

1. Purpose of the Report

To provide a summary of proposed carry forward requests and seek comments and endorsement of proposals from the Council

- To transfer £12 million into reserves and contingencies from departmental underspends;
- To roll forward additional funding previously provided to departments of £7.4 million;
- To utilise departmental underspends to fund a non-consolidated pay award of £3.2 million and provide £5 million to replace the HIF funding shortfall
- Agree additional requests for the use of department carry forwards of £6.9m to provide funding for spending pressures in 2017;
- To carry forward unused central contingencies to provide additional flexibility over the remainder of the MTFP period.

2. Overview

Article 18 (3A) of the Public Finances Law provides that all or any part of the money appropriated to a (revenue) head of expenditure may, with the approval of the Minister for Treasury & Resources, be withdrawn from the consolidated fund after the end of the relevant financial year ie carried forward into the following year.

The introduction of four year cash limits, allowing greater financial planning throughout the organisation, however departments should not expect to carry forward all unspent sums at the year end as a right. There is an automatic permitted carry forward of £200,000 or 1% whichever is the largest. Requests beyond this sum will be considered by the Council of Ministers.

- Departments final outturn for 2016 is an **underspend of £33.9 million**
- **£12 million** is proposed be carried forward to Reserves & Contingencies including:
 - £1.5 million for Court and Case Costs Smoothing Reserve
 - £4 million required to build an AME contingency for 2017-2019
 - £3.3 million requested by Social Security to restore transfers to Long Term Care Fund to original planned sums
 - £2 million to be carried forward to central contingencies
- **£7.4 million** is proposed be carried forward for projects which have previously been committed to including:
 - £1.6 million for Chief Ministers, £1.3 million of which relates to Public Sector Reform deliverables
 - £2.2 million required by Department for Infrastructure which includes £1.4 million to replenish the budget in the Infrastructure Rolling Vote, used to fund the creation of the commercial recycling centre as planned in the Budget 2017 and £0.7 million to contribute towards the safe disposal of legacy asbestos
 - £0.8 million to Education, £0.4 million of which is to continue the pupil premium programme.
 - £1.9 million required by Health & Social Services £1.1 million of which is in respect of modernising practices, processes and procedures, implementing and making use of new technology to deliver the objectives set out in the Children's Service Improvement Plan
- **£5 million** is requested to provide a replacement for the HIF funding required by H&SS in 2017
- **£6.9 million** is proposed be carried forward for departments to be able to fund additional 2017 pressures from 2016 underspends including:
 - £1 million in Health and Social Services including £0.5 million as further funding for modernising practices, processes and procedures in line with the Children's Service Improvement Plan
 - £1 million required by Economic Development, Tourism, Sport and Culture, £0.8 million relates to funding for the demolition of the cable car station

- £1 million required by Department of the Environment, £0.7 million relates to funding climate risk assessment work and £0.1 million relates to funding for the purchase of mobile digital devices to enable the delivery of the Digitally Integrated Planning Process
 - £0.6 million requested by Department for Infrastructure, £0.7 million relates to property maintenance budgets, £0.3 million to be used to provide further funding needed for legacy asbestos disposal
 - £1.2 million required by Education £0.6 million to be allocated to schools to allow them to manage the difference between academic and financial years
- **£3.2 million** to fund a non-consolidated pay award of £500 per eligible employee in respect of 2016

Expenditure results for the year is summarised by department in **Appendix 1**.

Rounding applied

3. Transfer to Reserves & Contingencies - £11,496,400

The amounts to be transferred to reserves or contingencies include:

Court and Case Costs - £1,524,800

The Court and Case Costs Contingency balance was used to help the Consolidated Fund balance in 2014. Court and Case costs are extremely difficult to predict and historically affected Departments have felt exposed ensuring they have sufficient budgets to carry out the work whilst also not wanting to request excessive base budgets. It is proposed to transfer this sum of money centrally to be made available when needed, from what is known as the Court & Case costs smoothing reserves, held within contingencies.

The transfer is coming from the following areas:

Probation and After Care Services - £56,200
Judicial Greffe - £554,500
Bailiff Chambers - £6,500
Viscounts - £127,200
Law Officers' - £780,400

Transfer to Annually Managed Expenditure Contingency (Agreed in MTFP) - £4,000,000

The MTFP Addition proposed using underspends in Social Benefits to build a central AME contingency for 2017-2019.

Contribution to Long Term Care Fund - £3,260,000

In order to fulfil the requirement to pay out benefits from the Long Term Care Fund (LTCF), but to stagger the introduction of the Long Term Care Charge, it was planned to transfer estimated underspends of the Social security Department in 2013-2015 to the LTCF in the form of a grant (including £6.4 million in 2015). However in 2014 it was agreed that £5 million could potentially be returned to the consolidated fund in each of 2014 to 2015, providing there were sufficient funds in the LTCF to meet expected commitments. £6m of benefit underspends were transferred in 2015, and this carry forward will restore transfers to the original level planned. The transfer will be implemented through a carryforward to the Social Security Department to increase its grant to the LTC Fund in 2017.

PECRS Pre-1987 Debt, establishment of a contingency - £301,600

The PECRS Pre-1987 Debt repayments increase annually by the percentage increase in pensionable earnings of those contributing scheme members who were employed during the whole of the preceding year. The level of debt repayments is variable between years and finalised during the year of payment. This creates volatility in the level of repayments due. Repayments are impacted by the level of pay awards, incremental increases and re-organisations. It is prudent to maintain a contingency for repayments being higher than budgeted. The JTSF Pre-2007 Debt was established when responsibility for paying pension increases moved from the Education revenue budget to being paid by the Fund. Repayments are currently being made from within the employer contribution rate until the repayment arrangements are formalised. With this known volatility it is recommended that this underspend is transferred to contingency and ring-fenced to act as a smoothing reserve for these purposes. The position will be reviewed on an annual basis

Tribunal Service Re-location Costs - £360,000

The Tribunal service has to consider moving from its current premises as the lease is coming to the end of its extended period. Larger premises are needed due to additional tribunals being transferred to the department and also disability access is very restricted and therefore does not comply with legislation. A carry forward request of £90,000 from 2015 was granted for the relocation cost of the Jersey Tribunal Service but the move was subsequently delayed until 2017. The 2015 carry forward will be required to cover the unfunded cost pressure and a further £270,000 is being provided from Judicial Greffe 2016 underspends. Both of these sums will be ring fenced in contingencies for these purposes, to be released once actual plans are known.

