

1. Purpose of Report

To provide a final summary of carry forward requests from departments based on 2013 year end outturn near cash unspent expenditure.

2. Overview

- Departments outturn is an **underspend of £22.8 million**.
- Requesting **£20.1 million as carry forwards**.
 - £16.9 million of departmental carry forwards (Section 5 page 2)
 - £3.0 million of allocated restructuring carry forwards (Section 6 page 12)
 - £0.2 million of Court & Case Cost carry forward to Smoothing Reserve (Section 7 page 13)
- £20.1 million represents **3% of total budget**.
- £2.7 million of Department underspends not requested (Section 4 page 2)
- Central Contingency and Restructuring Provision - £20.7 million unallocated.
 - £16.0 million to be carried forward into Central Contingency and £1.4 million into Restructuring in 2014. (Section 7 page 13)
 - £3.3 million to be returned to the Consolidated Fund. (Section 7 page 13)

3. Background

The carry forward process was introduced to ensure that resources are used effectively to achieve value for money and to enable departments to plan further ahead than a single year. The Council of Ministers recognised that the previous system encouraged short term decision making and inefficient use of resources.

The current carry forward process allows departments the flexibility to manage budgets across financial years for continuing projects or to meet new priorities. This flexibility is a crucial part of allowing departments to meet changing spending needs, deliver longer term savings and improve services in line with the strategic priorities approved by the States in 2012.

2012 saw the approval of the States' first Medium Term Financial Plan (MTFP) which is in place for the 2013-2015 period. The States has agreed challenging spending limits and requires departments to work effectively within them across three years.

Providing departments with certainty over the carry forward process is consistent with the expectations set in the MTFP process. The three year financial planning framework also gives certainty to external suppliers and the numerous organisations reliant on support from the States. This flexibility creates an incentive for departments to control and minimise expenditure so that plans for future initiatives can be realised and public sector services can be delivered within States approved limits.

Further, this year end budget flexibility reduces the pressure on contingencies and central growth allocations. Maintaining the three year spending envelope through effective budget management also improves transparency and provides greater certainty on the cost of public services.

4. Introduction

The 2013 year end outturn across all departments is an underspend of £22.8 million, representing 3.5% of total budget. In addition there was £20.7 million of Central Contingency and Restructuring budget unallocated at year end of which £3.3 million is to be returned to the Consolidated Fund and £16.1 million has been committed. Figure 1 below shows a summary of the 2013 outturn position.

Figure 1 – Summary of 2013 Underspend

	2013 Budget £'000	2013 Actual £'000	Variance (Adv)/Fav £'000
Departmental Net Revenue Expenditure (Near Cash)	659,008	636,185	22,823
Central Contingency and Restructuring	20,728	-	20,728
States Near Cash Departmental Variance	679,736	636,185	43,551

(rounding applied)

The majority of the underspend (88%) has been requested for various carry forwards by departments. It is proposed that from the 2013 underspend not requested by departments £2,033,697 is returned to the Consolidated Fund and the balance of £716,901 is carried forward into Contingencies in 2014. Departments will then have the opportunity to request funding for spending pressures identified in 2014 if they cannot manage them within existing resources per the existing Contingency Policy. Summary information for all bids can be found in Appendices 1 - 4.

There is a balance of £20.7 million of budget remaining in Central Contingency and Restructuring at the end of 2013. However, of this, £16.1 million has been committed for specific pressures. These bids have not been through the approvals process for Contingencies but they are deemed likely to occur and their cost can be reliably estimated. Figure 2 below summarises the forecast outturn position for Central Contingency and Restructuring and the proposed allocation of budget carried forward into 2014.

Figure 2 – Central Contingency and Restructuring 2013 Underspend

Central Allocations Area	Committed Allocations £'000	Remaining Budget £'000	2013 Total Unallocated Budget £'000
Central Contingency	16,087	3,237	19,324
Restructuring Provision	-	1,404	1,404
Total Central Allocations (before carry forward)	16,087	4,641	20,728

5. Departmental Carry Forwards - £16,910,900

The year end underspend is summarised, by department, in Appendix 1 page 15. This table shows funds are available to fund the full amount requested by departments. A summary of requests is in Appendix 3 page 17.

All departments have an underspend this year. The largest underspends are in Education, Sport and Culture, Treasury and Resources, and Social Security. However, as a percentage of total budget the biggest underspends are in Comptroller and Auditor General, Data Protection Commission and Viscount's Services. A chart showing total carry forwards as a percentage of total budget can be found in Appendix 2 on page 16.

The amounts being requested to be carried forward by departments are as follows:-

Chief Minister's - £1,229,317

Cost pressures in 'Business As Usual' in 2014 £50,634

Cost pressures in 2014 including Workforce Planner, BST Staff contract extensions, Maternity cover, Productivity Measurement and Accommodation.

Delay in rollout of States training £217,314

There has been a delay in delivering the Ashridge training rollout.

Freedom of Information £365,845

Funding received in 2013 for the FOI Project which will continue into 2014.

Joint Safeguarding Board and Household Expenditure Survey £415,740

Funds are required in 2014 and 2015 for the Joint Safeguarding Board and the Household Expenditure survey.

Procurement Savings £125,000

Funding of part of the 2014 Procurement savings whilst work is ongoing to identify recurring savings.

Safeguarding Partnership Boards £54,784

Required to continue the setup of the Safeguarding Partnership Boards (Adult and Children).

Jersey Overseas Aid - £151,330

The majority of the under spend relates to a bequest for the Community Works Projects which will be spent in 2014, and various minor under spends across the departments.

Economic Development Department - £898,500

Aircraft Registry £115,000

Additional funding required due to Jersey working independently.

Aquaculture Strategy £18,000

Work was started on an Aquaculture Strategy in 2013 which was unfunded in the MTFP. The work is to be completed in 2014.

Channel Islands Competition Regulatory Authority £55,000

Additional grant to cover a request by the Minister regarding Ferries.

Department Contingency £15,500

Additional departmental contingency is required for potential funding pressures in 2014.

Digital Jersey £166,000

An additional grant is required and was not budgeted in the MTFP.

Financial Ombudsman £29,000

Working with Guernsey for a joint Ombudsman. The progress has been slower than anticipated.

Jersey Business £150,000

An additional grant is required and was not budgeted in the MTFP.

Retail Enhancement £100,000

New programme for Improvements to Retail Trade - working with Jersey Business Ltd and Chamber of Commerce and includes reduced or free parking which will be re-imbursed to TTS.

RJA & HS Grant £250,000

Royal Jersey Agricultural and Horticultural Society grant was not budgeted in the MTFP.

