

END OF YEAR FLEXIBILITY REPORT

1. Purpose of Report

This report outlines how the Minister is exercising her powers under the Public Finances (Jersey) Law 2019 ('PFL') to make final reserve allocations in respect of 2024 and to make funds unspent at the end of 2024 available in 2025.

2. Background

Final end of year adjustments 2024

Following the completion of year-end procedures, final year-end allocations from the Central Reserve are necessary totaling up to £370,000 as summarised in Table 1 below:

Table 1 - Closing 2024 Departmental Position

Head of Expenditure	Department	Up to £
Major Refurbishment and Upgrades	INF	335,500
Economic Development, Tourism, Sports & Culture	EDTSC	31,000
Sewage Treatment Works	INF	3,000
Office Modernisation	INF	500
Total		370,000

Unspent Funds in 2024

After reflecting the allocations outlined above, various heads of expenditure (across departments, projects and reserves) have unspent funds remaining as summarised in Table 2 below. Under the PFL, the Minister can approve the transfer of these amounts into 2025.

The Budget 2025-28 already assumed that £9.5 million would not be spent in 2024 in line with revised project cashflow forecasts and therefore the £9.5 million would be released to the Consolidated Fund as it is no longer required, to fund the capital projects in 2025 and beyond.

Table 2 - Summary of Unspent Amounts in 2024

Description	Up to £
Capital Project Budgets Unspent	17,141,000
Departmental Revenue Budgets Unspent	14,943,000
Contingency Reserves Unspent	2,905,000
	<hr/> 34,989,000
Released to Consolidated Fund (Planned in Budget 2025-28)	(9,500,000)
Total available after release to Consolidated Fund	25,489,000

The Annual Report and Accounts are currently being audited, and, as part of this process, numbers may continue to be refined. Accordingly, the figures above remain subject to change.

A further £45.1 million in relation to the New Healthcare Facilities Programme was also unspent in 2024. Under Article 20 of the PFL, this balance will be transferred to the project in 2025. Following completion of the Full Business Case, cashflow requirements for the project will be updated and funding will be reprofiled to reflect the latest project budget assumptions.

Transfer of unspent amounts into 2025

Table 3 presents a summary of how the available unspent funds from 2024 will be transferred into 2025.

Table 3 - Summary of End of Year Flexibility Outcomes

Outcomes	Up to £
Unspent Funds Available (Table 2)	25,489,000
Transfers to Projects (Table 4)	(6,096,000)
Transfers to Departmental Revenue (Table 5)	(2,956,000)
Transfers to the Central Reserve	(16,437,000)
Remaining balance	-

Transfers to Projects in 2025

Table 4 sets out projects that spent less than expected in 2024 and require the unspent funds to be made available in 2025 to ensure that they can meet their revised cashflow requirements.

The unspent funds will be transferred from 2024 to the Reserve for Central Risk and Inflation in 2025 under Article 19 of the PFL and immediately issued to the relevant project heads of expenditure under Article 15 in 2025.

Table 4 – Transfers to projects in 2025

Head of Expenditure	Sponsor Department	Up to £
Major Projects		
Learning Difficulties - Specialist Accommodation	HCS	697,000
Office Modernisation	INF	520,000
Sewage Treatment Works	INF	407,000
Ambulance, Fire & Rescue Headquarters	JHA	114,000
Integrated Technology Solution	TDS	404,000
Liquid Waste Key Infrastructure	INF	85,000
Sub Total		2,227,000
Head of Expenditure	Sponsor Department	Up to £
Other Projects		
Dewberry House – Sexual Assault Referral Centre ¹	SoJP	1,638,000
Prison Improvement Works ¹	JHA	1,010,000
Other I&E Estate Projects	INF	609,000
Firearms Range ¹	SoJP	238,000
Elizabeth Castle	EDTSC	221,000
Regulation Improvement to Digital Assets	ENV	133,000
Automatic Electoral Registration	SA	20,000
Sub Total		3,869,000
Total		6,096,000

Transfers to departmental revenue budgets in 2025

Table 5 sets out allocations from the Central Reserve that will support delivery of priority initiatives in 2025. Unspent funds from 2024 will be transferred to the Central Reserve in 2025 under Article 19 of

¹ Funds originally from Criminal Offences Confiscation Fund or other funds

the PFL and immediately issued to the relevant departmental heads of expenditure under Article 15 in 2025.