Remaining balance of underspends - £2,050,000

There remains a number of uncertainties in the remaining MTFP period and therefore it is proposed that the remaining unspent balance be transferred to contingencies

4. Commitments - £7,428,900

Commitments arise from decisions previously made by the States Assembly, Council of Ministers or the Treasury & Resources Minister

Chief Minister's - £1,599,150

Public Sector Reform - £1,318,650

Sums previously awarded from the Restructuring Fund (contingency):

Workforce Modernisation - £90,750

As the assimilation team's work is primarily centred around the delivery and implementation of Workforce Modernisation, the delay of the entire programme has moved the timing from Q4 2016 to Q1/Q2 2017. The carry forward will be used to fund the committed contracts and extensions required until approximately July 2017. Activities include distribution of evaluation results from JITS, reward packs, creation and management of appeals process and new contracts of employment once agreed through the pay, Terms and Conditions work stream. Failure to approve this carry forward would impact on the delivery and implementation of workforce modernisation requires this team as a critical part of its delivery path.

People Change Management - £306,200

The funds will be used to develop a central organisational change team to support organisational change. The team will build a corporate change tool kit aligned to current leadership development activity to support leaders and managers in achieving change. They will also provide consultancy and support on organisational change to ensure the success of planned PSR and service change initiatives. These include TSSC, e-Gov department initiatives, Dfl, Sports Development, EDTSC, ISD, HR. The team will also take on new change initiatives across all other departments. The establishment of the team is key to ensure the success, and to increase the pace of change across the organisation. The impact of not doing this is to be less successful change, reduced staff morale, low retention rates, deceleration of change and inability of staff/managers and leaders to deliver change in line with digital implementation and growing financial constraints.

Culture - Performance Management - £80,000

Managers to Leaders began in the latter part of Q1 into Q2 2016. There are 7 cohorts currently running and all are due to be completed by March 2017.

Culture - Leadership - £128,200

Two pilots are currently running in Social Security and Human Resources. It was agreed in Q2 of 2016 that this project would be put on hold until later in 2016 due to the pressures of WFM. Work begun in Q4 2016 with a focus on reviewing competency development and this will continue into 2017 working in partnership with HRPAYSYS which has a performance management tool. A commitment has been made to trade unions that performance management will be developed in consultation after delivery of the new reward structure.

Policies, Terms & Conditions - £95,100

Delays in the project have pushed back the timescales for completion and implementation of the outcome of negotiations on the Pay, Terms and Conditions of Service package and any legal challenges that may result. As a consequence, funds allocated to 2016 activities are required to be carried over to 2017 in the following areas:

- Legal Advice on all aspects of the pay, terms and conditions package including proposed introduction of new contracts of employment for existing employees.
- Payments for specified employee representatives to undertake work supporting the development /negotiation and implementation.
- Support the development of a new handbook of pay, terms and conditions of service for all the unions / pay groups in scope (to be completed after the negotiations are complete).

Culture – Engagement & Values - £26,500

Engagement measurement has slipped into 2017 due to resource issues. It is important to get the participants of the Managers to Leaders programme together as a community before the end of the programme. An event was planned for Q4 2016 which will now be held in 2017.

Programme Management Office - £351,500

The funding allocated to the Corporate Change Portfolio Office (CCPO) was to enable the enhancement of the dedicated small central team (1.5FTE), to facilitate, coordinate, monitor and support the States of Jersey's investment in change required to deliver the Strategic Objectives. The underspend in 2016 was due to the CCPO being unsuccessful in recruiting to several of the roles set out in the CoM approved Restructuring Provision Business Case. An Interim Portfolio Manager, the additional Internal Communications Officer and Temporary Administration Support officer are now in

place. The CCPOs priority has been to support the MTFP2 Savings and Investment Programme during the year, which has led to Reform initiatives being reprioritised.

Pay Reward - £26,600

To continue with the Uniformed Services Workforce Modernisation throughout 2017. This carry forward will fund the project lead post for this piece of work until end Q1 of 2017, therefore an additional bid will be required for this work to continue past Q1 of 2017.

Job Evaluation - £213,800

The delay in implementing the revised reward package has resulted in delays to all planned activity for 2016. Existing contract resources are due to end in March 2017. Anticipated volume of work beginning in Q1 of 2017 will require additional resources (Project Officer and 2 admin support). Panels will run on a daily basis using backfill from departments (approximately 4/6 people) which will incur room hire charges and this is likely to run for the remainder of 2017.

Middle Management Programmes - £102,500

A carry forward of £193,000 was requested in 2015 for this Programme. Due to the decision to focus on the Managers to Leaders programme, the design and development of the Inspiring Managers programme did not start until November 2016 when the first cohort was launched. This carry forward request is to be supplemented by a PSR bid to fund an additional two cohorts in 2017 and three during 2018 and 2019 respectively.

FOI Data Protection Commissioner - £44,800

A carry forward of £75,000 was requested in 2015 to cover FOI in Data Protection however delays in recruitment occurred. The Information Commissioner continues to face considerable cost pressures, including one-off costs associated with legal advice dependent on what cases emerge; and advising on development of the GDPR.

EPGDP – Data Protection - £22,200

A short delay in the procurement of specialist research support means that not all research work could be accounted for in 2016. The cost of the research remains the same and the remaining £22,200 will be billed in 2017. At its meeting on 9 November 2016, the EPGDP Officer Group gave, in principle, support for carry forwards that were subject to timing issues, which is the case for this project.

Telecoms Strategy - £111,000

The Treasury Minister approved MD-TR-2016-0046 permitting the use of windfall income received from the Digital Switchover Help Scheme to fund the delivery of a Telecoms Policy. Delays in the recruitment of expert project management resource mean this work is now planned for Q1 and Q2 2017.

