
STATES OF JERSEY



FINANCE LAW DELEGATION REPORT FOR THE SIX MONTH PERIOD TO 31ST DECEMBER 2020

**Presented to the States on 24 February 2021
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 2019 (“the Law”) certain matters are required to be reported to the States Assembly twice yearly by the Minister for Treasury and Resources (“the Minister”).

This report summarises all decisions made during the six-month period to 31st December 2020. Where decisions have not previously been published, this is due to one of two 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 required to be reported on are as follows:

- (a) each function undertaken, within the applicable 6-month period under any of Articles 18 to 21, 24 and 26 to 28; and
- (b) each direction given, within the applicable 6-month period by the Minister under Article 15(3) with respect to the amounts appropriated for a reserve head of expenditure.

Article 18 relates to transfers between heads of expenditure.

Article 19 relates to transfers to the following year’s reserve.

Article 20 relates to transfers of major project amounts to the following year.

Article 21 relates to the power to allocate excess income.

Article 24 relates to emergency expenditure.

Article 26 relates to financing (borrowing).

Article 27 relates to loans.

Article 28 relates to guarantees and indemnities.

There were no approvals made in the six-month period to 31st December 2020 relating to Article 20. Other approvals are detailed below.

2.1. Transfers between heads of expenditure under Article 18.

Department		£	Purpose
From	To		
Pre-feasibility Vote	Our Hospital head of expenditure	Up to 5,000,000	To fund the Our Hospital project. (MD-TR-2020-0087)
GHE	SPPP	320,600	To properly situate project resources in the right department. (MD-TR-2020-0091)

OCE	GHE	131,500	Funding for Brexit workstreams which were originally funded to the Economy and Partnerships directorate of GHE, which has since moved into the OCE department. (MD-TR-2020-0092)
T&E COO	Taxes Office System Renewal capital head of expenditure	Up to 587,000 Up to 750,000	To fund the Revenue Management System build in Revenue Jersey and situate funding in the most appropriate budget. (MD-TR-2020-0104)
Various projects Grainville Phase 5 Various heads of expenditure	General Reserve Les Quennevais Replacement School Reserve for Centrally Held Items	Up to 8,200,000 600,000 Up to 2,000,000	To assist with funding COVID-19 pressures. Increased costs for Mechanical and Electrical Equipment including uprated fire suppression equipment. To be held for Planning Obligation Agreements. (MD-TR-2020-0118)
Grainville Phase 5	Orchard House	Up to 600,000	To fund additional costs. (MD-TR-2020-0124)
Pre-feasibility Vote	HCS	Up to 100,000	For the Learning Difficulties major project to fund the reconfiguration of Aviemore. (MD-TR-2020-0134)
Victoria College Extension capital head of expenditure	CYPES	350,000	To fund the Victoria College School Five Year Strategic Plan 2018-2022. (MD-TR-2020-0141)
Pre-feasibility Vote	GHE	Up to 158,000	For the Fort Regent major project and Island Sports Facilities, Inspiring Places as detailed in the 2020-2023 Government Plan. (MD-TR-2020-0154)
Judicial Greffe	Non-Ministerial Minor Capital Head of Expenditure	Up to 94,000	To capitalise a new Court recording and transcript system requiring immediate update to be Windows 10 compatible and mitigate cyber security risk. (MD-TR-2020-0160)

2.2. Transfers to the following year's reserve under Article 19.

Department		£	Purpose
From	To		
None in the period			

2.3. Approvals of the allocation of excess income under Article 21

Department	Amount £	Purpose
HCS	1,020,000	Use of additional income from the HE Le Seilleur Charitable Fund. (MD-TR-2020-0093)
JHA: Dewberry House Judicial Greffe: Conversion Courtroom 1	Up to 250,000 Up to 10,000	Use of additional income from the Criminal Offences Confiscation Fund. (MD-TR-2020-0140)

2.4. Approvals of emergency expenditure under Article 24

P.28/2020 Draft Public Finances (Amendment of Law) (Jersey) Regulations 202-, approved by the States Assembly on 24th March 2020, agreed a number of temporary modifications to the Public Finances (Jersey) Law 2019. The added modifications affect the way in which the Stabilisation Fund may be used, by allowing the Minister –

- to transfer an amount from the Stabilisation Fund to any other fund and direct that amount to be expended directly from that fund;
- to direct that an amount be expended directly from the Stabilisation Fund;
- to direct that an amount be transferred to the Stabilisation Fund from any other fund;
- to arrange for overdraft and other financing for the Stabilisation Fund;
- to arrange that repayments of loans made from the Stabilisation Fund are credited to that Fund.

