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# **STATES OF JERSEY**



## **FINANCE LAW DELEGATION REPORT FOR THE 6 MONTH PERIOD ENDED 30TH JUNE 2014**

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**Presented to the States on 17th December 2014  
by the Minister for Treasury and Resources**

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**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 30th June 2014. 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;
- Budget transfers; and
- Carry forward of revenue balances from 2013.

#### 2.1 Use of trading funds

The following Ministerial Decision on the use of trading funds was approved in the 6 month period that ended 30th June 2014 –

- MD-TR-2014-0054 – Historic Harbour Cranes upgrades and replacement (£350,000).

#### 2.2 Borrowing and lending

##### 2.2.1 Jersey student loan scheme

During the 6 month period to 30th June 2014, 27 new loans with a collective value of £40,845.41 were guaranteed by the Treasurer of the States under the Jersey Student Loan Scheme. As at 30th June 2014, the total amount loaned under the Jersey student loan scheme was £2,224,162.52. Terms with the intermediaries require the States of Jersey to underwrite 100% of the value of the loans.

### **2.2.2 *Pilot Starter Home Deposit Loan Scheme***

During the 6 month period to 30th June 2014, 19 new loans with a value of £826,814 were issued. The last loan was issued on 23rd May 2014 with the pilot scheme now finished. As of this date, the total amount loaned under this scheme was £2,414,114.

### **2.2.3 *Lending***

A new loan was approved to a fee-paying non-provided school on 30th January 2014 for £500,000.

### **2.2.4 *Infrastructure Investments***

The Parish of Trinity Infrastructure Investment of £6 million was repaid in full.

## **2.3 Budget transfers**

Articles 17 and 18 of the Public Finances (Jersey) Law 2005 permit contingency expenditure and variations between heads of expenditure with the approval of the Minister.

Budget transfers under Articles 17 and 18 of the Public Finances (Jersey) Law 2005 are reported on the following basis –

- transfers from contingency expenditure to heads of expenditure;
- 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 from contingency expenditure to heads of expenditure***

Transfers from contingency expenditure to heads of expenditure during the 6 month period to 30th June 2014 are shown in the following table –

Department		£	Funding of:
To:	From:		
*Chief Minister (CMD)	Contingency (Pay Provision)	539,900	States Pay Awards for 2014 – 4% Consolidated
*Economic Development (EDD)		140,900	
*Education, Sport and Culture (ESC)		3,684,900	
*Health and Social Services (H&SS)		5,032,000	
*Home Affairs (HA)		1,397,100	
*Housing		108,700	
*Department of the Environment (DoE)		279,600	
*Social Security (SSD)	Contingency (Pay Provision)	250,600	States Pay Awards for 2014 – 4% Consolidated
*Transport and Technical Services (TTS)		804,600	
*Treasury and Resources (T&R)		555,000	
*Bailiff's Chamber (BC)		34,500	
*Law Officers' Department (LOD)		191,700	
*Judicial Greffe (JG)		93,500	
*Viscount's Department (VD)		40,400	
*Official Analyst (OffA)		18,000	
*Office of the Lieutenant Governor (LG)		23,900	
*Data Protection Commission (DPC)		8,400	
*Probation Department (PD)		68,000	
*States Assembly and its Services		56,400	
*Grant to the Overseas Aid Commission		3,100	
States Assembly	Contingency	6,000,000	Committee of inquiry into Historical Child Abuse
*CMD cap	Provision for restructuring	2,240,000	Public Sector Reform Programme
*EDD rev	Contingency	267,030	Financial support for cattle exports and trade in bovine embryos
Provision for Restructuring	CMD rev	225,223	Procurement savings
	EDD rev	177,136	
	ESC rev	177,957	
	H&SS rev	750,000	
	HA rev	120,414	
	Housing rev	129,538	
	DoE rev	11,860	
	SSD rev	16,395	
	TTS rev	91,579	
	T&R rev	1,584,898	
	BC	6,854	
	LOD	45,844	
	JG	57,182	
	VD	3,003	
OffA	1,971		

Department		£	Funding of:
To:	From:		
	LG	1,295	
	DPC	241	
	PD	2,795	
	C&AG	9,291	
	States Assembly	37,824	
ESC rev	Contingency	325,629	Mont Orgueil Castle's Gates
*ESC rev	Contingency	315,000	Jersey Heritage Trust
CMD rev	Contingency	750,000	Implementation of Freedom of Information
ESC rev	Contingency	37,155	Backfill for Prince's Trust
**Bailiff's Chamber rev	Contingency	167,000	WW1 Centenary Anniversary
T&R – Insurance	Contingency Insurance	911,969	HCAE costs
<b>Total transfers</b>		<b>27,796,283</b>	

\* Decisions with multi-year budget transfers for 2014 and 2015. The budget transfer for 2014 is reflected above, with the budget transfer for 2015 reflected under 2.3.6.

\*\* Decision with multi-year budget transfers for 2014 to 2018. The budget transfer for 2014 is reflected above, with the budget transfers for 2015 to 2018 reflected under 2.3.6.