Education, Sport & Culture - £3,958,677

Culture £6,000

Collaborative project by Jersey Arts Trust (postponed from November 2013 to February 2014) to encourage artists' links with St Malo.

Delegated Financial Management – Fee Paying Provided Schools £625,077

The Fee Paying Provided Schools (Victoria College, Jersey College for Girls and Prep schools) benefit from the delegated financial management arrangement enabling the schools to minimise the impact of fee increases and to build up funds for improvement works, maintenance works and one off capital spend. Increase from Q3 due to delays in conversion of sixth form at Victoria College.

Delegated Financial Management – Schools and Colleges £965,304

Schools can carry forward up to 3% of budgets under the delegated financial management arrangement to manage the differential between the academic and financial year and specifically changing pupil numbers, future contracts and development plans. Increases from Q3 due to delays in works at some schools.

Departmental Contingency £551,638

A departmental contingency was established as a carry forward for 2013 to enable the Department to effectively manage potential funding pressures over the period of the MTFP. As anticipated the budget was not fully utilised in 2013 but will be requested as a carry forward to 2014 to address current funding pressures and unforeseen pressures. This represents less than 0.5% of ESC budget.

Further, Vocational & Tertiary - Highlands College £89,916

Highlands College has commenced the development of an online prospectus and enrolment system with the first prospectus launched in November 2013. A carry forward is requested to continue with the project in 2014 including software upgrades to enable student online payments.

Further Vocational & Tertiary – Trackers £7,000

The Trackers Apprenticeship programme has proved very successful with 3 year enrolment targets already signed up. A carry forward of £7,000 is requested to implement a marketing strategy, primarily to predict likely demand for the programme going forward.

Health and Safety £10,000

Health & Safety assessment of Highlands Campus has been delayed and will be completed in March 2014.

Higher Education £815,534

The carry forward for university tuition fees and maintenance grants has been calculated using the September 2013 cohort. Future demands on the £9.8 million annual budget depend on radical changes that are still taking place in UK universities and the outcome of future fee reviews (the current cap ends in 2015). The carry forward will assist with managing this uncertainly over the period of the MTFP.

Nursery Fees £256,500

September 2013 saw a poor take up of additional hours (i.e. over and above the free 20 hours per week for 2013/14). This has resulted in a funding pressure of £256,500 for 2014 and a carry forward is requested to address this.

Policy and Planning Administration £20,700

Carry forward requested to enable essential refurbishment works to the department buildings including the Committee Room and Board Room in order to ensure it is suitable for major incidents in future.

Public Libraries £83,500

Carry forward requested to enable the Library to complete essential changes such as stock control (replace library reception desk and introduction of self service points) and the conversion of the music area on the first floor to a meeting room (for reading groups, arts and heritage groups).

Replacement of School PCs £134,148

Replacement of school PCs was delayed pending the launch of the Vision for IT in schools and likely changing requirements of schools through school business plans in 2014. A carry forward is requested to fund purchases in 2014 in line with the new strategy.

Schools Development & Evaluation – Curriculum £174,000

Following the appointment of a new Head of SD&E in August the 2013, underspend will be requested as a carry forward and utilised in 2014 to fund delayed major project work including: the introduction of a new national / Jersey curriculum, early years review, implementation of the Maths and English reviews and a leadership programme for heads and deputies.

Schools Development & Evaluation - Language Assistants £50,000

A budget of £75,000 was agreed by the States in the MTFP Amendment 3 (but funded from carry forwards) to provide language assistants in schools for 3 academic years. This carry forward represents the balance for 2014 and 2015.

Special Education Needs – UK Placement 2014 £100,000

The SEN budget for UK placements of £70,000 is insufficient to meet the number of children presently in the UK (1 @ 100% of total cost and 2 @ 40% shared with Health). A carry forward of £100,000 is requested to meet the educational needs of these 3 children not presently available in the Island.

Sports - SEN Inclusion Project £54,360

A physical educational pilot for social inclusion was due to start in January but was delayed until August due to confirmation of carry forward and recruitment delays. Carry forward requested to enable the pilot to continue in 2014.

Youth Service £15,000

Carry forward of £15,000 requested for St.James. Although major redevelopment work for St.James is covered by capital funding, revenue funding is required to replace equipment and fittings at the site in 2014.

Department of the Environment - £276,895

Departmental Contingency £95,206

Due to the current economic climate the Department plans to carry forward any unspent balances to supplement the departmental contingency and to act as income smoothing for Planning and Building Fee income.

Loss of abattoir grant £30,109

Previously a grant had been awarded from EDD to cover the veterinary costs incurred at the abattoir. In 2014 this grant will cease, therefore any savings within the veterinary area will be used to ease this transition in 2014.

Water Framework Directive £151,580

Funding was awarded in 2013, from Central Contingencies, for the completion and integration of the Water Framework Directive. This programme was designed to span three years, and this funding will cover the costs in the remaining years.

Health & Social Services - £2,280,000

Additional Theatre capacity to meet increasing demand £150,000

H&SS have funded the refurbishment of the Minor Operations Suite in 2013 in order to transfer some minor procedures into a more appropriate setting and free up theatre lists in main theatres. This funding allows the additional activity to commence in mid-2014 and which will be funded recurrently from the H&SS budget in 2015.

Adult's UK placements £200,000

This represents the non-recurrent costs of overseas mental health placements. There are increasing numbers of these placements, including 2 assessments commencing in January 2014 which were not known about at the end of 2013.

Children's high cost placements £480,000

High cost UK placements for children with high levels of need have increased rapidly over the past two years. The current level of placements will result in a cost pressure for 2014. White Paper proposals to develop Children's Services should have a long term impact on the need for off-island provision but this is still in its early stages and will not yield benefits immediately. This funding will allow the continuation of a small number of packages in the UK until the planned capital works can deliver on-island provision. It also provides funding for the recent unplanned increase in on-island packages. Long term funding for this, if required, will be managed out of the H&SS budget from 2015.

Increased surgical procedures to reduce waiting lists £400,000

Due to the increasing pressure of demographic changes additional investment is required to contain and reduce the length of waits for patients. A number of schemes have been identified to reduce waiting times including increasing capacity in Radiology, running additional outpatient clinics in a number of specialities and increasing specialist capacity to perform procedures. Most costs are identified as non-recurring - where it is proposed to invest recurrently, H&SS will earmark funds from within the 2015 budget to support these initiatives.

Infection control measures £100,000

Funding to allow additional infection control measures to be undertaken to ensure the effective management of hospital capacity and infection control.

Pandemic Flu £25,000

The new Pandemic Flu strategy was agreed by Council of Ministers in September 2013. This sets out a comprehensive plan for responding in the event of a flu pandemic. This funding will allow the implementation of this strategy.