Community and Constitutional Affairs - £181,500

Safeguarding Partnership Board - Multi Agency Development Plan - £148,250

Funding for 2 year Multi Agency Development Plan agreed as part of 2015 carry forward process so implementation has been rescheduled accordingly.

IJCI (transfer from Education) - £33,250

An amount of £50,000 was transferred from the Education Department to Community and Constitutional Affairs in 2016 (MD-HA-2016-0070) for work to support the department as a result of the IJCI. The work was not due to be completed in 2016 so the balance of funding is required in 2017.

Department of the Environment - £65,750

Unspent sums from 2015 carryforwards awarded

Water Management Plan (WMP) - £53,250

The Water Plan is listed as an output in the States of Jersey Strategic Plan, the Departmental Business Plan and Environmental Protection's Service Review.

The carry forward funding would be used to progress the development of the General Binding Rules (GBRs) that underpin compliance and delivery of the Water Plan. The funding enables the continued development/implementation of the Plan without going to the States for new funding during the current MTFP. The funding is required to progress the preparatory work for the Water Plan started in 2016:

- i) Continued law drafting time and external consultancy in 2017 to implement the GBRs.
- ii) Additional work to update the Pesticide (Jersey) Law 1993, the Pesticide Code and MRL legislation, required as a matter of urgency.
- ii) Further monitoring requirements to underpin the Plan.
- iii) Develop a code of practice for domestic sewage systems.

Planning Inquiries - £12,500

As a proposal for a significant development (Les Quennevais School) is contrary to the Island Plan, there was an independent planning inquiry, for which there was no budget.

Department for Infrastructure - £2,163,350

Arts Centre - Lift Replacement - £86,000

In December 2015 JPH received £105,000 from central contingencies to replace lifts at the Jersey Arts Centre. Due to difficulties aligning contractor and building occupier availability, this has resulted in an £86,000 underspend in 2016 that needs to be carried forward into 2017 to complete the works.

Replenishment of Infrastructure Rolling Vote re Commercial Recycling and Re-use Centre - £1,400,000

Within the budget 2017 document, on page 43 it is stated that:

"This allocation has been reduced by £1.4 million compared to the indicative plan outlined in the MTFP in order to fund the Commercial Recycling Centre below. It is intended to replenish this funding using anticipated underspends within the Department for Infrastructure's revenue budget in 2016 associated with the disposal of incinerator bottom ash export and additional tipping fee income subject to the prioritisation of resources at the end of 2016. Such a decision will take into account progress of spend against budget already available. The following breakdown assumes the allocation is replenished to £8,165,000. Should that not be possible, the allocations will have to be reprioritised."

The Infrastructure Rolling Vote had already been reduced to accommodate the funding of the new STW and pressures on the capital programme in 2017.

Fund the safe disposal of legacy asbestos - £677,350

A carry forward bid was originally granted in 2011 to enable the remediation of 214 containers of legacy asbestos waste stored at La Collette. In subsequent years this bid was rolled forward as it proved impossible to reach agreement between the TTS Department (as was) and the Department of the Environment as to a suitable long term solution. During 2016 agreement was reached between the various parties to allow transfer of the legacy asbestos waste to cells at La Collette for long term storage.

A new Asbestos Reception facility has been constructed at La Collette which is taking new asbestos waste and all new material (licensed and unlicensed) is being stored in a high specification waste cell. DfI received

tender returns from a number of contractors in 2016 to commence transfer of the legacy asbestos waste to the existing and proposed cells and awarded the contract in December 2016. It is intended to commence transfer operations in February 2017 and this process is likely to last approximately 6 months. As this process relates solely to legacy waste that has already generated income over the years, there is no allocation within the normal revenue budget to fund the transfer of legacy waste.

Economic Development, Tourism Sport & Culture - £235,250

Sport & Culture Review - £110,250

EDTSC were allocated £110,250 in 2016 for a Review of Sport and Culture delivery (MD-TR-2016-0055). Work and the tender process has been delayed slightly and funding is now required in 2017. Although full funding had been drawn down in 2016, EDTSC commencement of this project was initially delayed pending consultations with Union representatives and then by a failed PQQ process. Non receipt of this carry forward would mean the project could now not progress.

Sports Travel Grants Funding - £125,000

Underspend within Business Development and Locate Jersey is to be used to fund Sports travel grants in 2017. Historically until 2014, grant funding of £125,000 was made available to the Sports Advisory Council for them to support Islanders competing off-Island. This budget was removed as part of the reduction in growth funding from £750,000 to £450,000 from 2017

Education - £753,400

Review of Secondary Education - £85,000

Restructuring provision funding of £238,000 over 2016-2019 has been agreed by CoM for the review of secondary education. A project manager has now been assigned to the project which has commenced in 2017.
Schools and Colleges

Jersey Pupil Premium - £418,400

Pupil premium programme trialled in 2016 in selected primary and secondary schools and will be rolled out across the Island in 2017. The 2016 underspend will be used to complete the pilot projects already started to help raise the attainment of pupils most likely to under achieve.

Nursery Education Fund – means testing - £250,000

Carry forward requested to offset NEF savings in 2017 following the MTFP Amendment to extend nursery means testing to all States nurseries. This Amendment will delay the introduction of means testing until September 2018 to allow for consultation with head teachers and give certainty to the nursery sector for this year.

Health & Social Services - £1,941,250

Fire Alarm System - £111,600

Funds originally agreed in 2015 carryforward process, however due to unexpected delays in the final stages of completion of installation of the new fire alarm system, an element of the costs will fall into 2017.

Children's Service IT System - £1,068,750

A key element of the Children's Service Improvement Plan is the implementation of a new IT system. Most importantly, implementing this new IT system will allow the modernisation of practices, processes and procedures, capturing and recording data electronically and facilitating changes to the way services are governed, managed and delivered. This carry forward request provides funding for the IT system and the subsequent organisational changes that the system will enable and facilitate. During 2017 the system implementation will be completed, data migrated from existing electronic and manual systems, services processes, practices and procedures reviewed and changed to help deliver key aspects of the Children's Service Improvement Plan. It was planned from the project's inception to minimise the requirement for new funding by funding the project from non-recurrent underspends in the Children's Service. The total carry forward request includes the remaining unspent budgeted amount carried forward from 2015 of £248,770 for this project, as well as underspend from allocated growth for 2016 in the Children's Service of £400,000, underspend in the 2016 Children's Service Base budget of £504,880 and underspend from the P82/2012 2016 Children's Service of £420,000.

