

Appendix H

PURPOSE OF STATES FUNDS

PURPOSE OF FUNDS NAMED IN THE PUBLIC FINANCES (JERSEY) LAW, 2019

States Fund	Purpose	Approval process
Consolidated Fund	The Consolidated Fund is the main States Fund. It can be classed as the States' current account as it is the Fund through which the majority of States income is received and out of which the majority of States expenditure is paid.	The States Assembly approves annual income and expenditure from the Fund via the Government Plan under the provisions of the Public Finances (Jersey) Law 2019.
Strategic Reserve Fund (also informally referred to as the "States' Rainy Day" Fund)	<p>The Strategic Reserve is embedded as a permanent Reserve Fund in the Public Finances (Jersey) Law 2019 and is akin to the States "longer term savings account".</p> <p>The policy for the Reserve agreed by the States is that it should only be used:</p> <ul style="list-style-type: none"> • in exceptional circumstances to insulate the Island's economy from severe structural decline (such as the sudden collapse of a major Island industry) or from major natural disaster (P.133/2006 refers); • if necessary, for the purposes of providing up to £100 million for a Bank Depositors Compensation Scheme (P.84/2009). 	<p>The States Assembly approves withdrawals from and transfers into the Strategic Reserve Fund. This approval is given either as part of the debate on a Government Plan (lodged by the Council of Ministers) or via a Report and Proposition lodged by the Minister for Treasury and Resources.</p> <p>Money cannot be directly spent from the Strategic Reserve Fund it must be withdrawn from the Fund and transferred into another States Fund.</p>
Stabilisation Fund	The Stabilisation Fund is established under the Public Finances (Jersey) Law 2019. The States policy for the Stabilisation Fund is that money held in the Fund is there to assist in making Jersey's fiscal policy more countercyclical to create a more stable economic environment. It is intended that the Fund receives cash allocations in more buoyant economic conditions and withdrawals are made at times of anticipated economic downturn (P.133/2006).	<p>The States Assembly approves withdrawals from and transfers into the Stabilisation Fund. This approval is only given as part of the debate on a Government Plan or via a Report and Proposition lodged by the Minister for Treasury and Resources.</p> <p>Money cannot be directly spent from this Fund it must be withdrawn from the Fund and transferred into another States Fund.</p>

PURPOSE OF OTHER STATES FUNDS

States Fund	Purpose	Approval process
Currency Fund	<p>This Fund is established under the Currency Notes (Jersey) Law 1959 for the purpose of providing financial backing for the States of Jersey's local currency (including notes and coins).</p> <p>The Fund holds assets that match the value of Jersey currency notes and coinage in circulation, such that the holder of Jersey currency could be repaid on request. The Fund also meets the costs of administering, producing, and issuing Jersey's own notes and coins.</p>	<p>The Minister for Treasury and Resources can approve a transfer –</p> <ul style="list-style-type: none"> • from the Currency Fund to the Consolidated Fund if there is a surplus in the Currency Fund after provision has been made for currency in issue. • from the Consolidated Fund to the Currency Fund if the amount in the Currency Fund is insufficient to meet the repayment of currency in issue.
Insurance Fund	<p>Established under the terms of the Public Finances (Jersey) Law 2019, the Fund facilitates the provision and administration of mutual insurance arrangements for States bodies and other bodies who participate in the States insurance arrangements.</p> <p>Full details on the Fund are available in R.111/2019.</p>	<p>The States Assembly approves withdrawals from and transfers into the Insurance Fund as part of the debate on a Government Plan.</p> <p>The Minister for Treasury and Resources can transfer amounts from the Insurance Fund to the Consolidated Fund if the former Fund has a surplus over and above that required to meet insurance needs.</p>
States Trading Operation - Jersey Car Parking Trading Fund	<p>Fund established under the terms of the Public Finances (Jersey) Law 2019 and set up for Jersey Car Parking (which has responsibility for the administration, management, financing, development and maintenance of public car parking places that are within the remit of the Minister for Infrastructure) out of which capital and other similar cost are met.</p>	<p>The States Assembly approves expenditure from and transfers into the Fund via the Government Plan.</p>
States Trading Operation - Jersey Fleet Management Trading Fund	<p>Fund established under the terms of the Public Finances (Jersey) Law 2019 and set up for Jersey Fleet Management (which has responsibility for the acquisition, maintenance, servicing, fuelling and garaging and disposal of vehicles and mobile plant on behalf of the States of Jersey) out of which capital and other similar costs are met.</p>	<p>The States Assembly approves expenditure from and transfers into the Fund via the Government Plan.</p>
Agricultural Loans Fund	<p>Fund established under the Agriculture (Loans and Guarantees) (Jersey) Regulations 1974.</p> <p>The Fund's purpose was to provide loans to individuals engaged in work of an agricultural nature in Jersey for the purpose of furthering</p>	<p>The States Assembly approves transfers from/to this Fund as part of the Government Plan approval process.</p>

