

Treasury and Exchequer Ministerial Decision Report

ALLOCATION OF RESERVE FUNDING FOR VARIOUS PRESSURES IN 2023.

1. Purpose of Report

To enable the Minister to approve the allocation of up to £6,944,700 from the Reserve to various heads of expenditure as detailed in the table below.

2. Background

In 2023, departments have identified the need for additional funding to meet emerging priorities that were not prepared for or expected.

The Government Plan 2023-26 allocated funding to several investments and these would drawdown funding in the year when required for the purpose set out in the Government Plan.

Funding for emerging priorities

IA Ref	Title	HoE	2023
IA23-010	Liquid Waste Key Infrastructure and Emerging Projects Capital Delivery	Feasibility	£1,963,100
IA23-007	HCS Financial Recovery Program	HCS	£800,000
IA23-006	HCS Finance Business Partnering Team	T&E	£334,000
			£3,097,100

Funding approved in Government Plan 2023-26 now released.

IA Ref	Title	HoE	2023
IA23-008	Waiting List Recovery Initiative	HCS	£2,797,600
IA23-015	Sports Income	Infrastructure	£500,000
IA23-009	International Cultural Centre	CYPES	£300,000
IA23-005	COO Recruitment Budget	CBO	£250,000
			£3,847,600

Infrastructure and Environment (I&E) – Liquid Waste Key Infrastructure and Emerging Projects Capital Delivery - £1,963,100

The Strategic Proposals and Policies presented in the Bridging Island Plan take steps to address the provision of and affordability of homes in Jersey. The key intended outcomes of these policies are summarised in the Bridging Island Plan as follows.

- Addressing the identified backlog of 7,900 new homes by 2030.
- Up to 4,300 new homes including affordable homes by 2025.
- Use of publicly owned land and buildings for housing.
- Appropriate mix of new housing stock to suit demand.

This means that the new homes will both increase demand on the liquid waste network and redistribute the existing demand to new locations. The existing network as a whole is generally at its limit of capacity with little spare capacity, as such both growth and redistribution of population will

create problems that need to be addressed before the relevant developments can be occupied. The nature of the existing infrastructure network in Jersey is such that some parts of it are also particularly sensitive to heavy rainfall and climate change is proving to be an additional challenge to the existing assets.

This funding will allow initial feasibility and preparatory work to enable the department to support the Council of Ministers in delivering the Bridging Island Plan, address existing network issues which will reduce the number of emergency call outs and improve operational efficiency, prevent pollution, maintain, and improve public health by dealing safely and efficiently with liquid waste for the foreseeable future.

Health and Community Service (HCS) – Financial Recovery Program (FRP) - up to £800,000

HCS is experiencing significant financial challenges in 2023 and financial forecasts show that it will be difficult for the department to manage within its approved budget of £249m. This has necessitated that HCS urgently develop a robust Financial Recovery Plan (FRP) to rapidly return the department to a balanced and sustainable financial position in the short-term whilst delivering better quality of care and value for money for citizens.

To enable the timely development of the Plan, additional specialist expertise is needed to identify areas for improvement within key productivity workstreams including workforce productivity, theatres efficiencies, patient flow and discharge, outpatient efficiency, and private patient income. Additional resource will be deployed to providing insights on best practice and benchmarking with comparable peers across comparable organisations and jurisdictions to facilitate the adoption of evidence-based process improvements.

Treasury and Exchequer (T&E) – HCS Finance Business Partnering (FBP) Team resourcing - up to £334,000

The HCS Department requires significant support from the FBP in terms of understanding the financial underpinnings and governance requirement related to the delivery of its activities. In recent years, demand for finance support and expertise has exceeded the capacity of the small HCS FBP Team and members of the team have had to work unsustainable long hours.

Additional funding will enable an expansion of the team and increase capacity for the FBP team to undertake value added work to support budget holders in their efforts to make efficiencies and to maintain and strengthen financial management across HCS.

Health and Community Service (HCS) – Waiting List Recovery Initiatives - up to £2,797,600

The Government Plan 23-26 set aside a £5 million held centrally to support initiatives to reduce hospital waiting lists.

Funding will be used to address waiting lists across various health care pathways where waiting times have grown to more than 180 days. Funding will also be used to address bottlenecks that could give could cause patients to need to wait more than 180 days in near future.

Given the commercial practicalities of introducing solutions to address waiting lists the £5 million available will be spent over the course of 2023 and 2024.

Infrastructure – Sports Income - up to £500,000.

The Council of Ministers set aside £500,000 in the Government Plan 23-26 to meet forecast income deficits in the Sports Division of the Department for Infrastructure and Environment subject to confirmation that income actually fell short of budgeted expectations. While actual receipts have been higher than forecast there remains a substantial deficit so this allocation will be released to reduce the impact of this on departmental net revenue expenditure.

Children, Young People, Education and Skills (CYPES) – International Cultural Centre – up to £300,000

Action 18 of the Council of Minister’s 100 Day Action Plan committed to “put in place a plan to open a Cultural Centre, celebrating our cultural identities and bringing Islanders together.” Also, the Legacy Report of the Diversity Forum presented to the States in May 2022, proposed the establishment of a Cultural Centre as a key priority of the Forum.

The cultural, ethnic and national diversity of Jersey has increased and evident in the makeup of workplaces, schools, social groups, and high street shifting quickly towards a more vibrant mix of languages, skin colours, customs, cuisines, and traditions. This is supported by the latest census of Jersey’s population (2021).

This ministerial decision enables the department to draw down the funds that have been allocated in the Government Plan 2023-26 enabling the department to put together a programme team to conduct needs analysis research amongst the Island’s communities, grow understanding of the barriers to equality, integration and social cohesion that may exist, and develop initiatives to overcome those barriers.

Cabinet Office (CBO) – COO Recruitment Budget - up to £250,000.

To expand capacity to support recruitment identified in new funding commitments made in the Government Plan 2023-26, the Council of Ministers provide £250,000 held centrally to expand recruitment capacity and improve the onboarding process.

This allocation will provide additional resources for the recruitment team and enable improvements to recruitment processes.

3. Recommendation

The Minister is recommended to approve the allocation of up to £6,944,700 in 2023 from the Reserves to various heads of expenditure, as detailed in the table above to fund the unforeseen pressures in 2023.

4. Reason for Decision

Article 15(3) of the Public Finances (Jersey) Law 2019 states that the approval by the States of a Government Plan authorises the Minister to direct how an approved appropriation for a reserve head of expenditure in the plan may be spent (including on another head of expenditure) in the first financial year covered by the plan.

The current Policy for Allocations from the Reserve, presented to the States Assembly as R.76/2022, sets out the requirements for allocations from the General Reserve. These requirements have been met and the Treasurer now recommends these allocations to the Minister for Treasury and Resources for approval.

5. Resource Implications

The General Reserve Head of Expenditure will decrease by up to £6,944,700, and

- The CYPES head of expenditure will increase by up to £300,000 in 2023,
- The HCS head of expenditure will increase by up to £3,597,600 in 2023,
- The I&E head of expenditure will increase by up to £2,463,100 in 2023,
- The CBO head of expenditure will increase by up to £250,000 in 2023,
- The T&E head of expenditure will increase by up to £334,000 in 2023.

This decision does not change the total amount of expenditure approved by the States in the Government Plan 2023-26.

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