Primary Care Project - £404,900

Pilots of new healthcare schemes through Primary Care (GPs surgeries) are being run, and have commenced in 2016. The Project was awarded £611k from Social Security Department's Carry Forwards from 2015, but it was always intended that the Project would run over 2016 and 2017 and potentially 2018.

Other IT Projects - £356,000

The timing of spend across planned modernisation projects, including the integration and automation of requesting and delivering diagnostic test results; and work to automate and improve some hospital processes, means that costs budgeted in 2016 for these projects will be accounted for in 2017. The carry forward is to fund these committed costs.

Treasury and Resources - £266,700

Supply Jersey Project - £41,800

There is an ongoing budget shortfall for annual maintenance costs associated with Supply Jersey. The system maintenance costs were funded in 2016 from a 2015 carry forward and need to be met in 2017 and beyond. ISD have highlighted that they are unable to fund these costs.

Treasury Project Manager - £78,300

£83,000 was carried forward from 2015 to contract a project manager for the Treasury and Resources Programme Management Office. Due to other priorities this was not progressed until late in year. Therefore a request is made to carry forward the balance into 2017 to continue the work commenced in 2016 in order for the Department to meet its commitments in relation to improvements in Financial Management

Taxes Transformation Programme - £105,600

£106,000 was carried forward from 2015 to fund the multiyear Taxes Transformation Programme project. Due to other commitments and resource issues the funding was not utilised. However, following recruitment the TIEA team are ready to implement aspects of the US FATCA arrangements and now to make augmentations to the software needed to manage the Common Reporting Standard.

Policy Development - £41,000

This carry forward represents the residual of the £127,500 carry forward from 2015. The cost of the continuation of the additional Policy Principal post in the Tax Policy Unit to assist with priority work including the Review of Scope of 10% Taxability at the request of the Minister and Treasurer; Review of Personal Tax

(data); Review of Concessions; Tax Gap work; and Review of (Business) Interest Tax Relief is part of a separate bid

Office of the Lieutenant Governor - £13,900

Refurbishment of House and Grounds - £13,900

Originally awarded through the 2015 carry forward process. His Excellency left Government House on 30 November 2016. Refurbishment work could not commence until the first week of December. With the Christmas break, it has meant that some work has slipped over into 2017.

Law Officers' - £199,150

Office Refurbishment to accommodate new staff - £20,000

A carry forward of £20,000 was granted from 2015 for refurbishment work to be carried out in Morier House as part of Office modernisation programme. Original work was held back due to waiting for decision on MTFP2 growth bid and funding is requested for 2017.

Reglant la Procedure Criminelle - £179,150

Due to slippage in work being undertaken there is an underspend of ring-fenced funds, received from COCF, that the Department wishes to carry forward into 2017 to begin the work.

Bailiff Chambers - £9,500

Security Measures - £9,500

Balancing underspend is required towards future security costs including updating the entrance area and additional equipment which will result in additional recurring annual revenue implications. The total estimated cost is included in other spending pressures. This is a carry forward from 2015.

5. Departmental Carry Forwards - £6,183,000

The amounts to be carried forward by departments from their respective underspends include as follows:-

Chief Minister's – £424,250

Jersey Competition Regulatory Authority (JCRA) 2017 Legal Costs - £168,250

Following an ongoing appeal against a legal challenge in 2016 the JCRA continues to incur legal costs. £193,000 was paid to JCRA in 2016; the carry forward represent 2017 requirements. The JCRA have provided assurance that they continue to receive legal advice at competitive rates.

Digital Jersey - £175,000

The Treasury Minister agreed a Ministerial Decision (MD-TR-2016-0116) to accept windfall income from Ofcom to the Chief Minister's Department in 2016. Mirroring the approach that was taken in 2015 and 2016, £175,000 will be used to fund an expanded programme of activity for Digital Jersey above the level of funding available in base budgets.

Recruitment of Chief Executive - £81,000

Unbudgeted costs totalling £81,000 are expected in 2017 to continue the process of recruitment of the new CEO. This process began in 2016 where £20,000 has already been spent on search agents. For 2017 it will be necessary to budget for recruitment agent costs, advertising costs, relocation and candidate expenses and independent panel and assessor fees.

Community and Constitutional Affairs - £535,000

Refurbishment of J Wing at the Prison - £350,000

£350,000 Revenue to capital transfer requested by the Minister for Home Affairs (MD-HA-2016-0059) for the refurbishment of J Wing at the Prison. Following discussion this is requested for carry forward to 2017 in order to enable the project to commence in advance of the next inspection by HMCIP which is planned for summer 2017.

Terms and Conditions of Uniformed Officers - £20,000

Medical/dental/optical benefits are part of the terms and conditions for some Uniformed Officers. The budgets were removed as part of the CSR savings targets but changes to the benefits have not yet been negotiated by Human Resources. It is hoped that these savings will be delivered as part of the next phase of the Workforce Modernisation Programme, however in the meantime payments need to continue.

Support 2016 Police Officer Recruitment Programme - £165,000

Funding to support the financial implications of the 2016 recruitment of front line uniformed officers for the transitional period in advance of leavers in 2017 as reported during 2016.

Department of the Environment - £1,000,000

Jersey Infrastructure Levy: viability study - £25,000

This work seeks to explore the viability of introducing a new mechanism through the planning system to capture some of the uplift in value of land when it is developed and is a priority project for the Minister and Department. Any income generated from a levy could be used to contribute towards the funding of the regeneration of St. Helier and the provision of essential community infrastructure.

Water Management Plan (WMP) - £7,000 (plus £53,250 commitments)

The Water Management Plan is listed as an output in the States of Jersey Strategic Plan, the Departmental Business Plan and Environmental Protection's Service Review.