Primary Care £300,000

£300,000 was carried forward in 2012 in order to fund the Primary Care review. Commissioning the review is not yet completed and therefore no funds have been used in 2013. Costs will be incurred in 2014.

Special Needs £230,000

H&SS is now commissioning more personalised services for special needs clients. This includes additional hours from Les Amis for high need clients. In addition services are seeing an increasing number of special needs clients. These costs are an unfunded pressure to the Department. This funding will allow a more stable footing to be established in 2014 for this activity prior to the introduction of the Long Term Care benefit.

Vaccination Programmes £150,000

A number of new vaccines and vaccination programmes have recently been recommended in the UK. Jersey's policy is to follow UK guidelines for vaccinations. This funding is required to allow the introduction of these vaccines in 2014. These would be continued in 2015, subject to an assessment of effectiveness.

Winter Pressures and Transitional Capacity £245,000

This funding will allow the department to develop additional strategies to manage bed pressures particularly over the Winter Period in both early and late 2014 which will support the Hospital until the Future Hospital project is completed.

Home Affairs - £1,450,061

Delay in Pensions Work £12,200

Additional costs associated with changes to PECRS required for the introduction of a new Prison Officer grade.

Disaster Recovery/Business continuity £100,000

Costs associated with providing offsite storage for States of Jersey Police (SoJP) network.

Jersey Customs & Immigration Services operations £20,000

Pilot project for two years.

Police operations £185,000

A number of the CSR savings have impacted on Police operations including the reduction in Police overtime and reduction in travel and subsistence. Whilst budgets have been reduced and procedures reviewed, there is a risk that if a major operation was to occur in 2014 (such as Operation Prudent, Artery or Pollen) the SoJP would not have sufficient resources to manage the operation. This carry forward would allow the SoJP to consider compensatory savings and review priorities depending on the timing of any major operation.

Slippage/Delay in CSR projects £652,861

Slippage/Delay in CSR projects managed by the Home Affairs and States of Jersey Police Accounting Officers.

Staff recruitment £298,000

The underspend is required to allow for the recruitment of Police Constables in 2014 which will take the numbers over the budgeted FTE until existing Police Officers are able to retire. It is essential that there is structured succession planning in place.

Vehicle/Equipment replacement costs £182,000

It was agreed in the MTFP that growth for vehicle/equipment replacement costs was slipped until 2014. The Department agreed that this proposal was manageable as long as it was able to carry forward funds from 2012 to manage the gap. The review of minor capital allocations and equipment replacement programme has been delayed due to the uncertainty of the funding required for the New Generation Passport project.

Housing - £788,190

Backlog maintenance £788,190

The Department has a backlog of maintenance currently estimated to be £48 million. The carry forward of this money will enable the Department to continue to reduce this backlog.

Social Security - £ 756,997

Employment & Training of a Trainee Health & Safety Inspector £67,497

Short term funding required for a Trainee Health & Safety Inspector as part of succession planning and LEAN project support.

Grants for Employment Projects £649,200

Employment Grants and Community Job Club Grants which have been approved but which the remaining balance will become due and payable in 2014.

Temporary staffing costs £40,300

Resource for consolidation of Social Security and Health Insurance Fund accounts.

Transport and Technical Services - £1,610,415

Asbestos disposal £1,234,800

A planning application, to bury circa 220 container loads pending the identification of a suitable treatment solution, has now been approved. It is intended that disposal will commence in early 2014, and these monies will go towards the eventual disposal costs.

Departmental Contingency £152,892

Funds are set aside each year to deal with unforeseen spending pressures and requirements for additional funding. The balance on the Departmental Contingency allocation is requested to be carried forward to 2014 to supplement the budget allocated in that year.

Liquid Waste Strategy £122,723

The Liquid Waste Strategy has commenced but will require further development and funding prior to lodgement of the Report and Proposition in April 2014. This is the remaining balance of the £500,000 carried forward from 2012 for this purpose and will be required in 2014.

SoJ Corporate Health & Safety £100,000

An allocation of growth was made in the MTFP to create a Corporate Health and Safety function. The budget has now been moved to TTS and subsequent work to scope the requirements of the role has identified a shortfall in funding of £50,000 per annum. TTS do not have sufficient budget to meet this funding requirement so it is requested that underspends not requested by other departments are used to fund this corporate role. £100,000 will fund the additional amount required in 2014 and 2015.

Treasury and Resources - £1,813,604

Back Log Maintenance - Fort Regent Signal Masts £180,000

Planning permission has been obtained to replace the masts. JPH have commenced the procurement process to enable work to commence in 2014.

Delays in Personal Tax, Business Tax, IS and Postage Spend £95,500

Due to additional work undertaken by the Taxes Office in 2013 this carry forward is to enable work to be performed in 2014 and ensure department targets are met, for example online company returns and tax assessing.

GST - temporary resource to generate additional revenues £40,000

To enable GST to recruit a temporary resource to complete the high yield accounts exercise work started and partially performed in 2013.

IFRS Property Valuation £100,000

Contribution to the 2015 interim valuation fees, this will be requested to be carried forward from 2014 to 2015.

Internal Audit £27,000

This carry forward is required for training for Professional qualifications within the Internal Audit Team of £15,000. In addition some planned Internal Audit reviews in 2013 have been deferred to 2014, therefore the carry forward of £12,000 has been requested to complete the reviews. This amount represents budgeted costs for BDO.

Lean Initiatives £17,229

Staff are currently being trained on Lean and identifying Lean projects. There is no central funding available for Taxes Office specific projects. This funding would enable projects approved by Senior Management Team to have necessary resources (both manpower and IS) to be able to be successful.

Long Term Care (LTC) funding for Year 2 of implementation £358,049

Funding received from Social Security was to fund the implementation of LTC over a 2 year timescale taking place in 2013 and 2014. This carry forward is to fund the second year of the project in 2014.

Move on Café £300,000

Refurbishment and fit out is required for the chosen site for the Youth Service's Move on Café. Due to delays obtaining a lease agreement for the chosen site, work will commence in Quarter 1 2014.

Office Rationalisation £65,466

Work has commenced on the States of Jersey Office Rationalisation strategy, including tendering for a chosen consultancy firm to develop the strategy. Preliminary work commenced in December 2013 and will run to Quarter 2 2014. The total cost of the project will be greater than £65,466 and the balance will be found from the Jersey Property Holdings 2014 revenue budget.

PECRS Pre-1987 Debt £382,360

2013 underspend includes £225,780 from 2011/2012. This is required to protect against the variability of future years debt. The number is calculated by the actuaries and is influenced by changes in pay scales and other factors.

