

# Treasury and Exchequer Ministerial Decision Report

## ALLOCATION OF RESERVE FUNDING FOR ORCHARD HOUSE AND ELIZABETH CASTLE IN 2023

### 1. Purpose of Report

To enable the Minister to approve the allocation of up to £2,955,000 from the Reserve for Central Risk and Inflation Funding to the heads of expenditure as detailed in the table below.

### 2. Background

In 2023, the following heads of expenditure have identified the need for additional funding to meet emerging priorities that were not planned for or expected.

#### Funding for emerging priorities

Title	Head of Expenditure	2023
Orchard House (Additional funding)	Orchard House	£2,435,000
Elizabeth Castle (Advance funding)	Elizabeth Castle	£520,000
		<b>£2,955,000</b>

#### **Orchard House** – Orchard House (additional funding) - £2,435,000

The Orchard House project relates to the development of a specialist mental health facility. The project is due to be completed in 2023, but the cost final was higher than previously estimated. Costs have increased as the new leadership of the mental health team in Health and Community Services has sought to make greater use of the facilities at Orchard House and therefore requires increased room capacity. There was also a need to undertake more structural works to bring the building into line with building regulations and relevant health and safety standards than had been planned.

#### **Elizabeth Castle** – Elizabeth Castle (advance funding) - £520,000

The Elizabeth Castle project was approved in the Government Plan 22-25 for Jersey Heritage to provide additional facilities at the Castle. The project is currently underway, and some elements have been able to be delivered ahead of schedule. To enable this to happen, Ministers agreed to reduce the budget allocation for 2024 provided in the Government Plan 24-27 and to increase the resources available in 2023 by an equivalent amount.

This allocation will provide the associated increase in the budget for 2023. The total project budget across years remains the same.

### 3. Recommendation

The Minister is recommended to approve the allocation of up to £2,955,000 in 2023 from the Reserve for Central Risk and Inflation Funding to the Orchard House and the Elizabeth Castle Heads of Expenditure as detailed in the table above to meet funding requirements 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 Procedures for Allocations from the Reserve, presented to the States Assembly as R.76/2022, sets out the requirements for allocations from the Reserve for Central Risk and Inflation Funding. 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 Reserve for Central Risk and Inflation will decrease by up to £2,955,000; and

- The Orchard House Head of Expenditure will increase by up to £2,435,000 in 2023,
- The Elizabeth Castle Head of Expenditure will increase by up to £520,000 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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