
STATES OF JERSEY



BUDGET MANAGEMENT REPORT FOR THE PERIOD ENDED 31ST DECEMBER 2012

**Presented to the States on 18th June 2013
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 2012. 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 –

- The use of trading funds by States Trading Operations;
- Borrowing; and
- Budget transfers.

2.1 Use of trading funds

The following Ministerial/Treasurer’s Delegated Decisions in the use of trading funds were approved in the 6 month period ended 31st December 2012 –

- TR-2012-DD086 – Use of Jersey Harbours Trading Fund in 2012 for St. Helier Marina Walls (£50,000).
- MD-TR-2012-0073 – Use of Jersey Harbours Trading Fund in 2012 for St. Aubin’s Harbour Dredging Works (£650,000).

2.2 Borrowing

2.2.1 Jersey student loan scheme

During the 6 month period to 31st December 2012, 132 new loans with a collective value of £341,524.32 were guaranteed by the Treasurer of the States under the Jersey Student Loan Scheme. As at 31st December 2012, the total amount loaned under the Jersey Student Loan Scheme was £1,911,448.45. Terms with the intermediaries require the States of Jersey to underwrite 100% of the value of the loans.

2.3 Budget transfers

Article 2(6) of the Public Finances (Transitional Arrangements) (Jersey) Order 2011 states that any head of expenditure may be varied from time to time in 2012 in accordance with (a) Article 15 of the Law as it was in force before 1st January 2012; or (b) Article 18 of the Law as it is in force from 1st January 2012.

Budget transfers under Article 2(6) of the Public Finances (Transitional Arrangements) (Jersey) Order 2011 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;
- Transfers between revenue and capital heads of expenditure where the transfer is required in order to comply with Generally Accepted Accounting Principles (GAAP).

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

2.3.1 Transfers between revenue heads of expenditure

Revenue transfers during the 6 month period to 31st December 2012 are shown below –

Department		£	Funding of –
To –	From –		
ESC	SSD	456,516	Fund additional students at Highlands College
Housing	EDD	49,600	Rent and Service Charges budgets for Jubilee Wharf and CLMH transferred to Housing and EDD
EDD	JPH	25,000	
EDD	CMD	8,169	
T&R	CMD	36,606	Budget and Staff transfers due to the disbanding of the Customer Services Centre at CLMH
Housing	CMD	47,579	
TTS	CMD	25,000	
Provision for restructuring	T&R	31,400	Unspent restructuring for Pensions and Law Drafting
	CMD	25,000	
Judicial Greffe	SSD	45,000	Jersey Employment Tribunal
*CMD	Provision for restructuring	161,100	ISD Voluntary Redundancy and Managed Data Centres
EDD		156,500	Financial Services
HA		70,000	Backfill for Criminal Justice Review
*CMD	Central Reserves	70,000	Leadership training programme
*CMD	Central Reserves	475,110	Establishment of a Vulnerable Adults Policy Group and Protection Committee

Department		£	Funding of –
To –	From –		
Housing	Central Reserves	20,600	States 1% Non-Consolidated Pay Awards for 2012
H&SS		867,200	
SSD		31,124	
HA		263,000	
CMD		100,740	
EDD		27,270	
T&R		106,500	
TTS		155,550	
DoE		57,790	
ESC		706,350	
Bailiff's Chamber		Central Reserves	
Law Officers' Department (LOD)	33,900		
Judicial Greffe	19,600		
Viscount's Department	9,480		
Official Analyst	3,750		
Lieutenant Governor's Office (LG)	5,050		
Data Protection Commission	1,800		
Probation Department	14,000		
States Assembly	11,900		
Overseas Aid Commission	650		
EDD	Central Reserves		990,000
T&R	Central Reserves	392,485	Legal costs for the case against the UK government regarding the change to LVCR rules
Central Reserves	SSD	5,200,000	Return of 2011 unspent carry-forward
T&R	Central Reserves – Insurance	228,633	HCAE costs
CMD	Provision for restructuring	650,000	Public Sector Reform Programme
Bailiff's Chambers	Central Reserves	60,000	Royal Visit Costs

Department		£	Funding of –
To –	From –		
CMD	Provision for restructuring	1,440	Re-alignment of budgets to reflect insurance and procurement savings
T&R		35,170	
Bailiff's Chambers		690	
LOD		3,090	
Judicial Greffe		1,100	
Official Analyst		190	
LG		110	
Data Protection Commission		190	
Probation Department		210	
States Assembly and its services		1,780	
Provision for restructuring		EDD	
	ESC	259,540	
	DoE	37,100	
	H&SS	86,120	
	HA	59,840	
	Housing	274,960	
	SSD	24,330	
	TTS	102,390	
	Viscount's Department	120	
**CMD	T&R	Multi-year Transfers	HR Broad-banding
**Housing	EDD	Multi-year Transfers	Rent and Service Charges budgets for Jubilee Wharf and CLMH transferred to Housing and EDD
**EDD	JPH	Multi-year Transfers	
**EDD	CMD	Multi-year Transfers	
**LG	HA	Multi-year Transfers	To fund the role of Cadet and Military Support Officer
Total transfers		12,548,842	

* Decisions with multi-year budget transfers for 2012 and 2013. The budget transfer for 2012 is reflected above with the budget transfer for 2013 reflected under 2.3.5.