Procurement Training £10,000

Professional procurement training for States staff within the department.

Project Shortfall £10,000

Known shortfall in Directorate budget for project work required during the year.

Relocation of staff within Taxes Office £16,000

Physical relocation of staff within the Taxes Office in order to improve efficiency and will also increase the number of desks available.

Taxes Office Training £43,000

Develop two staff to enable them to be used where vacancies exist across all areas of the department. This meets a Deloitte recommendation to promote more flexibility and cross-working within the Taxes Office. This carry forward also includes an increase in the training budget to fund professional qualifications and HMRC (Jersey tailored).

Taxes Transformation Programme £148,000

The Taxes Transformation Programme has incurred a lower spend than anticipated in 2013 – some of the planned work has been delayed due to the new work stream of Long Term Care charge.

XP Replacements £21,000

71 computers in Taxes Office currently run an operating system which will not be supported after April 2014 by Microsoft. The new system isn't compatible with the current machines therefore new machines are required.

Non Ministerial Departments - £1,696,914 made up of:

Bailiff's Chambers - £59,700

Conference and art work commissioning £29,700

Commonwealth Magistrates and Judges Association Conference and art work commissioning.

New Crown Dependency Book £30,000

Law Officers' Department - £224,550

Cost pressures relating to training, capital software licences, staff increment profile, relocation costs and temporary staffing £78,000

Owing to the introduction of a new case management system additional training costs will be incurred in 2014. Additional funds are required to support a non-recurring shift in the increment profile as a result of increased responsibilities to support other States Departments and to meet relocation costs once vacancies are filled. A review of service requirements has revealed that further case management software licenses (capital) will be required and funds will be needed to meet a shortfall in the budget for temporary staff.

Refurbishment costs £146,550

As part of a programme, managed by JPH, to rationalise the use of office space by the various departments located in Morier House, the Law Officers' Department will incur refurbishment costs. The programme was originally scheduled to take place in 2013 but has been postponed by JPH until 2014. This delay means that further rental costs for temporary accommodation will also be incurred.

Judicial Greffe - £87,988

Software Upgrade £87,988

Pride is the registry system for properties used by the department and will require an upgrade in 2015. The cost for this is currently being under review.

Viscount's Department - £318,334

Software Upgrade £68,334

DAISY is a case management system that is currently used in various different formats by some of the Judicial Departments. A project is currently underway to form a Justice IT System, and is expected to require funding from 2015 onwards. This will be financed by creating a contingency from the relevant departments.

Software Upgrade £250,000

Phoenix is the software used to record all details relating to third party assets that are held by the departments and will require a complete upgrade in 2014, costing approximately £250,000. The department is funding this by the creation of a contingency from carry forwards from more than one year.

Official Analyst - £83,275

Purchase of Laboratory Equipment £83,275

Sizeable equipment purchase planned for 2014.

Office of the Lieutenant Governor - £118,667

Architectural Drawings £20,000

Architectural drawing relating to the refurbishment of the Jersey Field Squadron headquarters.

Government House £87,667

To create a contingency for the refurbishment of the house when a new Governor is appointed in 2016.

Recruitment and Accrued Leave £11,000

Recruitment of new Chief of Staff.

Dean of Jersey - £2,000

Delay in payments due to the change of Diocese.

Data Protection - £75,000

Office Move/Upgrade £25,000

Software Upgrade £50,000

Upgrade of website platform and integration with Guernsey Office.

Probation - £187,400

Software Upgrade £187,400

DAISY is a case management system that is currently used in various different formats by some of the Judicial Departments. A project is currently underway to form a Justice IT System, and is expected to require funding from 2015 onwards. This will be financed by creating a contingency from the relevant departments.

Comptroller and Auditor General - £500,000

Various reviews £500,000

The Comptroller and Auditor General commenced employment in February 2013, and had to apportion a large amount of time towards establishing a new website, document management systems and undertaking an audit of all manual records that were held in storage. The team, including a deputy, a professional assistant and contracts for affiliates were finalised during the latter part of the year, and therefore, a backlog of work has to be addressed. It is likely that the majority of the carry forward request will be utilised in undertaking various reviews during 2014. The budget will be reviewed by the C&AG and consideration of its return if necessary.

States Assembly - £40,000

Audio system and cabling States Chamber £40,000

Refurbishment of audio system and installation of new A/V cabling in States Chamber.

6. Restructuring Provision Carry Forwards Allocated to Departments - £2,961,431

Departments have drawn on the Restructuring Provision throughout the year, and due to timing, some of this budget remains unspent. The request is to carry forward these amounts to 2014 within departments where it is still required for the original purpose. A summary of requests is shown in Appendix 4 on page 19.

The amounts being requested to be carried forward by departments are as follows:-

Chief Minister's - £767,962

Public Sector Reform Project £767,962

Funding received in 2013 for PSR projects which will continue into 2014.

Department of the Environment - £120,000

File Thinning £120,000

This funding will be used to progress an invest to save programme for the thinning and storage of a large volume of old paper planning files. Due to issues surrounding the Department's office move from South Hill it has been agreed with Treasury that this funding will be used in 2014 to review the Departments data archive.

Home Affairs - £12,800

Delay in Pensions Work £12,800

Balance of funds agreed from the Restructuring Provision in 2011 topped up from the HA Department for the costs associated with changes to PECRS required for the introduction of a new Prison Officer grade. This proposal is being managed by the Pensions Section of the Treasury and Resources Department.

Housing - £275,420

Housing Transformation Programme £275,420

The department was allocated £425,000 in 2013 to fund the implementation of the transformation. The late allocation of the budget has forced some work streams to roll over into 2014.

Treasury and Resources - £1,785,249

Procurement transformation project £1,480,420

Required for the Procurement Transformation and has been funded from the Restructuring Provision. The carry forward is required to fund the Procure-to-Pay project (Supply Jersey) and also covers the cost of three procurement category managers for the period of the MTFP. A review is currently underway on future expenditure within this project requiring budget movement between revenue and capital to ensure compliance with GAAP accounting.

Restructuring Provision early draw down £154,829

The remaining balance of restructuring provision funding for the Taxes Transformation Programme. A further carry forward has been requested to provide part funding for future expenditure, to reduce funding required from Treasury, as the programme has been delayed due to LTC implementation.

Taxes Transformation Programme £150,000

The Taxes Transformation Programme has incurred a lower spend than anticipated in 2013 - some of the planned work has now been delayed due to the new work stream of Long Term Care charge.

7. Central Contingency and Restructuring - £20,728,389

The balance of the provision for Restructuring Costs and Central Contingency, after returning £3.3 million to the Consolidated Fund, is requested for carry forward to 2014.