The carry forward funding would be used to progress the development of the General Binding Rules (GBRs) that underpin compliance and delivery of the Water Plan. The funding enables the continued development/implementation of the Plan without going to the States for new funding during the current MTFP. The funding is required to progress the preparatory work for the Water Plan started in 2016.

Energy Grant: Community Buildings Programme grant carry forward - £80,850

One of the not-for-profit Community Building Projects (CBP) grants agreed and committed to during 2016, could not be made until January, due to circumstances beyond the Department's control.

Planning Inquiries - £25,000 (plus £12,500 commitments)

The Department is aware of two planning applications for development that will be contrary to the Island Plan, and will most probably need to be progressed by Public Inquiry for which there is no budget.

Countryside Enhancement Scheme (CES) – committed grants- £25,000

CES grant applications were received and approved during 2016 and orders raised, but the supplier was not able to fulfil the orders until 2017.

Water quality monitoring in St Aubin's Bay - £10,300

Linked to the Department Business Plan and Environmental Protection Service Review. The work will rationalise the current extensive monitoring in St Aubin's Bay. Targeted and accurate monitoring is vital to ensure the correct regulation and future States capital expenditure on the replacement Waste Water Treatment Works and to assess the impact in St Aubin's Bay of the Water Plan. The first half of the work is complete and receipted. The second half of the work will be completed by 31 March 2017 and will be paid for by the carry forward bid. There are no funds in Environment Protection's 2017 budget to fund the continuation of this work.

Preparation of new draft 'Water Code' - £10,000

Linked to Water Management Plan 2017-2021 delivery, a priority for the Minister, Department and referred to in the States Strategic Plan. The Water Code was due to be completed by end of 2016, but has been delayed due to resources being focused on the approval of the Water Management Plan.

Data storage, analysis and reporting software - £21,350

An invest to save initiative to enable more efficient transfer and up to date analysis of all water quality data, thus freeing up time of officers to accommodate MTFP savings. The new system is the same as used elsewhere in the UK and allows labs to upload data direct, enable less data checking and more timely/accurate analysis/forecasting. Planned delivery was for 2016, but delayed due to technical integration issues.

Digitally Integrated Planning Process (DiPP) - £110,500

As part of the States' Public Sector Reform and e-Gov projects, the Department of the Environment (DOE) secured funding from Public Sector Reform to deliver a completely digital (online) planning application service during 2017. This project is a States of Jersey pilot which if successful could be the chosen platform for a States-wide strategic digital solution. Thus the importance of a successful project is not limited to the department but the States as a whole. The project is at an advanced stage and failure to approve this carry forward would result in the non-delivery of this digital solution and impact on the Department's ability to achieve its MTFP savings.

This carry forward will provide each planning officer with a mobile digital device, so that they can access planning applications electronically as a result of the DiPP online application service. If the first phase of DiPP is successful the department would like to migrate the Property Searches service online. The post supporting this function will be lost in 2018 as part of the MTFP2. The current paper process cannot be absorbed into the current team. Bringing the service online will reduce the manual inputting and paper based service delivery, enabling the team to continue with this service in the future.

The department plans to develop the DiPP project to include the submission of building control (bye-laws) application online. This compliments the planning applications online and will reduce the manual inputting of applications and scanning. The estimate to add building control application forms to the DiPP solution is approximately £20,000.

This carry forward will also provide each building control officer with a mobile digital device to access building control applications electronically as a result of the DiPP building control project.

IBL Visual Weather software development and training.- £35,000

The Department must purchase new weather software to carry out its Jersey Met work, to improve efficiently in future years, and to manage systems better to allow the Department to cope with a reduction of 1.6 FTE in 2016/2017.

Climate Risk Assessment Work - £650,000

The funding will be used to carry out climate risk assessments of the most vulnerable areas to coastal and pluvial flooding and to develop shoreline management plans for these areas of coastline; identify at risk areas and prepare options for consideration in strategic planning and allocation of funds in MTFP3. Project will be managed by DoE and implemented by Dfl through a tender process.

Department for Infrastructure - £1,185,550

Fund the safe disposal of legacy asbestos - £322,650 (plus £677,350 commitments)

A carry forward bid was originally granted in 2011 to enable the remediation of 214 containers of legacy asbestos waste stored at La Collette. In subsequent years this bid was rolled forward as it proved impossible to reach agreement between the TTS Department (as was) and the Department of the Environment as to a suitable long term solution. During 2016 agreement was reached between the various parties to allow transfer of the legacy asbestos waste to cells at La Collette for long term storage.

A new Asbestos Reception facility has been constructed at La Collette which is taking new asbestos waste and all new material (licensed and unlicensed) is being stored in a high specification waste cell. Department for Infrastructure (Dfl) received tender returns from a number of contractors in 2016 to commence transfer of the legacy asbestos waste to the existing and proposed cells and awarded the contract in December 2016. It is intended to commence transfer operations in February 2017 and this process is likely to last approximately 6 months. As this process relates solely to legacy waste that has already generated income over the years, there is no allocation within the normal revenue budget to fund the transfer of legacy waste.

Infrastructure projects - £237,900

Due to the department providing funding for the new Sewage Treatment Works from the allocated Capital budget for infrastructure, a number of schemes dropped away from the programme of works

A concerted effort was made within Highways and Infrastructure Maintenance in 2016 to identify underspends that could be used to help fund this shortfall. This was mainly achieved through underspends due to unbudgeted recharges of staff costs to capital projects rather than revenue projects. As a result of these efforts and use of internal staff on projects funded by capital, £237,900 has been identified to fund infrastructure works including: Bouley Bay, Jubilee Hill road edge stabilisation and Gun-site Sea Defences.

Jersey Property Holdings (JPH) Property Maintenance Requests - £625,000 (plus £86,000 commitments)

To provide funding for ongoing projects including Air Conditioning replacement at the States Building (£350,000) and £75,000 remaining on the project to improve window safety at Clinique Pinel.