	their agricultural business. Approval of new loans to farmers has been suspended.	
Tourism Development Fund	Established under P.170/2001 to replace the Tourism Investment Fund, this Fund supports grants to the tourism industry to improve Jersey's competitiveness and sustain the industry as an important pillar of the economy.	The States Assembly approves transfers from/to this Fund as part of the Government Plan approval process.
Channel Islands Lottery (Jersey) Fund	This Fund is established under the Gambling (Channel Islands Lottery) (Jersey) Regulations 1975, with its purpose to receive the income and meet expenses associated with Jersey's share of holding public lotteries in the Channel Islands (draws can be held in Jersey or Guernsey). Withdrawals from the Fund can be made for such purposes of public benefit as the States decide on a report and proposition from the Minister for Economic Development, Tourism, Sport and Culture.	The States Assembly can approve withdrawals from this Fund at any time on a Report and Proposition from the Minister for Economic Development, Tourism, Sport and Culture.
Jersey Innovation Fund	The Fund was established under P.124/2012 to enable investments in private and public sector projects to be made to drive greater innovation in Jersey and improve competitive advantage. Responsibility for approving these investments lies with the Minister for Economic Development, Tourism, Sport and Culture.	Transfers from/to this Fund can be made as part of the Government Plan approval process.
Housing Development Fund	The Fund is established by the States approval of P.74/99 and P.84/99 and enables the provision of financial support to assist in meeting the Island's requirements for the development of social rented and first-time buyer homes by providing development and interest subsidies. Responsibility for approving the financial support lies with the Minister for Treasury and Resources.	Transfers from/to this Fund can be made as part of the Government Plan approval process.
Dwelling Houses Loans Fund	Fund established under the Building Loans (Jersey) Law 1950 to enable residentially qualified first-time buyers to purchase their first home.	The States can agree transfers from this Fund on a Report and Proposition or as part of the Government Plan process.
Assisted House Purchase Scheme	Fund established in 1977 the purpose of which is to aid the recruitment of staff from the UK, by facilitating the purchase of suitable properties by the States on behalf of the employee. New loans are no longer approved,	Transfers from/to this Fund can be made as part of the Government Plan approval process.

99-year leaseholders account	Established under the powers of the Building Loans (Jersey) Law 1950. The Fund enabled loans to be made to individuals offering leaseholder property as security at the time that there was no share transfer or flying freehold legislation. Following the States' approval of P.19/2021 the Fund may be used to provide loans to owners of flats at Les Quennevais for repairs to balconies.	Transfers from/to this Fund can be made as part of the Government Plan approval process.
Criminal Offences Confiscations Fund	This Fund is established under the Proceeds of Crime (Jersey) Law 1999. Following a conviction, property adjudged to represent the benefit or proceeds of crime is remitted to the Criminal Offences Confiscations Fund; if a third party is found not guilty, property is returned. Funds can be withdrawn to meet the costs of measures that are, in the opinion of the Minister for Treasury and Resources related to preventing/supressing or otherwise dealing with criminal conduct.	Money can be withdrawn from this Fund by the Minister for Treasury and Resources (who should consult with the Attorney General and any other person the Minister considers appropriate).
Civil Assets Recovery Fund	This Fund (CARF) is established under the Civil Asset Recovery (International Co-operation) (Jersey) Law 2007 and is managed by the Minister for Treasury and Resources. This Fund holds amounts confiscated by the Viscount if a civil asset recovery order has been registered in the Royal Court or from funds gained through an asset sharing agreement.	At the end of each financial year the Minister shall pay any money in the CARF which is not required to meet Jersey's obligations under any asset sharing agreement or costs in discharging functions under the main legislation into the Consolidated Fund. In extenuating circumstances, a transfer may be made from the Fund to the Consolidated Fund outside of this process.
Jersey Reclaim Fund	The Fund was established in 2018 under the Dormant Bank Accounts (Jersey) Law 2017 and receives money related to dormant bank accounts as defined in that Law. Dormant bank accounts are classified as those where no instructions have been received from the customer for a period of at least 15 years. Funds (loans or grants) are available for charitable and other related purposes in the local community, including meeting the costs of the Commissioner for Charities.	An Order from the Minister for External Relations (who must have consulted with the Minister for Treasury and Resources) sets the policies and procedures which must be followed to allow distributions to be made from the Fund.
Hospital Construction Fund	This Fund was established by the States Assembly in 2018 to facilitate the construction and fitting out and associated costs of the preferred scheme for the Jersey General Hospital Project. The States decision to reverse the approval of this project means	Only costs and payments approved by the States for the preferred Jersey General Hospital are met through this Fund.