	Committed Allocations £'000	Remaining Budget £'000	2013 Total Unallocated Budget £'000
Central Allocations Area			
Central Contingency	16,087	3,237	19,324
Restructuring Provision	-	1,404	1,404
Total Central Allocations (before carry forward)	16,087	4,641	20,728
Proposed Carry Forward			
Restructuring Provision Carry Forward			(1,404)
Allocation for Contingencies - Central Reserves - AME			-
Allocation for Contingencies - Central Reserves - Insurance			(2,691)
Allocation for Contingencies - Central Contingency - One Off			(4,080)
Allocation for Contingencies - Central Contingency - Pay Provision			(1,856)
Allocation for Contingencies - Central Reserves - Emerging Items			(4,000)
Allocation for Contingencies - Central Contingency - Smoothing Reserve			(3,397)
Total Carry Forward	-	-	(17,428)
Balance (to be returned to Consolidated Fund)			3,300

(rounding applied)

Of the £20,728,389 budget available to carry forward, it is proposed that £1,403,550 is allocated to the Restructuring Provision and £16,024,839 is allocated to Central Contingency. The balance of £3.3 million from Central Contingency (One-Off) will be transferred to the Consolidated Fund to compensate for the MTFP funding commitment to the Consolidated Fund in 2013 and the shortfall of General Revenues Income against MTFP budget. Details can be found below and can also be seen in Appendix 5 and 6 on pages 20 and 21.

Provision for Restructuring Costs - £1,403,550

It is proposed that the full remaining balance in the Restructuring Provision in 2013 is ring-fenced and carried forward into the Restructuring Provision in 2014 to supplement the £6,540,000 budget allocated in the MTFP.

Provision for Central Contingency - £16,024,839

A balance of £16,024,839 will remain in the Central Contingency after the proposed carry forward allocation to Restructuring Provision and the return of £3.3 million to the Consolidated Fund and it is proposed that this balance is carried forward in 2014 to supplement that year's budget allocation.

The carry forward will be allocated to Central Contingencies in 2014 in the following way:

Insurance - £2,691,114

One-Off Contingency - £4,081,579 (plus £716,901 not requested by departments)

It is proposed that the balance of the Central Contingency, not identified above, is carried forward to the One-Off element of Central Contingencies for 2014.

It is also proposed that the balance of underspends from 2013 of £716,901 not requested by departments is carried forward into One-Off Contingency in 2014.

Pay Provision - £1,855,627

The carry forward for the pay provision is in respect of pay awards for nurses, firefighters, doctors and consultants that have been agreed and exceed the provisions made in the original MTFP Pay Provision.

Emerging Items - £4,000,000

This will add to the £4,000,000 provision already in 2014 for a number of emerging items such as Freedom of Information, Historic Child Abuse Enquiry and Legal Aid for which the exact cost and timing is uncertain. The Council of Ministers has already approved sums which can be drawn down as required by these two projects in 2014 and 2015.

Court and Case Costs Smoothing Reserve - £3,396,519 (plus £199,746 unspent base budget by departments during 2013)

It is proposed that the balance of the Court and Case Costs Smoothing Reserve of £3,396,519 is carried forward to 2014 along with the balance unspent by departments on Court and Case Costs during 2013 of £199,746.

8. Recommendations

To consider the carry forward requests identified in the report, summarised as follows:-

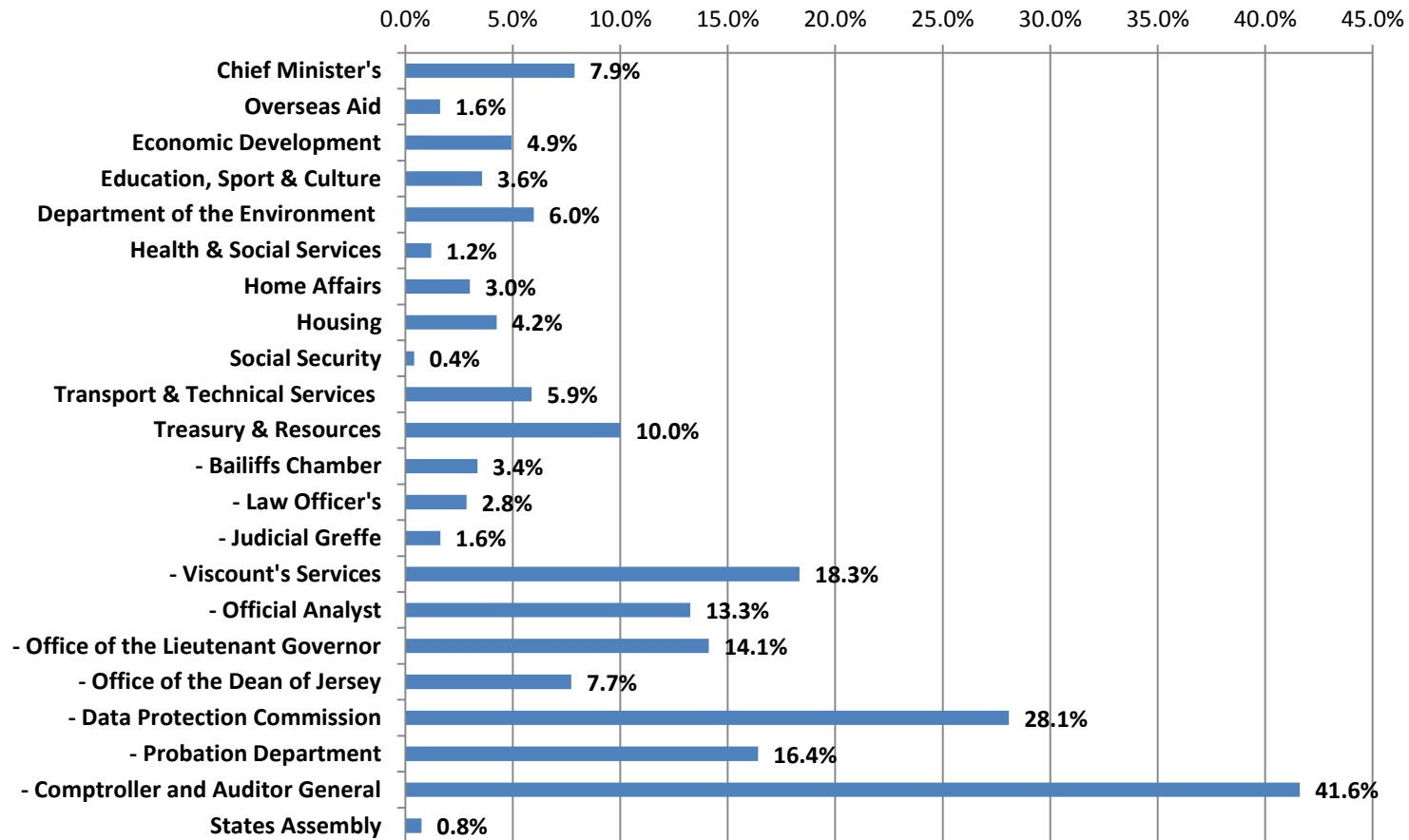
- Departmental carry forward of £16,910,900 as detailed in Section 5 and Appendix 3,
- Restructuring Provision carry forward of £2,961,431 as detailed in Section 6 and Appendix 4,
- Central Contingency and Restructuring Provision carry forward of £17,428,389 as detailed in Section 7 and Appendix 5,
- Transfer of £3,300,000 from Central Contingency (One-Off) to the Consolidated Fund to compensate for the MTFP funding commitment to the Consolidated Fund in 2013 and the shortfall of General Revenues Income against MTFP Budget Section 7 and Appendix 5,
- Departmental underspends not requested by departments:
 - £716,901 carry forward to Central Contingency as detailed in Section 7 and Appendix 1.
 - £2,033,697 return to the Consolidated Fund as detailed in Section 4 and Appendix 1; and
- Court and Case Costs underspends not requested by departments of £199,746 carry forward to the Smoothing Reserve as detailed in Section 7 and Appendix 1