Economic Development, Tourism, Sport & Culture - £1,033,000

Jersey Sport - £133,000

This funding is required to assist in funding the staff transition payments from States of Jersey to Jersey Sport, if agreed by the States. It will also be used to cover initial digital and marketing development and accommodation costs. Non-receipt of this carry forward could result in a budgeted shortfall in funding for the transition to progress.

Jersey Retail Association (JRA) - £100,000

One of the outstanding objectives of the 2015-18 Strategic Plan is the delivery of a 'Retail Strategy'. Whilst consultations have taken place with key stakeholders and are well advanced, the Royal Court approval of the setting up of the Association did not occur until late December 2016. Although there are likely to be structural costs, these are expected to be in the region of £25,000 per annum which could be funded from a

membership scheme. Failure to approve the carry forward would mean that the JRA Business Plan and Strategy development would not proceed.

Removal of Snow Hill Cable Car Building and Swimming Pool Footbridge - £800,000

At the request of EDTSC, Property Holdings has been liaising with external consultants and contractors to obtain indicative costings for the removal of the Snow Hill Cable Car building and Swimming Pool Footbridge, both of which represent a real and immediate risk to young people who are frequenting them. The Council of Ministers at their December 2016 meeting, approved actions to ensure their removal and indications are that planning, demolition and remediation work costs are likely to be in the region of £800,000.

Education - £1,204,950

Schools and Colleges - Delegated Financial Management - £582,400

Historically schools and colleges are able to carry forward up to 3% of budgets under the delegated financial management arrangement to manage the differential between the academic and financial year. The carry forward allows schools and colleges to react to demographic changes, minimise fee increases, pay for goods ordered but not received by the end of December due to school holidays and to build funds for improvement works, maintenance and one off minor capital (i.e. Trinity school purchase of furniture and equipment for its new classrooms opening in 2017) and replacement of play equipment.

Language Assistants - £40,000

Deputy Tadier submitted an Amendment to the 2016 MTFP to continue to fund language assistants. This was withdrawn following agreement to utilise some of the £263,200 funding from Deputy Doublet's successful one-off Amendment. There is an ongoing commitment to fund these posts in future years.

Prince's Trust - £89,350

The Council of Ministers (CoM) committed to the Prince's Trust from 2013-2016 and as a result significant external funding was secured. Since then the MTFP growth bid for 2017-2019 was declined by CoM giving rise to an annual funding pressure of £300,000. As a result the Prince's Trust programmes have been scaled back and costs reduced to £89,370 per annum. External funding to enable these programmes to continue is conditional upon this commitment by the States.

Teachers NQT starting pay - £80,000

Carry forward will cover the department's initial 2016 savings of £80,000 from the reduction of NQT starting pay. Savings of £525,000 by 2019 have been targeted from NQT salaries and negotiations with the unions are ongoing.

Modern Language Review - £100,000

To fund a review into modern language teaching including the feasibility of creating a bi-lingual school in the Island, as requested and agreed by Council of Ministers.

Mont a L'abbe extra pupils - £142,700

Mont a L'abbe are expecting a significant increase in the number of children from September 2017 requiring the creation of an extra class.

Nursery – St Lukes - £100,000

A new nursery class will be opened at St Lukes in September 2017. Carry forward will fund essential refurbishment, furniture and equipment.

Les Quennevais School – support new build - £50,000

Additional funding to support the school senior management team throughout the build of the new Les Quennevais secondary school.

E-Rostering contribution to States Workforce Modernisation project - £20,500

Carry forward will cover the department's contribution to the States wide e-Rostering project.

Health and Social Services - £984,850

Children's Service IT System - £504,850 (plus £1,068,750 commitments)

A key element of the Children's Service Improvement Plan is the implementation of a new IT system. Most importantly, implementing this new IT system will allow the modernisation of practices, processes and procedures, capturing and recording data electronically and facilitating changes to the way services are governed, managed and delivered. This total carry forward request provides funding for the IT system and the subsequent organisational changes that the system will enable and facilitate. During 2017 the system implementation will be completed, data migrated from existing electronic and manual systems, services processes, practices and procedures reviewed and changed to help deliver key aspects of the Children's Service Improvement Plan.

Other IT Projects - £276,000

The timing of spend across planned modernisation projects, including the integration and automation of requesting and delivering diagnostic test results; and work to automate and improve some hospital processes, means that costs budgeted in 2016 for these projects will be accounted for in 2017. The carry forward is to fund these committed costs.

Shingles Vaccine - £84,000

The shingles vaccine catch-up programme for 71-79 year olds is ongoing and planned to be phased over a number of years. In 2016 funding was identified to vaccinate the 77 -79 year old cohort. This funding request relates to the vaccination of 77-78 year olds that will take place in 2017. It is also planned for the catch-up programmes for 74-76 year olds to take place in 2017. The final catch up programme for the remaining cohorts is planned for 2018.

Sustainable Health Funding - £120,000

To allow further work to be undertaken, analysing at the current financing and funding structures overseen by Health and Social Services Department and the Social Security Department, benchmarking other jurisdictions and providing strategic and policy considerations around payment.

Treasury and Resources - £252,000

Opteva Review - £55,000

An independent review of States Travel arrangements has been undertaken by specialist travel management consultancy Opteva from which a number of recommendations were made. Opteva are now in a position to implement these recommendations, split into six work streams, a key one being the review and change in internal processes to be in a stronger position to invite to tender on the HRG contract so States of Jersey can maximise the benefits that a Travel Management Company can offer. The carry forward amount includes the cost of the initial review and implementation of all recommendations.

Bank Charges - £94,100

Merchant account fees absorbed by Shared Services, for all States Departments Online payments, have increased significantly from £9k in 2013 to £56k in 2016. This has occurred for 2 reasons:-

- The introduction of PAY ONLINE for tax payments in 2013 and exponential growth in take-up of this payment channel.
- Changes in the charging structure that merchant account providers have been required to implement which has seen debit card transactions charging move from a fixed fee per transaction to a percentage fee with a maximum.

The ICAR Project scope includes undertaking a competitive tender for a corporate merchant account provider which may result in a reduction in the percentage fee rate. Failure to receive this carry forward would impact on the Department's 2017 base budget.