Table 5 – Transfers to departmental revenue budgets

Initiatives	Head of Expenditure	Up to £
Major Incidents	SoJP	1,000,000
Rheumatology Review	HCS	1,000,000
Major Incidents Recovery and Resilience	JHA	666,000
Firefighters Arbitration Agreements	PS	290,000
Total		2,956,000

Transfers to the Central Reserve

The £16.4 million remaining after the transfers set out in Tables 4 - 5 will be transferred to the Central Reserve in 2025 under Article 19 of the PFL. This will form a reserve against unforeseen and unavoidable pressures in 2025. It will also hold funds for the following specific purposes:

Up to £3 million which will be used to re-capitalise the Agricultural Loans Fund in line with Budget 2025-28.

Up to £2.6 million to replenish the Court and Case Costs Smoothing Reserve and the Markets Smoothing Reserve.

3. Recommendation

The Minister is recommended to approve:

Under Article 19 of the PFL:

- a transfer of up to £6.1 million to the Reserve for Central Risk and Inflation to support transfers to projects from 2024 to 2025 as per Table 4
- a transfer of up to £3.0 million to the Central Reserve to support transfers to departmental revenue heads of expenditure in 2025 as per Table 5
- a transfer of up to £16.4 million to the Central Reserve to provide funding to meet unavoidable pressures in 2025

Under Article 20 of the PFL:

- a transfer of up to £45.1 million from the New Healthcare Facilities Programme Head of Expenditure in 2024 to the Head of Expenditure for that project in 2025.

Under Article 15 of the PFL:

- an allocation of up to £370,000 from the Central Reserve to various heads of expenditure in 2024 as per Table 1.
- an allocation of up to £6.1 million from the Reserve for Central Risk and Inflation to various project heads of expenditure in 2025 as per Table 4.
- an allocation of up to £3.0 million from the Central Reserve to various departmental heads of expenditure in 2025 as per Table 5.

4. Reason for Decision

In the light of known and potential funding pressures for 2025, the Minister approves the transfer of the net departmental underspends, projects underspends and unspent sums on the Reserve in 2024 to the Central Reserve and Reserve for Central Risk and Inflation in 2025, whilst also allowing an

amount to be returned to the Consolidated Fund as planned. The Minister also approves the transfer of unspent funds in 2024 on the New Healthcare Facilities Programme Head of Expenditure to the equivalent Head of Expenditure in 2025. The Minister approves the allocation of various amounts from the Central Reserve and Reserve for Central Risk and Inflation to various departmental and project Heads of Expenditure in 2025.

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 2024 to the Reserve in 2025.

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.

Article 20 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 for a major project in one financial year is deemed to be appropriated for a Head of Expenditure for that major project for the following year.

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 previously approved supporting business cases and estimated 2024 outturn.

5. Resource Implications

In 2024, the Central Reserve will decrease by up to £370,000 and various Heads of Expenditure as per Table 1 will increase by an equivalent amount.

In 2024, various department, project and reserve heads of expenditure will reduce by up to £25.5 million, and the New Healthcare Facilities Programme Head of Expenditure will decrease by up to £45.1 million.

In 2025, the Central Reserve Head of Expenditure will increase by up to £16.4 million. Various project heads of expenditure will increase by up to £6.1 million as per Table 4 and various departmental Heads of Expenditure will increase by up to £3.0 million as per Table 5.

The New Healthcare Facilities Programme Head of Expenditure will increase by up to £45.1 million.