

# Treasury and Exchequer Ministerial Decision Report

## TRANSFERS BETWEEN HEALTH AND COMMUNITY SERVICES PROJECT HEADS OF EXPENDITURE IN 2023

### 1. Purpose of Report

To enable the Minister to approve the transfer of up to £1,400,000 between heads of expenditure in 2023 as detailed in the table below.

### 2. Background

Following a review of project spending in Health and Community Services (HCS), the Department has identified that budgets for Replacement Assets and Learning Difficulties – Specialist Accommodation will not be spent in full during 2023. To ensure that these funds are deployed productively to maximise health and care outcomes, it is proposed that they are transferred to the Health Services Improvements Programme, which has spent more than budgeted for the year.

#### Reasons for underspends

##### Replacement Assets and Minor Capital - HCS

The HCS Replacement Assets and Minor Capital budget is a rolling source of funding for equipment replacement and other minor capital expenditure requirements. The budget reflects the estimated requirement for the equipment purchases, but actual spending is variable and sensitive to changes in supply chain lead times for high-cost items. It is now clear that £900,000 will not be spent in 2023 and can be redeployed to meet other health priorities.

##### Learning Difficulties – Specialist Accommodation

The HCS Learning Difficulties – Specialist Accommodation project is a Major Project to develop specialist residential accommodation facilities for Islanders with learning difficulties. The project is under review pending the identification of a suitable site and work to ensure that the accommodation provides a sustainable solution aligned to leading care practice. The project is forecast to underspend by £900,000 in 2023. In line with the usual approach for Major Projects, funding not spent in 2023 will be made available in future years to ensure that the project can be delivered in due course. This may be achieved through the Government Plan 2025-28 or through end of year flexibility. Given that funding will remain unspent in 2023, it is proposed that £500,000 of the budget available is transferred to meet other project requirements.

#### Opportunity to accelerate delivery of Health Service Improvements

The Health Service Improvements project supports critical infrastructure projects across the HCS Estate in advance of the wider reconfiguration of the estate through the New Healthcare Facilities project. The age of the health estate means there is high demand for replacement and refurbishment works, many of which are pressing. To meet needs in 2023, spending on Health Services Improvements has exceeded the available budget by £1.4 million. HCS management is seeking to meet this increased expenditure by transferring unspent funds from the other capital projects identified above.

## Transfers between project heads of expenditure

Transfers between heads of expenditure will take place as set out below:

Head of Expenditure	2023
Health Services Improvements	up to £1,400,000
Replacement Assets and Minor Capital - HCS	up to -£900,000
Learning Difficulties - Specialist Accommodation	up to -£500,000
	<b>£0</b>

HCS plans to seek a further Ministerial Decision in 2024 to transfer the equivalent value back to the Replacement Assets and Learning Difficulties – Specialist Accommodation Heads of Expenditure so that they remain able to deliver activity previously planned for 2023 that will now take place in 2024. The budget for Health Services Improvements will be reduced accordingly as the work previously scheduled for 2024 will already have been delivered.

The effect of this transfer in 2023 and the subsequent return of funds in 2024 is to enable an acceleration of Health Service Improvement works, allowing work that would otherwise have been delayed until 2024 to be delivered this year. The budgets for Learning Difficulties – Specialist Accommodation and Replacement Assets will be restored in 2024 so those projects will still be able to deliver their intended outcomes in full.

### 3. Recommendation

The Minister is recommended to approve the transfer of up to £1,400,000 between heads of expenditure in 2023 as detailed in the table above.

### 4. Reason for Decision

Article 18(1)(a) of the Public Finances (Jersey) Law 2019 states that a specified amount appropriated for one head of expenditure may, with the approval of the Minister for Treasury and Resources, be used for the purposes of another head of expenditure that is set out in the government plan.

Article 18(4) of the Public Finances (Jersey) Law 2019 states that the Minister shall give the States Assembly at least 4 weeks' notice before an amount is transferred under paragraph (1)(a).

Article 18(5) of the Public Finances (Jersey) Law 2019 states that if a direction under this Article would affect a head of expenditure that relates to the responsibilities of any Minister, that Minister must be consulted before the direction is made. The Ministers have been consulted and agree the transfer.

### 5. Resource Implications

Heads of Expenditure will be amended as follows:

- Health Service Improvements Programme Head of Expenditure will increase by up to £1,400,000 in 2023;
- Replacement Assets and Minor Capital – HCE Head of Expenditure will decrease by up to £900,000 in 2023; and
- Learning Difficulties - Specialist Accommodation Head of Expenditure will decrease by up to £500,000 in 2023.

This decision does not change the total amount of expenditure approved by the States Assembly in the Government Plan 2023-26.

Report author: xxxx	Document date
Quality Assurance / Review: Head of Financial Governance	File name and path: Lxxxx
MD Sponsor: Group Director, Strategic Finance	