Maintenance Cost - £83,200 (plus £41,800 commitments)

There is an ongoing structural budget shortfall for annual maintenance costs associated with Supply Jersey. The system maintenance costs were funded in 2016 from a 2015 carry forward and need to be met in 2017 and beyond. ISD have highlighted that they are unable to fund these costs.

Taxes Office Queueing System - £19,700

The funding will be spent on new seating (current seating is limited), privacy screens and a management queuing system to improve efficiency in customer service and obtain management information about the reasons for people visiting the helpdesk.

Non Ministerial Departments - £180,950 made up of:-

Judicial Greffe - £60,000

Renewal of Records and Information Management Officer Contract for 2017 - £60,000

A member of staff was recruited to take on this responsibility and it was anticipated that the work would be completed by end of 2016. Unfortunately, the permanent staff member with whom the officer was going to work went on long term sick leave in March/April and has just (October) confirmed medical retirement. This has slowed the process considerably, and the project is still on-going.

Viscounts - £47,500

Refurbishment of HV Benest Room in Morier House - £27,500

The room is no longer fit for purpose for Inquest hearings and Video conference Court sittings. Disability access is restricted and there are Health and Safety issues that have been identified.

Project Management for the ongoing replacement of Phoenix Software - £20,000

A Project Manager supporting the replacement of the Phoenix Software is needed and there is no budget set aside for this support in 2017. The project is currently still at procurement stage and additional funding will be bid from e-Gov but this will take time to be approved. Not approving this carry forward could delay the project.

Office of the Lieutenant Governor - £43,450

Refurbishment of House and Grounds - £43,450 (plus £13,900 commitments)

His Excellency left Government House in November 2016. Refurbishment commenced in the first week of December and some work will slip over into 2017.

Probation and After Care Services - £30,000

DAISY Reporting Tools - £30,000

During the rewrite of DAISy it has become apparent that the reporting tool Crystal reports is becoming outdated and is not sufficiently flexible without technical expertise to provide the performance and statistical information required by the Criminal Justice system and the public. Whilst Crystal will continue to provide the existing suite of reports another product "Microsoft SQL Server Reporting Services" is more flexible and likely to meet the need of users of the system.

Jersey Overseas Aid - £56,800

Funding is requested to be Carried Forward to fund approved Grant funded projects.

6. Sustainable measures to replace the proposed Health Insurance Fund transfers - £5,000,000

Following the rejection of the proposed Health charge in the MTFP Addition, the associated transfers from the HIF were also withdrawn leaving a shortfall of £5m p.a. in the Health and Social Services net expenditure allocations for 2017-2019.

The Council of Ministers committed in the Budget 2017, to fund the 2017 shortfall by earmarking £5 million from department underspends in 2016 to be carried forward for Health and Social Services in 2017.

£1.39 million is being funded by Health and Social Services underspends plus £3.6 million from general underspends. This provides the first £5 million.

It is proposed that identical funding required in 2018 will be prioritised from any 2017 carry forwards, however to ensure that the Department has certainty of funding it is further proposed that £5 million be earmarked in Central Contingencies in the event that underspends in 2017 are insufficient.

The Council of Ministers will need to determine how to address the remaining £5m ahead of the Budget 2019, in terms of a sustainable position for the next MTFP period.

7. A Non-Consolidated Pay Award - £3,160,000

The Council of Ministers has agreed to earmark £3.2m of general department underspend to enable a non-consolidated offer of £500 per eligible employee in additional to the current 1% consolidated award for 2015/2016.

8. Transfer to Contingency

The balance of the departmental underspends to be carried forward to Central Contingency.

9. Allocation of Contingency

The balance of the provision for Central Reserves and Restructuring Provision, after carrying forward Budget Measures, those sums remaining to be drawn down, those already committed and pressures that were identified but yet to be quantified, of £2.3 million and £1.2 million are also to be requested for carry forward to 2017.

Central Contingencies

Balance as at 31st December 2016 **£36,106,638**

Budget Measures

Balance of Redundancy Provision to carry forward	£864,227	
MTFP Addition proposals for carry forward to 2017	£2,883,331	
MTFP Addition proposals for carry forward to 2018	£4,436,000	
MTFP Addition proposals for carry forward to 2019	£6,345,000	
Unallocated 2016 AME to carry forward to 2017	£2,000,000	
TOTAL BUDGET MEASURES	£16,528,558	£19,578,079

Balances Remaining to Draw Down

Project Omega Balance	£1,097,070	
EPGDP Contingency	£4,822,834	
C&CC Smoothing Reserve	£13,535	
BC ~ WW1 Centenary Anniversary	£146,000	
TOTAL REMAINING TO DRAW DOWN	£6,079,439	£13,498,641

Committed

Independent Jersey Care Inquiry	£1,347,489	
CMD ~1001 days initiative	£186,114	
CMD ~ Charities Law Management	£370,000	
Dfl ~ Sea Cadets	£1,200,000	
LOD/JG/Visc - Mental Health Legislation 2017(-2019)	£1,550,000	
National Risk Assessment project/Money Laundering	£285,000	
Pay Award	£806,322	
TOTAL COMMITTED	£5,744,925	£7,753,716

Funding Pressures

TIEA Legal Challenges	£500,000	
2018 HIF Funding replacement	£5,000,000	
TOTAL FUNDING PRESSURES	£5,500,000	

Available Central Contingencies to carry forward **£2,253,716**

Budget Measures

Balance of Redundancy Provision - £864,227

This is the remaining balance of the Redundancy Provision at the end of 2016, to be carried forward for settlements agreed in 2017.

MTFP Addition proposals - £13,664,331

Measures required to balance the books by 2019, as agreed by the States Assembly as part of the MTFP Addition, £2.9 million from 2016, £4.4 million from 2017 and £6.3 million from 2018.

Return from AME - £2,000,000

Also agreed as part of the MTFP Addition, £2 million AME contingency to be returned to the Consolidated Fund to help balance the books by 2019.