### 2.3.2 Transfers between revenue heads of expenditure

Revenue transfers during the 6 month period to 30th June 2014 are shown below –

Department		£	Funding of:
To:	From:		
HA	H&SS	50,000	Independent Domestic Violence Advisers
Bailiff's Chambers	Judicial Greffe	116,461	Court and case costs
Law Officers' Department		99,573	
Viscount's Department		21,737	
Officer of the Lieutenant Governor		16,374	
Treasury and Resources		227,160	
States Assembly	CMD	31,000	IT provision for States Members
Treasury and Resources (JPH)	ESC	8,110	Les Creux Country Park
<b>Total transfers</b>		<b>570,415</b>	

### 2.3.3 Transfers between capital heads of expenditure

Transfers between existing capital heads of expenditure during the 6 month period to 30th June 2014 are shown below –

Department		£	Funding of:
To:	From:		
TTS	T&R (JPH)	1,252,000	Fiscal Stimulus and Parish Improvements
H&SS Main Theatre Upgrade	H&SS New Maternity Theatre	1,494,000	Amalgamation of the two heads of expenditure
TTS Sludge Thickener cap	TTS Infrastructure cap	4,479,000	Sludge Thickener Project
	TTS Sewage Treatment Works cap	51,094	
Ports of Jersey Elizabeth Harbour remedial works	Ports of Jersey Port Crane	97,067	Elizabeth Harbour remedial project
<b>Total transfers</b>		<b>7,373,161</b>	

### 2.3.4 Transfers between revenue and capital heads of expenditure

Transfers between revenue (rev) and capital (cap) during the 6 month period to 30th June 2014 are shown below –

Department		£	Funding of:
To:	From:		
CMD rev	T&R Corporate Contingency	40,000	Caring Hands Limited
CMD rev	T&R Corporate Contingency	180,000	Governmental Regulatory Framework Review
Housing rev	Housing cap	1,908,619	Settlement of PECRS debt
H&SS rev	T&R Corporate Contingency	40,000	Third Sector Forum
HA minor cap	HA rev	106,219	HA projects (covert monitoring post; custody suite; Shelter drunk and incapable unit and CCTV)
HA Biometric passport cap	HA rev	127,000	Biometric passport project
Public Markets maintenance cap	T&R (JPH) rev	139,211	Public Market Surplus
Official Analyst cap	Official Analyst rev	240,000	New Equipment
CMD rev	T&R Corporate Contingency	44,000	New Jersey Photographic Project
<b>Total transfers</b>		<b>2,825,049</b>	

**2.3.5 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 30th June 2014 are shown in the following table –

Department		£	Funding of:
To:	From:		
TTS cap	TTS rev	29,566	Road Panel in Trinity Hill
HA cap	HA rev	31,910	Development of a database for the Jersey Fire and Rescue Service
T&R (JPH) cap	T&R (JPH) rev	13,999	Purchase of a replacement plotter
Judicial Greffe cap	Judicial Greffe rev	87,988	Software Purchases
Viscount's Department cap	Viscount's Department rev	318,334	
Data Protection cap	Data Protection rev	50,000	
Probation cap	Probation rev	187,400	
TTP and IT Systems cap	T&R rev	30,000	Procurement to TTP and IT Systems
TTS rev	TTS Waste: Ash Pit La Collette cap	1,550,000	Trial exportation of the Island's ash residue
TTS Infrastructure cap	TTS rev	500,000	Parish Improvements
ESC rev	ESC School ICT cap	1,750,000	IT Strategy
T&R cap	T&R rev	582,160	Income Tax Software Development
<b>Total transfers</b>		<b>5,131,357</b>	

**2.3.6 Transfers over multiple years between various heads of expenditure**

Multi-year transfers between the various heads of expenditure during the 6 month period to 30th June 2014 are shown below –

Department		£	Funding of:	Transfer between heads of expenditure	Year(s) of transfer
To:	From:				
*Departments	Contingency	13,331,200	Recurring effect of the 4% Consolidated Pay Award from 2014 for all States Departments	Contingency to revenue heads of expenditure	2015
*CMD	Provision for restructuring	4,913,000	Public Sector Reform Programme	Contingency to capital head of expenditure	2015
*EDD rev	Contingency	71,515	Financial support for cattle exports and trade in bovine embryos	Contingency to revenue head of expenditure	2015

Department		£	Funding of:	Transfer between heads of expenditure	Year(s) of transfer
To:	From:				
*ESC rev	Contingency	315,000	Jersey Heritage Trust	Contingency to revenue head of expenditure	2015
*ESC rev	ESC School ICT cap	1,250,000	IT Strategy	capital to revenue head of expenditure	2015
**Bailiff's Chamber rev	Contingency	298,000	WW1 Centenary Anniversary	Contingency to revenue head of expenditure	2015 – 2018
<b>Total transfers</b>		<b>20,178,715</b>			

\* Decisions with multi-year budget transfers for 2014 and 2015. The budget transfer for 2015 is reflected above, with the budget transfer for 2014 reflected on the relevant section on the body of the report.

\*\* Decision with multi-year budget transfers for 2014 to 2018. The budget transfer for 2015 to 2018 is reflected above, with the budget transfers for 2014 on the relevant section on the body of the report.

## 2.4 Carry Forward

Departments' carry forwards were dealt with in Ministerial Decision MD-TR-2014-0011.