Appendix 1 – Summary of Carry Forward Requests by Department

Ministry	Revenue Carry Forward £	Restructuring Carry Forward £	Court & Case Costs Smoothing Reserve £	TOTAL CARRY FORWARD REQUESTS £	Underspends not Requested (C/Fw d to Contingency) £	Underspends not Requested (Return to Consolidated Fund) £	2013 Variance (Near Cash) £	Carry Forward as % of Total Budget
Chief Minister's	1,229,317	767,962	-	1,997,279	158,000		2,155,279	7.9%
Overseas Aid	151,330	-	-	151,330	-		151,330	1.6%
Economic Development	898,500	-	-	898,500	238,222		1,136,722	4.9%
Education, Sport & Culture	3,958,677	-	-	3,958,677	-		3,958,677	3.6%
Department of the Environment	276,895	120,000	-	396,895	-		396,895	6.0%
Health & Social Services	2,280,000	-	-	2,280,000	1,013		2,281,013	1.2%
Home Affairs	1,450,061	12,800	-	1,462,861	-		1,462,861	3.0%
Housing	788,190	275,420	-	1,063,610	23,876		1,087,486	4.2%
Social Security	756,997	-	-	756,997	-	2,033,697	2,790,694	0.4%
Transport & Technical Services	1,610,415	-	-	1,610,415	(100,000)		1,510,415	5.9%
Treasury & Resources	1,813,604	1,785,249	-	3,598,853	-		3,598,853	10.0%
Non Ministerial								
- Bailiffs Chamber	59,700	-	-	59,700	22		59,722	3.4%
- Law Officer's	224,550	-	-	224,550	14,716		239,266	2.8%
- Judicial Greffe	87,988	-	14,241	102,229	-		102,229	1.6%
- Viscount's Services	318,334	-	-	318,334	-		318,334	18.3%
- Official Analyst	83,275	-	-	83,275	-		83,275	13.3%
- Office of the Lieutenant Governor	118,667	-	-	118,667	-		118,667	14.1%
- Office of the Dean of Jersey	2,000	-	-	2,000	288		2,288	7.7%
- Data Protection Commission	75,000	-	-	75,000	53,039		128,039	28.1%
- Probation Department	187,400	-	185,505	372,905	19		372,924	16.4%
- Comptroller and Auditor General	500,000	-	-	500,000	60,656		560,656	41.6%
States Assembly	40,000	-	-	40,000	267,050		307,050	0.8%
Departmental Total	16,910,900	2,961,431	199,746	20,072,077	716,901	2,033,697	22,822,675	3.0%
Central Reserves	12,628,320	-	-	12,628,320	-	3,300,000	15,928,320	79.3%
Restructuring	-	1,403,550	-	1,403,550	-		1,403,550	100.0%
Court & Case Costs	-	-	3,396,519	3,396,519	-		3,396,519	100.0%
Central Reserves and Restructuring Total	12,628,320	1,403,550	3,396,519	17,428,389	-	3,300,000	20,728,389	84.1%
Grand Total	29,539,220	4,364,981	3,596,265	37,500,466	716,901	5,333,697	43,551,064	5.5%

Appendix 2

Departmental Carry Forward Requests as a % of 2013 Total Budget



Appendix 3 – Detail of Departmental Carry Forward Requests

Department	Carry Forward Request Reason	NRE* Carry Forward Requested £
☐ Chief Ministers	Cost pressures in BAU in 2014	50,634
	Delay in rollout of States training	217,314
	Freedom of Information	365,845
	Joint Safeguarding Board and Household Expenditure Survey	415,740
	Procurement Savings	125,000
	Safeguarding Partnership Boards	54,784
Chief Ministers Total		1,229,317
☐ Jersey Overseas Aid Commission	Bequest for Community Works Projects	151,330
Jersey Overseas Aid Commission Total		151,330
☐ Economic Development Department	Aircraft Registry	115,000
	Aquaculture Strategy	18,000
	Channel Islands Competition Regulatory Authority	55,000
	Department Contingency	15,500
	Digital Jersey	166,000
	Financial Ombudsman	29,000
	Jersey Business	150,000
	Retail enhancement	100,000
RJA & HS grant	250,000	
Economic Development Department Total		898,500
☐ Education, Sport and Culture	Culture	6,000
	Delegated Financial Management - Fee Paying Provided Schools	625,077
	Delegated Financial Management - Schools and Colleges	965,304
	Departmental Contingency	551,638
	Further, Vocational & Tertiary - Highlands College	89,916
	Further, Vocational & Tertiary - Trackers	7,000
	Health and Safety	10,000
	Higher Education	815,534
	Nursery Fees	256,500
	Policy and Planning - Administration	20,700
	Public Libraries	83,500
	Replacement of schools PCs	134,148
	Schools Development & Evaluation - Curriculum	174,000
	Schools Development & Evaluation - Language Assistants	50,000
	Special Education Needs - UK Placement 2014	100,000
Sports - SEN Inclusion Project	54,360	
Youth Service	15,000	
Education, Sport and Culture Total		3,958,677
☐ Department of the Environment	Departmental Contingency	95,206
	Loss of abattoir grant	30,109
	Water Framework Directive	151,580
Department of the Environment Total		276,895
☐ Health and Social Services	Additional theatre capacity to meet increasing demand	150,000
	Adult's UK placements	200,000
	Children's high cost placements	480,000
	Increased surgical procedures to reduce waiting lists	400,000
	Infection control strategy	100,000
	Pandemic Flu	25,000
	Primary care	300,000
	Special needs (including Les Amis)	230,000
	Vaccination programmes	150,000
Winter Pressures and Transitional Capacity	245,000	
Health and Social Services Total		2,280,000
☐ Home Affairs	Delay in Pensions Work	12,200
	Disaster Recovery/Business Continuity	100,000
	JCIS Operations	20,000
	Police Operations	185,000
	Slippage/Delay in CSR projects	652,861
	Staff Recruitment	298,000
	Vehicle/Equipment replacement costs	182,000
Home Affairs Total		1,450,061
☐ Housing	Backlog Maintenance	788,190
Housing Total		788,190