Balances Remaining to Draw Down

Project Omega Balance - £1,097,070

This is the available balance to fund cost on the Historical Child Abuse redress scheme.

EPGDP Balance - £4,822,834

The Economic and Productivity Growth Draw-down Provision available balance as at 31st December 2016.

Court and Case Costs Smoothing Reserve - £13,535

Due to the uncertain nature of such expenditure, it was agreed that a smoothing reserve be created which would hold unspent balances from years where expenditure was less than base budgets and be available to be drawn from in years when expenditure was more than base budgets. This is the balance from 2015 and a further £1.5 million is to be allocated from 2016 underspends.

WW1 Centenary Anniversary - £146,000

In February 2014 the Council of Ministers agreed to make available from central contingencies the funding of £465,000 which was identified as necessary for the events associated with the Centenary Anniversary of WW1. £206,000 was the sum identified for 2016 to 2018 and £146,000 remains.

Committed

Independent Jersey Care Inquiry - £1,347,489

This is the remaining balance of the funds allocated to this piece of work.

1001 days Initiative - £186,114

There was a commitment made in 2013 to assist financially if needed in the years 2014 and 2015. Assistance was provided in 2016 once there end of year position was known. By holding this remaining balance further support can be provided for a shortfall in the future if necessary.

Charities Law Management - £370,000

Whilst there is an intension for dormant bank accounts income being utilised to cover the management cost of the Charities Law, there is a likely need to fund recruitment and staff costs prior to the income being available. This amount being held centrally will allow progress on bringing the law into place.

Sea Cadets - £1,200,000

The Council of Ministers committed to providing funding of up to £1.2 million (inclusive of the £200,000 planning funding) within the constraints on the Medium Term Financial Plan 2016-2019 once planning permission had been granted. The funding would be released once it has been demonstrated that any additional funding required for the facility has been secured.

Mental Health Legislation - £1,550,000

This funding is required across a number of departments to allow the necessary work to develop the island's mental health legislation.

National Risk Assessment Project - £285,000

A commitment has been made to allocate funding to this project.

Pay Awards - £806,322

Funding is held centrally in each of the years of the MTFP which can be allocated to departments once an agreement has been reached.

Funding Pressures

TIEA – Legal Challenges - £500,000

The TIEA regulation challenges identified are subject to appeal so this amount need to be held centrally until an outcome is known.

2018 HIF Funding Replacement - £5,000,000

The Council of Ministers committed in the Budget 2017, to fund the 2017 shortfall by earmarking £5 million from department underspends in 2016 to be carried forward for Health and Social Services in 2017. Furthermore, the Health and Social Services department will during 2017, require certainty of funding into 2018, and the proposal is to earmark a further £5m for 2018 from the current Central Contingency underspend, with the position to be reviewed at the end of 2017.

Restructuring Provision

Balance as at 31st December 2016 **£1,922,402**

Committed

CCA - Mobile Data Project	£548,000
HSSD - E-Agenda - Medical Practioners Register	£170,000

TOTAL COMMITTED **£718,000**

Available Restructuring to carry forward **£1,204,402**

Mobile Data (SMARTPolice) Project - £548,000

The original business case indicated that £773,000 would be required and drawn down in 2016 (as per MD-HA-2016-0025).

The commencement of the project was delayed due to the difficulty in engaging project resources and £225,000 was drawn down in 2016. Work was rephased and a greater amount of work will now be undertaken in 2017. The carry forward balance of £548,000 is required in 2017 and a Ministerial Decision has been drafted to request that these funds are now released along with £529,800 originally required for 2017. The project is still on track for completion in 2018.

Medical Practitioners Register - £170,000

Discovery work was undertaken in 2016 in conjunction with the e-Gov team, and implementation is now expected in 2017.

10. Recommendation

The Council of Ministers is asked to consider, comment upon and endorse the draft proposed carry forward requests for departments and contingencies, based on 2016 year end unspent expenditure.

Appendix I

	Final Net Budget	Actual *	Variance (Adv)/Fav		Carry Forward to Reserves and Contingency	Commitments	Departmental Carry forward excluding commitments	Balance after Carry Forwards			
	£'000	£'000	£'000	% of Net Rev. Exp.	£'000	£'000	£'000	£'000			
Chief Minister's Department	37,913	35,539	2,374	6.3%		1599	424	351			
- Overseas Aid	10,344	10,287	57	0.6%			57				
Economic Development, Tourism, Sport & Culture	20,274	19,768	506	2.5%		235	1033	(762)			
Education	105,388	101,263	4,125	3.9%		753	1205	2,167			
Department of the Environment	6,591	6,108	483	7.3%		66	1000	(583)			
Health and Social Services	204,919	198,446	6,473	3.2%		1941	2383	2,148			
Community & Constitutional Affairs	51,114	49,636	1,478	2.9%		182	535	762			
Social Security	195,802	185,624	10,178	5.2%	7260			2,918			
Department for Infrastructure	44,129	40,780	3,349	7.6%		2163	1186				
Treasury and Resources	25,270	23,795	1,475	5.8%	302	267	252	655			
Non Ministerial States Funded											
- Bailiffs Chamber	1,643	1,627	16	1.0%	7	10					
- Law Officer's	8,494	7,213	1,281	15.1%	780	199		301			
- Judicial Greffe	6,459	5,461	998	15.5%	915		60	24			
- Viscount's Services	1,411	1,025	386	27.4%	127		48	211			
- Official Analyst	619	534	85	13.7%				85			
- Office of the Lieutenant Governor	1,358	1,301	57	4.2%		14	44				
- Office of the Dean of Jersey	26	26	0	0.0%							
- Data Protection Commission	309	309	0	0.0%							
- Probation Department	1,991	1,897	94	4.7%	56		30	8			
- Comptroller and Auditor General	812	571	241	29.7%				241			
States Assembly	7,536	7,248	288	3.8%				288			
	732,402	698,458	33,944	4.6%	9,446	7,429	8,256	8,813			
* provisional 2016 outturn as at 1st Feb 2017											
											(3,603) H&SSD - HIF 2017 Balance
											(3,160) ALL - Non-consolidated Pay
											To Contingency 2,050