	that this Fund will be wound up once the final costs of the preferred scheme have been met.	
Climate Emergency Fund	The Fund was established in 2020 as part of the Government Plan debate. The purpose of the Fund is to support initiatives that respond to the climate emergency, as declared in P.27/2019, and initiatives that reduce carbon emissions and other pollutants, in line with adopted future plans or strategies for, inter alia, energy use and management, carbon reduction, sustainable transport approved by the States Assembly.	Transfers from/to this Fund must be approved by the States Assembly as part of the annual Government Plan approval process. Annual expenditure and Income proposals are also approved as part of the Government Plan approval process.
Fiscal Stimulus Fund	The Fiscal Stimulus Fund was approved by the States Assembly in November 2020. Its purpose is to support the Island's recovery from the impact of COVID-19 by funding projects which will stimulate the economy.	The Minister for Treasury and Resources is responsible for approving allocations from this Fund based on pre-set criteria.
Technology Accelerator Fund	The Technology Accelerator Fund was approved by the States Assembly in April 2022. Its purpose is to – (a) to support the Island's future economy (b) to make faster progress on environmental and social goals (c) to strengthen the technology eco-system in Jersey (d) to receive the following funding sources – (i) a transfer of £20m from the Consolidated Fund, earmarked for this purpose in the Government Plan 2022-25, and further transfers from this and other Funds as necessary; (ii) a grant from a head of expenditure approved in a Government Plan; and (iii) income or charges as agreed in a Government Plan. (e) to use the available funds to provide financial support to a professionally managed and medium-term programme of activities designed to make use of early-stage technologies or early-stage applications of existing technologies, to achieve the objectives at (a-c) above.	Transfers from/to this Fund must be approved by the States Assembly as part of the annual Government Plan approval process.

PURPOSE OF SOCIAL SECURITY FUNDS

Fund	Purpose	Approval process
Social Security Fund	This Fund is established under the Social Security (Jersey) Law 1974 and receives all social security contributions payable under the Law and pays out benefits to those who have contributed to the Fund, such as the old age pension and incapacity benefit, as defined in the Law, and expenditure related to the administration of these benefits.	Control of the Social Security Fund, within the terms of the Social Security Law, lies with the Minister for Social Security. Legislative changes require States Assembly approval.
Social Security (Reserve) Fund	Established under the Social Security (Jersey) Law 1974, the Fund is a Reserve fund and holds funds, which are invested, for the future provision of pension benefits for those in employment to reduce the impact of pensions in future generations, as well as to smooth contributions for Social Security benefits over time.	Control of the Social Security (Reserve) Fund, within the terms of the Law, lies with the Minister for Social Security. The Minister for Treasury and Resources has investment responsibilities for this Fund but must consult with the Minister for Social Security.
Health Insurance Fund	Established under the Health Insurance (Jersey) Law 1967, the Fund receives allocations from Social Security contributions for the purpose of paying claims for medical benefits and pharmaceutical benefit as defined in the law.	Control of this Fund, within the terms of the Law, lies with the Minister for Social Security. The Minister for Treasury and Resources has investment responsibilities for this Fund but must consult with the Minister for Social Security.
Long-Term Care Fund	Established under the Long-Term Care (Jersey) Law 2013, the Fund receives allocations under the Social Security Law, for the purpose of paying out benefits and expenditure relating to long-term care.	The control of this Fund lies with the Minister for Social Security. The Minister for Treasury and Resources has investment responsibilities for this Fund and must consult with the Minister for Social Security.
Jersey Dental Scheme	The Jersey Dental Benefit Scheme is established under the Jersey Dental Care Subsidy Scheme Act of June 1991. The objectives of the Scheme are to provide a professional service of regular dental care to maintain the dental fitness of the members of the Scheme; and to maintain a system of peer review of dental services provided to members under the scheme.	The control of the Fund lies with the Minister for Social Security.