Appendix 3 – Detail of Departmental Carry Forward Requests – Continued

Department	Carry Forward Request Reason	NRE* Carry Forward Requested £
Social Security Department	Employment & Training of Trainee Health & Safety Inspector	67,497
	Grants for Employment Projects	649,200
	Temporary staffing costs	40,300
Social Security Department Total		756,997
Transport and Technical Services	Asbestos disposal	1,234,800
	Departmental Contingency	152,892
	Liquid Waste Strategy	122,723
	SoJ Corporate Health and Safety	100,000
Transport and Technical Services Total		1,610,415
Treasury & Resources	Back Log Maintenance - Fort Regent Signal Masts	180,000
	Delays in Personal Tax, Business Tax, IS and Postage Spend	95,500
	GST - temporary resource to generate additional revenues	40,000
	IFRS Property Valuation	100,000
	Internal Audit	27,000
	Lean Initiatives	17,229
	LTC funding for Yr 2 of implementation	358,049
	Move on Café	300,000
	Office Rationalisation	65,466
	PECRS Pre-1987 Debt	382,360
	Procurement Training	10,000
	Project shortfall	10,000
	Relocation of staff within the Taxes Office	16,000
	Taxes Office Training	43,000
Taxes Transformation Programme	148,000	
XP Replacements	21,000	
Treasury & Resources Total		1,813,604
Bailliff's Chambers	Conference and art work commissioning	29,700
	New Crown Dependency Book	30,000
Bailliff's Chambers Total		59,700
Law Offices	Cost pressures relating to training, capital software licences, staff increment profile, relocation costs and temporary staffing	78,000
	Refurbishment costs	146,550
Law Offices Total		224,550
Judicial Greffe	Software Upgrade - Pride	87,988
Judicial Greffe Total		87,988
Viscount	Software Upgrade - DAISY	68,334
	Software Upgrade - Phoenix	250,000
Viscount Total		318,334
Official Analyst	Purchase of Laboratory Equipment	83,275
Official Analyst Total		83,275
Est of HE Lt Governor	Architectural Drawings	20,000
	Government House	87,667
	Recruitment and Accrued Leave	11,000
Est of HE Lt Governor Total		118,667
Dean of Jersey	Change of Diocese	2,000
Dean of Jersey Total		2,000
Data Protection	Office move/upgrade	25,000
	Software Upgrade	50,000
Data Protection Total		75,000
Probation	Software Upgrade - DAISY	187,400
Probation Total		187,400
Comptroller and Auditor General	Restructuring of team	500,000
Comptroller and Auditor General Total		500,000
States Assembly	Audio System and Cabling States Chamber	40,000
States Assembly Total		40,000
GRAND TOTAL		16,910,900

Appendix 4 – Detail of Allocated Restructuring Provision Carry Forward Requests

Department	Carry Forward Request Reason	NRE* Carry Forward Requested £
☐ Chief Ministers	Public Sector Reform Project	767,962
Chief Ministers Total		767,962
☐ Department of the Environment	File Thinning	120,000
Department of the Environment Total		120,000
☐ Home Affairs	Delay in Pensions Work	12,800
Home Affairs Total		12,800
☐ Housing	Housing Transformation Programme	275,420
Housing Total		275,420
☐ Treasury & Resources	Procurement Transformation Project	1,480,420
	Restructuring Provision early draw down	154,829
	Taxes Transformation Programme	150,000
Treasury & Resources Total		1,785,249
GRAND TOTAL		2,961,431

Appendix 5 – Detail of Central Contingency and Restructuring Carry Forward Requests

	Committed Allocations	Remaining Budget	2013 Total Unallocated Budget
	£	£	£
Central Allocations Area			
Central Contingency	16,087,633	3,237,206	19,324,839
Restructuring Provision	-	1,403,550	1,403,550
Total Central Reserves and Restructuring Provision (before carry forward)	16,087,633	4,640,756	20,728,389
Proposed Carry Forward			
Restructuring Provision Carry Forward			(1,403,550)
Allocation for Contingencies - Central Reserves - AME			-
Allocation for Contingencies - Central Reserves - Insurance			(2,691,114)
Allocation for Contingencies - Central Contingency - One Off			(4,081,579)
Allocation for Contingencies - Central Contingency - Pay Provision			(1,855,627)
Allocation for Contingencies - Central Reserves - Emerging Items			(4,000,000)
Allocation for Contingencies - Central Contingency - Smoothing Reserve			(3,396,519)
Total Carry Forward	-	-	(17,428,389)
Balance to Return to the Consolidated Fund			3,300,000

Appendix 6 – Breakdown of Allocations and Committed Allocations from Central Contingency and the Restructuring Provision 2013 - 2015