There are other added modifications, which –

- allowed the Minister to transfer up to and including £400 million from the Strategic Reserve Fund to the Stabilisation Fund;
- removed the requirement in Article 18 that if the Minister proposes to give a direction to re-allocate a head of expenditure, the Minister gives the States at least 4 weeks' notice;
- increased from £10 million to £100 million the amount which may be appropriated from the Consolidated Fund by the Minister without amending the government plan;
- increased the limit on financing that the Minister may arrange in a financial year from £3 million to £500 million and the limit on total outstanding financing from £20 million to £500 million;

- allowed the Minister to make loans from the Stabilisation Fund (instead of only from the Consolidated Fund), and increase the limit on loans that the Minister may make in a financial year from £3 million to £100 million and the limit on total outstanding loans from £20 million to £100 million;
- increased the limit on guarantees and indemnities that the Minister may provide in a financial year from £3 million to £100 million and the limit on the total outstanding guarantees from £20 million to £100 million.

The amendment to P.28/2020, brought by the Corporate Services Scrutiny Panel and adopted by the Assembly, clarified that:

- the amended powers expire on 30th September 2020; and
- where the Minister has obtained financing, lent money or provided guarantees or indemnities under Articles 26 to 28 while Article 24(8) applied, the financing, lending or provision of guarantees or indemnities remain valid and are not included in any monetary limits set out in Articles 26 to 28 as those Articles apply after the expiry of the modifications.

The Minister brought these amended powers into effect through MD-TR-2020-0029 by deciding that she considered there exists an immediate threat to the health or safety of any of the inhabitants of Jersey and to the stability of the economy in Jersey.

On 24th April 2020 the Minister had signed MD-TR-2020-0047 which approved additional expenditure from the Consolidated Fund of £99,990,000, to be added to the General Reserve head of expenditure for the purposes of reallocation to meet additional Covid-19 costs. Expenditure approved from this amount is detailed in section 2.8 of this report.

2.5. Approvals of financing (borrowing) under Article 26 (as amended by P.28/2020)

On 7th May 2020 the Minister had signed MD-TR-2020-0051 to agree a Revolving Credit Facility of £500 million. £5 million of that Facility was drawn down as a result of that decision. On 30th September 2020 the Minister approved MD-TR-2020-0126 which approved borrowing of between £5 million and £60 million from the Facility in 2020 for cashflow purposes. This decision was subsequently rescinded by MD-TR-2020-0163, signed on 18th December 2020, when it became apparent that the borrowing would not be needed in 2020.

2.6. Approvals of loans under Article 27 (as amended by P.28/2020)

2.6.1. Housing Development Fund

During the six-month period to 31st December, no new loans were approved by the Minister for Treasury and Resources. On 17th December 2020 the Minister signed MD-TR-2020-0162 to extend the repayment date for loan 11 to Andium Homes Ltd. to 31st December 2021.

The net value of loans outstanding from the Housing Development Fund increased from £215,599,223 at 31st December 2019 to £226,205,030 at 31st December 2020.

Loans from the HDF were split between the following loan holders:

Andium	£219,508,030
Le Vaux Housing Trust	£1,250,000
Parish of St Martin	£5,447,000
Total loans	£226,205,030

2.6.2. Other loans

On 30th June 2020 the Minister had approved MD-TR-2020-0081 which agreed a secured loan facility of £10 million to Blue Islands Limited. Under delegation from the Minister the Treasurer has approved the drawdowns from this amount of £5 million (on 8th July 2020) and a further £2 million (on 14th September 2020).

2.7. Approvals of guarantees under Article 28 (as amended by P.28/2020)

2.7.1. Jersey student loan scheme

During the six-month period to 31st December 2020, no new loans were guaranteed by the States under the Jersey Student Loan Scheme.

P53/2007 Student Loans for higher education – guarantees was debated by the States Assembly on the 6th June 2007 and a maximum outstanding limit of £10 million for an unlimited time period was approved.

2.7.2. Disruption Loan Guarantee Scheme

On 14th May 2020 the Minister had approved MD-TR-2020-0054 which established a Disruption Loan Guarantee Scheme. The Minister signed further decisions on 28th September 2020 (MD-TR-2020-0113) to extend the scheme to 31st December 2020, and on 17th December 2020 (MD-TR-2020-0161) to extend the scheme to 31st March 2021. As at 31st December 2020, 124 applications had been received by banks, of which 50 were progressed and issued into Loans.

These loans represent a total approved and guaranteed facility of £2.9 million as at 31st December 2020. At that date no defaults have been recognised by the issuing banks.

