

Treasury and Exchequer Ministerial Decision Report



TRANSFER OF SPECIFIC 2023 PROJECT AMOUNTS TO 2024

1. Purpose of Report

This report sets out how the Minister is applying her powers under the Public Finances (Jersey) Law 2019 ('PFL') to amounts unspent at the end of 2023 to allow the continuation of projects without unnecessary delay.

2. Background

As part of the Government Plan 2024-2027 work was undertaken to reprofile the capital programme to better align budget allocations to projected cashflow requirements on an annual basis. A number of projects have either spent less than planned in 2023 and immediate funding is required for them to continue to meet their spending requirements in 2024. The associated 2023 underspends for these projects will be transferred to the Reserve, under Article 19 of the PFL, and made available for these specific purposes in 2024 as set out in the tables below.

Major Projects

Under the PFL, the total project budget for Major Projects is approved by the States Assembly to ensure that Accountable Officers have certainty over their approved budget across financial years. The Treasury then seeks to ensure that annual project approvals align with the project cashflow requirements provided by the relevant Accountable Officers. Based on 2024 cashflow forecasts confirmed by Accountable Officers, the amounts set out in Table 1 below that were unspent in 2023 will be required in 2024.

The Council of Ministers recently decided to end the practice of carrying forward project budgets and, instead, to seek to resource project activity delayed from 2023 by replanning 2024 budgets. The intention is therefore to meet the financial requirements identified in Table 1 by transferring budgets from other projects in 2024 that will now unavoidably be delayed due to the need for resources to be focused on the completion of activity delayed from 2023. However, to provide absolute certainty over available budgets, these funds will be transferred to the Reserve in 2024 under Article 19 of the PFL. Funding will only be released following the completion of the 2024 replanning exercise when there will be clarity as to whether it will be necessary to drawdown these funds or whether the budget could be transferred in full from other projects. In the intervening period, the relevant Accountable Officers should place reliance on the total project budgets approved by the States Assembly and the Minister for Treasury and Resources and the fact that these amounts are available in the Reserve to be drawn upon, if required.

This decision does not increase the amount approved for the relevant Major Projects in the Government Plan 2023-26.

Table 1 – Major Projects

Head of Expenditure	Department	£
Cyber and Cyber ORI (M)	CBO	53,552
MS Foundation (M)	CBO	12,273
Integrated Technology Solution (M)	CBO	1,324,082
Jersey Opera House (M)	ECON	3,200,408
Learning Difficulties Specialist Accommodation (M)	HCS	387,210
Digital Care Strategy (M)	HCS	567,188
Oakfield and Fort Regent Decant (M)	I&E	15,406
Office Modernisation (M)	I&E	89,970
Sewage Treatment Works (M)	I&E	2,354,326
Ambulance, Fire & Rescue Headquarters (M)	JHA	415,894
Total		8,420,309

Other Projects

The projects outlined in Table 2 were due to complete in 2023 and were unable to do so. Accordingly, no other budget is available for these projects in 2024 and there is a necessary and time critical required to make funds available to the projects to ensure their completion.

Balances up to £4,086,692 as set out in the table 2 below will be transferred to the Reserve in 2024 Under Article 19 of the PFL and then subsequently allocated to the relevant project Heads of Expenditure in 2024 under Article 15.

Following the completion of a competitive tender exercise in 2023, additional funding of £290,000 will be required to deliver the Firearms Range project in line with the business case approved by the States Assembly. This additional allocation reflects both the impact of inflation since the project was approved and the clarification of actual cost implications following the completion of the commercial procurement process. Efforts have been made to adapt the scope of the project to reduce the level of additional funding required. To enable, the project to proceed without delay in 2024, additional funds will be allocated from the Reserve for Central Risk and Inflation. This will increase the total funding available for the project in 2024 to £2,259,887.

Table 2 – Other Projects

Head of Expenditure	Department	£
IT for Migration Services	CBO	178,641
Other Government Wide IT	CBO	624,001
Army and Sea Cadets Headquarters	JHA	165,298
Combined Control Room	JHA	971,458
Electronic Patient Records	JHA	177,407
Firearms Range	SoJP	1,969,887
Total		4,086,692
Firearms Range - Additional Allocation	SoJP	290,000
Total		4,376,692

Summary of transfers required

As a result of the above, the transfers set out in the tables below will be required.

Table 3 – Summary of transfers made in 2023 under Article 19

Article 19 Transfers in 2023	£
Major Projects	8,420,309
Other Projects	4,086,692
Total	12,507,001

Table 4 – Summary of transfers made in 2024 under Article 15

Article 15 Transfers in 2024	£
Other Projects	4,086,692
Firearms Range - Additional Allocation	290,000
Total	4,376,692

3. Recommendation

Under Article 19 of the PFL, the Minister is recommended to approve a transfer of £12,507,001 from various project heads of expenditure in 2023, as set out in the table above, to the Reserve for Central Risk and Inflation in 2024.

Under Article 15 of the PFL, the Minister is recommended to approve a transfer of £4,376,692 from the Reserve for Central Risk and Inflation to various project heads of expenditure in 2024, as set out the table above.

4. Reason for Decision

This decision is restricted to time critical transfers needed for administrative purposes, and the Minister will consider further end of year transfers in due course.

Article 19 of the Public Finances (Jersey) Law 2019, states that despite an approved Government Plan, the Minister may direct that an unspent amount appropriated for a head of expenditure in one financial year be deemed to be appropriated for a reserve head of expenditure for the following financial year. The Minister approves the transfer of unspent amounts on projects in 2023 to the Reserve in 2024.

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 Reserve for Central Risk and Inflation. In this case, the Minister has directed allocations should be made on the basis of the supporting business cases and estimated 2023 outturn.

5. Resource Implications

In 2023, project heads of expenditure will decrease by £12,507,001. In 2024, the Reserve for Central Risk and Inflation will increase by an equivalent amount.

Subsequently, in 2024 the Reserve for Central Risk and Inflation will decrease by £4,376,692 and project heads of expenditure will increase by up to £4,376,692.