As at 31 December 2013	Decision Reference MD-TR-20XX- XXXX	Total Budget £	Committed 2013 £	Balance of Budget Not Allocated from Central Funding £	Future Funding Available 2014 £	Earmarked 2014 £	Balance of Budget Not Allocated from Central Funding £	Future Funding Available 2015 £	Committed 2015 £	Balance of Budget Not Allocated from Central Funding £
Central Contingency										
Opening Balance 01/01		5,900,300			23,000,300			32,700,300		
Carry Forward - AME		2,000,000								
Carry Forward - Emerging Items		4,000,000			4,000,000			(630,000)		
Carry Forward - Smoothing Reserve		2,859,917			3,396,519			3,396,519		
Carry Forward - Smoothing Reserve from Depts		536,602			199,746			199,746		
Carry Forward - Pay Provision					1,855,627			1,855,627		
Carry Forward - One Off (Insurance)		4,502,509			2,691,114			2,691,114		
Carry Forward - One Off (AME)		4,000,000								
Carry Forward - One Off		5,600,214			7,381,579			2,225,853		
Carry Forward - One Off (MTFP Commitments)		530,000			(3,300,000)					
Carry Forward - One Off (Dept Unrequested)		535,887			716,901					
Carry Forward - One Off		200,000								
States Training Needs - CMD	12-0053	(360,000)								
Project Omega	Various	(1,811,395)								
Pay Award 1% Non Consolidated + 1% Consolidated	13-0007	(5,846,895)				(3,252,427)			(3,252,427)	
Project Omega		0								
Pay awards for 2014	CoM					(13,731,200)			(13,731,200)	
Pay awards for 2015	MTFP								(8,700,000)	
McKinsey - Financial Services Sector Review - EDD	13-0052	(250,000)				(500,000)			(500,000)	
Band of the Island of Jersey	13-0038	(20,000)				(20,000)			(20,000)	
Cadet and Military Officer	13-0042	(26,000)				(42,000)			(42,000)	
Island Plan/Masterplanning	MTFP					(100,000)				
Environmental Protection	13-0074	(200,000)								
Countryside Infrastructure	13-0074	(50,000)								
ESC Infrastructure Contingency to JHT	13-0049	(315,000)				(315,000)			(315,000)	
Doctors Pay 2013	13-0048	(140,000)				(189,000)			(189,000)	
Nurses Pay Award 2013	13-0079	(1,240,000)				(1,600,000)			(1,600,000)	
Project Omega Balance			(2,691,114)			(2,691,114)			(2,691,114)	
London Office - International Division	13-0085	(210,000)								
Firefighters Pay Award 2013	13-0100	(83,300)				(83,300)			(83,300)	
Ex gratia payment	13-0110	(50,000)								
Coin Hoard - purchase and cleaning	13-0099	(738,000)								
Prince's Trust	13-0102					(231,000)			(230,000)	
Sports Strategy	13-0101					(750,000)			(750,000)	
Planning Appeals	P87/2013					(148,000)			(148,000)	
Brighter Futures	CoM					(160,000)			(160,000)	
Income Support Costs from Housing Incorporation	MTFP					(351,000)			(834,000)	
Smoothing Reserve			(3,396,519)			(3,596,265)			(3,596,265)	
AME - Balance			(6,000,000)			(1,649,000)			(1,166,000)	
Emerging Items			(4,000,000)							
Freedom of Information 2013 - 2015	13-0084					(2,630,000)			(1,657,610)	
Committee of Inquiry	13-0059					(6,000,000)				
Central Contingency Totals for 2013		19,324,839	(16,087,633)	3,237,206						
Central Contingency Totals for 2014					39,941,786	(38,039,306)	1,902,480			
Central Contingency Totals for 2015								42,439,159	(39,665,916)	2,773,243
Restructuring Costs										
Opening Balance - Restructuring 01/01		5,098,000			3,088,700			3,718,700		
Opening Balance - Procurement Savings		(3,451,300)								
Carry Forward - From Restructuring		2,137,050			1,403,550			1,820,450		
Carry Forward - From Central Reserves		3,083,000								
HSS - Support for Lean Projects		(82,000)								
HSS - CSR Support		(117,000)								
CMD - HR System Replacement PM Costs	12-0052	(144,000)				(40,800)				
CMD - Data Centre Migration		(105,000)								
T&R - Procurement Transformation Programme		(800,000)								
T&R - Taxes Transformation Programme		(19,900)								
CMD - CSR Delivery Team		(410,000)								
CMD - Organisational Development/Change Leader		(200,000)								
CMD - Employee Relation Support		(100,000)								
ESC - FCJ Funding		(306,300)								
CMD - Law Drafting		(29,000)								
CMD - Public Sector Reform	13-0029	(2,685,000)				(1,695,000)				
HSS - Reform Team	13-0098	(8,000)				(493,000)			(469,000)	
DoE - Eco-Active States - Continued Support	13-0098	(32,000)				(33,000)				
HSG - Housing Transformation Programme	13-0098	(425,000)				(260,000)				
HSS - Senior Health Leadership	13-0098					(150,000)				
Restructuring Provision Totals 2013		1,403,550	0	1,403,550						
Restructuring Provision Totals 2014					4,492,250	(2,671,800)	1,820,450			
Restructuring Provision Totals 2015								5,539,150	(469,000)	5,070,150
Central Contingency and Restructuring Provision		20,728,389	(16,087,633)	4,640,756	44,434,036	(40,711,106)	3,722,930	47,978,309	(40,134,916)	7,843,393

Appendix 7 – Department Underspend – Source of Budget

Source of Budget	Underspend £
Base Budget	9,154,049
MTFP Growth	2,574,627
Previous Carry Forward	7,605,674
Restructuring Provision	1,863,282
Contingency	526,894
Previous carry forward ~ Restructuring Provision	1,098,149
Grand Total	22,822,675

Department	Source of Budget	Underspend £
☐ Chief Ministers	Base Budget	249,408
	Previous Carry Forward	762,595
	Restructuring Provision	767,962
	Contingency	375,314
Chief Ministers Total		2,155,279
☐ Economic Development	Base Budget	784,722
	MTFP Growth	218,000
	Previous Carry Forward	134,000
Economic Development Total		1,136,722
☐ Education, Sport and Culture	Base Budget	2,902,564
	MTFP Growth	375,614
	Previous Carry Forward	680,499
Education, Sport and Culture Total		3,958,677
☐ Department of the Environment	Base Budget	125,315
	Contingency	151,580
	Previous carry forward ~ Restructuring Provision	120,000
Department of the Environment Total		396,895
☐ Health & Social Services Department	MTFP Growth	1,981,013
	Previous Carry Forward	300,000
Health & Social Services Department Total		2,281,013
☐ Home Affairs	Base Budget	499,106
	Previous Carry Forward	950,955
	Previous carry forward ~ Restructuring Provision	12,800
Home Affairs Total		1,462,861
☐ Housing	Base Budget	788,190
	Previous Carry Forward	23,876
	Restructuring Provision	275,420
Housing Total		1,087,486
☐ Social Security Department	Base Budget	1,031,474
	Previous Carry Forward	1,759,220
Social Security Department Total		2,790,694
☐ Transport and Technical Services	Base Budget	152,892
	Previous Carry Forward	1,357,523
Transport and Technical Services Total		1,510,415
☐ Treasury & Resources	Base Budget	1,159,824
	Previous Carry Forward	653,780
	Restructuring Provision	819,900
	Previous carry forward ~ Restructuring Provision	965,349
Treasury & Resources Total		3,598,853
☐ Non Ministerial	Base Budget	1,239,277
	Previous Carry Forward	897,453
Non Ministerial Total		2,136,730
☐ States Assembly	Base Budget	221,277
	Previous Carry Forward	85,773
States Assembly Total		307,050
Grand Total		22,822,675