

Allocations from Contingency to various departments – Economy, Children and Modernisation

1. Purpose of Report

To enable the Minister to approve the allocation of up to £2,260,000 in 2019 from Central Contingencies to various departments as detailed below.

2. Background

In August 2018, all States departments were asked to submit requests for funding for the remainder of 2018 and 2019. The Investment Appraisal Board (IAB) has been established to review all funding requests and support the development of best practice in project development and evaluation, enabling better prioritisation and value for money across the States. This is an important step in the development of a new investment framework across the States underpinned by leading best practice.

All funding requests require a business case which has been designed using principles of HM Treasury's Five Case Model to ensure that a proportional and risk-focused approach can be applied across the States. A single business case template now replaces several funding application routes that previously existed across the States, providing a simpler, more efficient and more transparent approach.

The IAB is not a decision-making body. It considers evidence to support a funding request and makes a recommendation for funding to the Chief Executive Officer (CEO) and States Treasurer before the Minister for Treasury and Resources makes a funding decision and approval. Recommendations for funding are also circulated to the One Gov Officer and Political Board in advance of approval by the Minister for Treasury and Resources.

Based upon the evaluation of a business case and responses to further questions, the IAB recommends funding of up to £2,260,000 in 2019 for a number of initiatives as detailed below. Funding will be made available from Unallocated Reserves (Contingency).

Department	Division	Description	2019 £
<i>Economy, Growth and External Relations</i>			
GHE	Economy	Fort Regent - feasibility and options review	150,000
OCE	External Relations	Jersey and Guernsey joint working programme	80,000
OCE	Financial Services	North American office to support the development of the financial services sector	250,000
SPPP	Policy	States of Jersey - Income and spending survey	100,000
OCE	Financial Services	National Risk Assessment - money laundering and terrorism financing	170,000
GHE	Economy	Sports travel grants	200,000
<i>Children and Education</i>			
SPPP	Policy	Primary schools - hot school meals pilot	200,000
SPPP / Education	Policy	Childrens' early years policy development	200,000
<i>Modernisation</i>			
COO	Commercial	Supply Jersey maintenance and licenses	100,000
COO	Commercial	Commerical and procurement support services	250,000
Treasury	Tax	Expansion of international tax team - compliance with OECD	400,000
Treasury	Tax	Completion of Nudge Campaign and Revenue Management System	160,000
Total MD			2,260,000

Funding is available for this decision based on the assumption that (a) 2018 departmental underspends and unallocated contingencies are transferred into general contingencies and (b) there is a planned allocation into Contingency at the start of 2019 (as set out in the MTFP).

3. Recommendation

The Minister is recommended to approve the allocation of up to £2,260,000 in 2019 from Central Contingencies as detailed above.

4. Reasons for Decision

Article 17(2) of the Public Finances (Jersey) Law 2005 states that the Minister for Treasury and Resources is authorised to approve the transfer from contingency expenditure or the insurance fund of amounts not exceeding, in total, the amount available for contingency expenditure in a financial year.

The current Contingency Allocation Policy (published as R.112/2018) sets the requirement for all allocations from contingency over £50,000 to be considered by the Investment Appraisal Board, Principal Accountable Officer and States Treasurer prior to submission to the Minister for approval. The Board has recommended these requests for approval. The requests have also been recommended for approval by the Principal Accountable Officer and States Treasurer.

5. Resource Implications

The revenue heads of expenditure of various departments as detailed above to increase by a total of up to £2,260,000 in 2019 and Central Contingencies to decrease by the same amount. Any unspent amounts from 2018 will not be available to be drawn down in 2020. This decision does not change the total amount of expenditure approved by the States in the Medium Term Financial Plan 2016 to 2019.

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