** Decisions with multi-year budget transfers for 2013 to 2015. These are reflected under 2.3.5.

2.3.2 Transfers between capital heads of expenditure

Transfers between existing capital heads of expenditure during the 6 month period to 31st December 2012 are shown below –

Department		£	Funding of –
To –	From –		
ESC	Central Planning Vote (CPV)	60,000	Feasibility study for a new Victoria College Preparatory School
T&R (JPH)	CPV	80,000	Feasibility study on St. Martin's School
HA Biometric Passport	HA TETRA	471,000	New Generation (Biometric) Passports
CMD Enterprise Systems Development	T&R JDE System	846,000	Enterprise Systems Development
TTS Infrastructure Rolling Vote	Town Park Capital Vote	250,000	Return of unspent funds
Housing Rolling Vote	Town Park Capital Vote	250,000	Return of unspent funds
IS Capital Vote	Corporate ICT	747,940	Consolidate the existing IS capital budgets into one single IS capital vote
T&R JPH Prison Improvement Phase 4	T&R JPH Prison Masterplan Phase 3	84,773	Prison Improvement Works Phase 4
TTS Infrastructure Rolling Vote	Solid Waste Incinerator 2008	461,090	Enhancement of the Electrical Infrastructure at Bellozanne
TTS	CPV	500,000	Feasibility study on the secondary upgrade of the Sewage Treatment works
Total transfers		3,750,803	

2.3.3 Transfers between revenue and capital heads of expenditure

Transfers between revenue (Rev) and capital (Cap) during the 6 month period to 31st December 2012 are shown below –

Department		£	Funding of –
To –	From –		
Bailiff's Chambers Rev	T&R Contingency	1,250	States medals for pupils at Victoria College
LG Rev	T&R Contingency	5,000	Uniforms, education and training for disadvantaged youths in the Army Cadet Force
*CMD Cap	CMD Rev	62,000	HRIS System Replacement project management costs
CMD Cap	CMD Rev	350,000	Replacement of information systems within the Population Office (for Migration Control)
ESC Cap	ESC Rev	400,000	For the following Capital projects – (1) Sixth-Form/House accommodation, (2) Two pitches, (3) Dining Hall, and (4) Multi-purpose hall
T&R (JPH) Cap	T&R (JPH) Rev	412,436	Extend, refurbish and modernise Victoria College
ESC Rev	T&R Contingency	30,000	Island Games teams travel to Bermuda
T&R (JPH) Cap	T&R Rev	99,500	Howard Davis Farm Building and Incinerator
EDD Rev	T&R Contingency	25,000	Capital Economics feasibility study
EDD Rev	T&R Contingency	104,050	Capital Economics study
T&R Rev	T&R Contingency	670,925	HCAE costs
Total transfers		2,160,161	

* Decisions with multi-year budget transfers for 2012 and 2013. The budget transfer for 2012 is reflected above with the budget transfer for 2013 reflected under 2.3.5.

2.3.4 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 2012 are shown below –

Department		£	Funding of –
To –	From –		
LOD Cap	LOD Rev	40,000	Time recording system
ESC Cap	ESC Rev	26,658	Purchase of a minibus for Rouge Bouillon School
Jersey Airport Rev	Jersey Airport Arrivals/Pier/Forecourt Construction Cap	127,453	Feasibility and Investigation Costs
Jersey Airport Rev	Jersey Airport Engineering/ARFFS Cap	183,169	
Home Affairs Minor Cap	Home Affairs Rev	410,000	Purchase of specialist equipment, vehicles and IT network equipment
TTS Infrastructure Cap	TTS Rev	130,000	Sustainable Transport Policy
HA Minor Cap	HA Rev	125,102	Specialist equipment and IT network equipment for the Jersey police, Prison and Customs and immigration
HA Rev	HA Cap	92,194	Purchase of goods and services in respect of the TETRA project
Jersey Airport Rev	Jersey Airport Cap	152,825	Replacement Hold Baggage System
CMD Cap	T&R Rev	38,316	Online Payments System for Taxes Office
Official Analyst Minor Cap	Official Analyst Rev	27,352	New Laboratory Equipment
Viscount Cap	Viscount Rev	78,508	Upgrade of software in the Désastre Section
Total transfers		1,431,577	

2.3.5 Transfers over multiple years between various heads of expenditure

Multi-year transfers between the various heads of expenditure during the 6 month period to 31st December 2012 are shown below –

Department		£	Funding of –	Transfer between heads of expenditure	Year(s) of transfer
To –	From –				
CMD	Provision for restructuring	105,000	Data Centre Migration	Revenue heads of expenditure	2013
CMD	Central Reserves	360,000	Leadership training programme	Revenue heads of expenditure	2013
CMD Cap	CMD Rev	144,000	HRIS System Replacement project management costs	Revenue and capital heads of expenditure	2013
CMD	H&SS	824,040	Establishment of a Vulnerable Adults Policy Group and Protection Committee	Revenue heads of expenditure	2013 to 2015
CMD	T&R	78,700	HR Broad-banding	Revenue heads of expenditure	2013 to 2015
Housing	EDD	312,700	Rent and Service Charges budgets for Jubilee Wharf and CLMH transferred to Housing and EDD	Revenue heads of expenditure	2013 to 2015
EDD	JPH	150,000			2013 to 2015
EDD	CMD	61,813			2013 to 2015
T&R	CMD	224,011	Budget and Staff transfers due to the disbanding of the Customer Services Centre at CLMH	Revenue Heads of Expenditure	2013 to 2015
Housing	CMD	285,474			2013 to 2015
TTS	CMD	157,625			2013 to 2015
Total transfers		2,703,363			

The following multi-year transfer was approved as part of the debate on the Medium Term Financial Plan –

Department		£	Funding of –	Transfer between heads of expenditure	Year(s) of transfer
To –	From –				
LG	HA	24,000	To fund the role of Cadet and Military Support Officer	Revenue heads of expenditure	2013 to 2015
Total transfers		24,000			