2.8. Allocations from the Reserve under Article 15(3)

Department		£	Purpose
From	To		
General Reserve	T&E	Up to 200,000	For costs of loan to Blue Islands. (MD-TR-2020-0081)
General Reserve	COO	Up to 1,500,000	To restructure Commercial Services and deliver a new operating model. (MD-TR-2020-0084)

General Reserve	Our Hospital head of expenditure	Up to 6,700,000	To fund the Our Hospital project. (MD-TR-2020-0087)
General Reserve	HCS	Up to 197,560	To enable the continuation of the air ambulance service. (MD-TR-2020-0088)
General Reserve	JHA	Up to 756,000	For the Test and Tracing Programme Phase II – On-Island Testing Capacity. (MD-TR-2020-0089)
General Reserve	CLS	12,300,000	For Direct Payments and Voucher / pre-paid card scheme as part of the Government of Jersey's Fiscal Stimulus Package. (MD-TR-2020-0090)
General Reserve – Restructuring	T&E	Up to 544,000	To provide funding for the Zero-Based Budgeting project as part of the Finance Transformation. (MD-TR-2020-0095)
General Reserve	CYPES	Up to 108,000	To enable funding to be provided to government schools for refunding parents and guardians for school trips cancelled during the 2019/20 academic school year as a result of Covid-19. (MD-TR-2020-0096)
General Reserve	JHA	Up to 244,420	To fund the Test & Tracing Programme (T&TP) Phase II – Contact Tracing Digital App. (MD-TR-2020-0097)
General Reserve	CYPES	Up to 536,000	To enable the implementation of a three-point COVID-19 wellbeing and recovery plan – CAMHS (Children and Adolescent Mental Health Services). (MD-TR-2020-0108)
General Reserve	CYPES	Up to 456,000	For Safeguarding, Site Security & Facilities Management Improvements. (MD-TR-2020-0114)
General Reserve	JHA COO	Up to 21,500,000 Up to 1,270,000	To fund the Test & Tracing Programme. (MD-TR-2020-0115)
General Reserve	T&E	Up to 2,194,000	To fund increased insurance premiums. (MD-TR-2020-0120)
General Reserve	T&E	Up to 1,232,362	For the temporary payment of funds to the States' insurers. (MD-TR-2020-0155)

General Reserve	JHA	Up to 314,000	To fund senior posts. (MD-TR-2020-0121)
General Reserve	CLS	Up to 730,800	To facilitate an enhanced flu vaccination programme. (MD-TR-2020-0123)
General Reserve	HCS	Up to 102,300	For PPE Warehousing and Logistics Solution in 2020. (MD-TR-2020-0127)
General Reserve	CLS	Up to 7,900,000	For additional income support costs and the reduction of fees and charges income due to the impact of COVID-19. (MD-TR-2020-0128)
General Reserve	CYPES	Up to 445,333	For the delivery of a school's catchup programme in 2020. (MD-TR-2020-0132)
General Reserve	HCS	Up to 1,328,000	For COVID continued response, Winter preparations and expanded capacity in 2020. (MD-TR-2020-0139)
General Reserve	CLS	Up to 4,217,410	For the delivery of a Visitor Accommodation Subsidy Scheme in 2020. (MD-TR-2020-0144)
General Reserve	GHE	Up to 76,950	For the Fort Regent major project and Island Sports Facilities, Inspiring Places as detailed in the 2020-2023 Government Plan. (MD-TR-2020-0154)
General Reserve	HCS	Up to 7,179,562	For the delivery of COVID-19 response initiatives. Further allocations of up to £230,422 to HCS and up to £1,556,344 to GHE were approved from unspent amounts on previous allocations. (MD-TR-2020-0165)

Abbreviations

CLS	Customer and Local Services
COO	Chief Operating Office
CYPES	Children, Young People, Education and Skills
GHE	Growth, Housing and Environment
HCS	Health and Community Services
OCE	Office of the Chief Executive
SPPP	Strategic Policy, Performance and Planning
T&E	Treasury and Exchequer

2.9. Other approvals under P.28/2020

As detailed above, on 24th March 2020 the States Assembly approved P.28/2020, which granted additional powers to the Minister for Treasury and Resources until 30th September in relation to the Covid-19 pandemic. On 28th September 2020 the Minister signed MD-TR-2020-0112 which transferred £50 million from the Stabilisation Fund to the Consolidated Fund and directed that it be added to the General Reserve head of expenditure to address direct and consequential impacts of Covid-19.

Minister for Treasury and Resources

January 2021