legislation
ESC	T&R	616,700 ¹	Restructuring provision – 2nd Tranche (decision amends MD-TR-2011-0039)
Home Affairs	T&R	4,478	Transfer of FTE and budget to Police
Home Affairs	T&R	29,000	Restructuring provision
T&R Contingency	H&SS	22,370	Transfer of HCAE legal fees
Judicial Greffe	T&R Contingency	78,588	Return of incorrectly identified VR clawback
Data Protection Registry	Law Officers' Department	25,000	To fund budget shortfall
Judicial Greffe	Viscount's Department	44,143	To fund budget shortfall
Bailiff's Chambers	Law Officers' Department	6,200	Court and Case Costs
Judicial Greffe	Law Officers' Department	112,755	Court and Case Costs
Office of the Lieutenant Governor	Law Officers' Department	28,205	Court and Case Costs
	Total:	2,024,039	

¹ Original amount approved was £1,326,000 (as reported in previous Budget Management Report)

2.2.2 Transfers between capital heads of expenditure

Transfers between existing capital heads of expenditure during the 6 month period to 31st December 2011 are shown below:

Department		£	Funding of –
To:	From:		
T&R (IS Migration Control)	T&R (IS Rolling Vote)	565,000	Replacement of Information Services (IS) systems in Population Office
Home Affairs (Fire and Rescue Minor Capital)	Home Affairs (Fire Radio Communications)	14,063	Inshore Rescue Boat for Fire Service
Home Affairs (Prison Control Room)	T&R (JPH) (Prison Phase III)	170,887	Prison Control Room
TTS (Phillips Street Shaft)	Central Planning Vote	500,000	Phillips Street feasibility and project design
TTS (Eastern Cycle Network)	TTS (Infrastructure Contingency)	82,000	Eastern Cycle Network
T&R (JPH) (ICU Upgrade)	Central Planning Vote	50,000	Intensive Care Unit
T&R (JPH) (New Maternity Theatre)	Central Planning Vote	20,000	Maternity Theatre and Special Care Baby Unit
T&R (JPH) (Main Theatre Upgrade)	Central Planning Vote	300,000	Upgrade of Main Theatres
T&R (JPH) (Clinique Pinel Upgrade)	Central Planning Vote	20,000	Clinique Pinel Upgrade
T&R (JPH) (Limes Upgrade)	Central Planning Vote	200,000	Limes Upgrade
T&R (Web Development Project and JDE Development and Upgrade Project)	T&R (IS Rolling Vote and FISS Phase III)	299,303	Web Development Project and JDE Development and Upgrade Project
Home Affairs (Various Minor Capital Heads of Expenditure)	Home Affairs (Various Capital Heads of Expenditure)	104,897	Unspent balances on capital projects to Minor Capital
Total:		£2,326,150	

2.2.3 Transfers between revenue and capital heads of expenditure

Transfers between revenue (Rev) and capital (Cap) during the 6 month period to 31st December are shown below:

Department		£	Funding of –
To	From		
T&R Contingency	ESC Rev	2,159	Unspent HCAE funding
Home Affairs Rev	T&R Contingency	122,110	HCAE Q1&Q2 2011
T&R Contingency	States Assembly Rev	113,236	Return of VR savings
Housing Rolling Vote	Housing Rev	415,224	Refurbishment of La Collette high-rise lifts
T&R Rev	T&R Contingency	71,500	KPMG Consultancy work on long-term funding for H&SS
Airport Rev	Airport Cap	370,000	Additional funding for Arrivals Demolition
H&SS Rev	T&R Contingency	20,000	Third Sector Forum
T&R Rev	T&R Contingency	10,000	Electricity Cable to the La Folie site
H&SS Rev	T&R Contingency	53,000	Pandemic Flu reimbursements
T&R Rev	T&R Contingency	166,168	Assist achievement of savings in Taxes Office
TTS Cap	TTS Rev	100,000	Southern Cycle Track
T&R Contingency	T&R Contingency Rev	176,279	Transfer of Special Funds Balance additional income
T&R Rev	T&R Contingency	20,000	States Training Needs
Central Reserve	T&R Cap	5,000,000	Insurance accumulated surplus to Central Reserves
T&R (JPH) Cap	T&R (JPH) Rev	500,000	Application of Donation to Renal Dialysis Unit
EDD Rev	Central Reserve	450,000	Grant to Tourism Development Fund
T&R (JPH) Cap	Home Affairs Rev	415,000	Prison Redevelopment Masterplan – teaching facilities, etc.
EDD Rev	T&R Contingency	6,380	Interim Security at the Skateboard Park

Department		£	Funding of –
To	From		
T&R Contingency	H&SS Rev	653,630	Transfer of budget for legal fees
T&R (JPH) Cap	ESC Rev	324,100	Victoria College and VCP improvement works
T&R (JPH) Cap	ESC Rev	100,000	Academy Restaurant Kitchens at Highlands
T&R Contingency	H&SS	166,036	Return of VR funding not required
EDD Rev	T&R Contingency	3,881	Interim Security at the Skateboard Park
T&R (JPH) Cap	T&R (JPH) Rev	177,101	Indoor Market Surplus
	Total:	9,435,804	

2.2.4 Transfers between revenue and capital heads of expenditure where the transfer is required in order to comply with Generally Accepted Accounting Principles (GAAP)

The States of Jersey implemented Generally Accepted Accounting Principles (GAAP) in 2009. GAAP accounting requires that expenditure should be accounted for as capital only if it meets the GAAP accounting definition of capital expenditure, and as revenue otherwise.

GAAP transfers between revenue (Rev) and capital (Cap) during the 6 month period to 31st December 2011 are shown below:

Department		£	Funding of –
To	From		
T&R Rev	T&R Cap	154,000	Training and Development within HR
Airport Rev	Airport Cap	90,000 ²	Working at Height & H&S requirements
DoE Cap	DoE Rev	122,750	Process Improvement Plan
TTS Cap	TTS Rev	447,722	Asbestos Cell
TTS Rev	TTS Cap	86,994	In-Vessel Composting costs
Home Affairs Cap	Home Affairs Rev	10,050	Customs & Immigration – specialist equipment
Home Affairs Cap	Home Affairs Rev	350,000	States of Jersey Police – specialist equipment
Home Affairs Cap	Home Affairs Rev	257,875	Jersey Field Squadron – equipment requirements
Home Affairs Cap	Home Affairs Rev	100,000	Biometric Passports New Generation Project
TTS Cap	TTS Rev	231,000	Sustainable Transport Policy
Home Affairs Rev	Home Affairs Cap	26,692	JCIS – specialist vehicle equipment
Home Affairs Rev	Home Affairs Cap	1,218,102	TETRA
Official Analyst Cap	Official Analyst Rev	24,937	Purchase of a fixed asset
TTS Cap	TTS Rev	112,880	Waste Operations

² Actual amount transferred was £35,000

Department		£	Funding of –
To	From		
H&SS Rev	H&SS Cap	474,099	ICR Project
ESC Cap	ESC Rev	19,725	Highlands College Performance Management Software
CMD Rev	CMD Cap	394,778	Various ICT projects
ESC Cap	ESC Rev	20,000	Wooden Shelter at St. Clement's School
	Total:	4,141,604	