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# STATES OF JERSEY



## FINANCE LAW DELEGATION REPORT FOR THE 6-MONTH PERIOD TO 30TH JUNE 2019

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Presented to the States on 15th August 2019  
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 2019](#) (“the 2019 Law”), certain matters 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 2019. Where decisions have not previously been published, this is due to one of 2 reasons –

- The decisions were exempted under the [Freedom of Information \(Jersey\) Law 2011](#); 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 lending;
- Budget transfers; and
- Carry-forward of revenue balances.

#### 2.1 Borrowing and lending

##### 2.1.1 Jersey Student Loan Scheme

During the 6-month period to 30th June 2019, no new loans were guaranteed by the States under the Jersey Student Loan Scheme.

[P.53/2007 – Student Loans for higher education – guarantees](#) was debated by the States Assembly on 6th June 2007, and a maximum outstanding limit of £10 million for an unlimited time period was approved.

##### 2.1.2 Infrastructure investments

During the 6-month period to 30th June 2019, no new loans were approved.

##### 2.1.3 Housing Development Fund

During the 6-month period to 30th June 2019, 3 new loans were approved by the Minister for Treasury and Resources –

- Loan 17 – Ann Court, for the value £37,800,000
- Loan 18 – Summerland, for the value £21,332,000
- Loan 19 – Hue Court, for the value £15,133,000.

The net value of loans outstanding from Andium increased from £139,709,856 at 31st December 2018 to £152,731,714 at 30th June 2019.

#### **2.1.4 Other loans**

During the 6-month period to 30th June 2019, 3 new loans were approved by the Minister for Treasury and Resources –

- FGS046 – JSPCA, for the value £500,000
- FGS047 – Parish of St. Martin (School redevelopment), up to £2,600,000 (following approval by the States Assembly)
- FGS048 – Beaulieu Convent School, up to £7,300,000 (following approval by the States Assembly).

#### **2.2 Budget transfers**

Article 58 of the 2019 Law states that the provisions of the previous Law, as they have effect immediately before the 2019 Law came into force, continue to apply to money received, expended or otherwise handled by or on behalf of the States during the financial year in which this Law came into force.

Articles 17 and 18 of the [Public Finances \(Jersey\) Law 2005](#) (“the 2005 Law”) permit contingency expenditure and variations between heads of expenditure with the approval of the Minister.

Budget transfers under Articles 17 and 18 of the 2005 Law 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 accounting standards.

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

### 2.2.1 Transfers between contingency expenditure and heads of expenditure

Transfers between contingency expenditure and heads of expenditure during the 6-month period to 30th June 2019 are shown below –

| Department   |                             | £               | Purpose  |
|--|-----------------------------|-----------------|--|
| From –   | To –                        |                 |  |
| Central Contingency  | Various Departments         | 1,892,500       | Costs associated with the 2018/19 Pay Award in respect of Manual Workers and Energy Recovery Facility Workers. |
| Central Contingency (Court and Case Costs Smoothing Reserve) | Non-Ministerial Departments | 251,339         | To cover overspends on Court and Case Costs.   |
| Central Contingency  | Various Departments         | 2,260,000       | Additional funding requests for 2019 – see MD-TR-2019-0018.  |
| Various Departments  | Central Contingency         | 16,141,750      | Transfer of underspends – see MD-TR-2019-0031.   |
| Central Contingency  | SPPP                        | Amount withheld | To fund the Redress II/ Les Chênes Scheme.   |
| Central Contingency  | SPPP                        | 122,780         | To fund the Strategic Adviser to the Housing Policy Development Board.   |
| Central Contingency  | T&E                         | Up to 600,000   | Costs associated with the PECRS pre-1987 Debt repayments.  |
| Central Contingency  | T&E                         | 139,085         | Costs associated with the Historic Abuse Redress Scheme.   |
| Central Contingency  | GHE and CYPES               | Up to 385,000   | Additional funding requests for 2019 – see MD-TR-2019-0049.  |
| Central Contingency  | CYPES                       | 85,340          | Actions to address IJCI recommendations – Jersey Practice Model.   |
| Central Contingency  | SPPP                        | 15,000          | Actions to address IJCI recommendations – Children’s Strategic Partnership Board.                              |
| Central Contingency  | COO                         | 111,910         | Recruitment of dedicated HR professional for children’s social work.   |
| Central Contingency  | CYPES                       | 60,000          | Advocacy services for children.  |

### 2.2.2 Transfers between revenue heads of expenditure

Revenue transfers during the 6-month period to 30th June 2019 are shown below –

| Department                  |                             | £       | Purpose   |
|-----------------------------|-----------------------------|---------|---|
| From –                      | To –                        |         |   |
| Non-Ministerial Departments | Non-Ministerial Departments | 176,227 | 2018 year-end adjustment on Court and Case Costs. |

### 2.2.3 Transfers between capital heads of expenditure

Transfers between existing capital heads of expenditure during the 6-month period to 30th June 2019 are shown below –

| Department                                  |                           | £       | Purpose   |
|---|---------------------------|---------|---|
| From –                                      | To –                      |         |   |
| HCS MRI Scanner capital head of expenditure | HCS Equipment Replacement | 330,000 | Transfers to assist installation of a second new MRI scanner. |

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

Transfers between revenue and capital during the 6-month period to 30th June 2019 are shown below –

| Department  |                                    | £              | Purpose                                    |
|-------------|------------------------------------|----------------|--|
| From –      | To –                               |                |  |
| DfI revenue | Public Markets Maintenance Capital | Up to £100,000 | Transfer of public markets budget surplus. |

### 2.2.5 Transfers between revenue and capital heads of expenditure where the transfer is required in order to comply with accounting standards

The States of Jersey adopted International Financial Reporting Standards (“IFRS”) as interpreted by the Jersey Financial Reporting Manual (“JFRM”) from 2012 as its framework. Under IFRS, expenditure that meets the definition of capital expenditure must be capitalised. The following transfers show the movement between capital and revenue required to align the budgeting treatment of expenditure with the accounting treatment, in order to comply with IFRS.

IFRS transfers between revenue and capital during the 6-month period to 30th June 2019 are shown below –

| Department              |                                | £          | Purpose   |
|-------------------------|--------------------------------|------------|---|
| From –                  | To –                           |            |   |
| CMD Revenue             | CMD Replacement Assets Capital | 167,000    | Cyber Security Tool (2018 year-end adjustment)  |
| CCA Revenue             | CCA Minor Capital              | 39,000     | Equipment purchases (2018 year-end adjustment)  |
| Future Hospital Capital | DfI Revenue                    | 23,448,091 | To recognise expenditure incurred to date on the project to be written off (2018 year-end adjustment) |

### Acronyms and Abbreviations

|       |  |
|-------|--|
| CCA   | Community and Constitutional Affairs         |
| COO   | Chief Operating Office                       |
| CMD   | Chief Minister's Department                  |
| CYPES | Children, Young People, Education and Skills |
| DfI   | Department for Infrastructure                |
| GHE   | Growth, Housing and Environment              |
| HCS   | Health and Community Services Department     |
| IJCI  | Independent Jersey Care Inquiry              |
| SPPP  | Strategic Policy, Performance and Population |
| T&E   | Treasury and Exchequer                       |