

# Treasury and Exchequer Ministerial Decision Report

## TRANSFERS BETWEEN HEADS OF EXPENDITURE IN 2023.

### 1. Purpose of Report

To enable the Minister to approve the transfer of up to £3,990,240 between heads of expenditure in 2023 as detailed in the tables below.

### 2. Background

In 2023, departments have identified the need to transfer budgets between Heads of Expenditure or utilise available growth monies to enable projects to continue. Further, some projects received additional funding in late 2022 to match cash flow in that year. As a result the allocations in the Government Plan 2023-2026 need to be reduced. These amounts will now be returned to the General Reserve.

#### Transfer between project heads of expenditure

IA Ref	Title	HoE	2023
IA23-022-B	Funding to ITS Project	to Integrated Technology Solution Release 1 & 2	1,900,000
IA23-022-B	Funding from ITS Project	From ITS Release 3 & 4	-1,900,000
			<b>£0</b>

#### Transfer from project heads of expenditure to General Reserve

IA Ref	Title	HoE	2023
IA23-027	Reduce MS Foundation budget for spend in 2022	from MS Foundation	-423,004
IA23-027	Reduce STW budget for spend in 2022	from Sewage Treatment Works	-967,236
IA23-027	Increase in General Reserve	to General Reserve	1,390,240
			<b>£0</b>

#### Transfer between project and departmental heads of expenditure

IA Ref	Title	HoE	2023
IA23-028	Transfer of Project Budget to Revenue	from Electronic Document Management Solution	-700,000
IA23-028	Transfer of Project Budget to Revenue	to Cabinet Office	700,000
			<b>£0</b>

#### Transfer from ITS Release 3 & 4 to Integrated Technology Solution Release 1 & 2 – Transfer of up to £1,900,000

The ITS Major Project will be completed by the end of 2023. To ensure that all of the key fundamental components which are part of Release 1 & 2 are delivered effectively, a reprioritisation has been necessary by utilising funding that is currently assigned to Release 3 & 4. The benefit of this will be that Release 2 will deliver on its Human Resource components by the time that the project finishes.

Components from Release 4, including Sourcing, Contract and Risk Management and Supplier Lifecycle will be deferred and not delivered before the project is completed.

### **MS Foundation – Reduction of up to £423,004**

The Government Plan 2023 process budgeted that MS Foundation would not spend all of the allocated budget in 2022, and a proportion would be required to continue the project in 2023. Before the end of 2022, the project team were able to accelerate some aspects of the project, which cost £423,004 to be incurred in 2022 that had been planned for the revised 2023 budget.

As a result, this amount is to be returned to the General Reserve. There are no consequences to the delivery of the MS Foundation project as the total project budget is unchanged, and the project will be completed by the end of 2023.

### **Sewage Treatment Works – Reduction of up to £967,236**

During the Government Plan 2023 process, the Infrastructure department projected to spend less on the Sewage Treatment Works Major Project in 2022 than it planned. It requested the available funds be allocated forwards to 2023 within the Government Plan. Following a number of changes in delivery the department managed to accelerate certain elements of the project and incurred an additional cost of £967,236 in 2022. This utilised funding it had forecast to need in 2023 of £500,000 as well as an additional request from the Reserve of £417,236.

These amounts are now being returned from the allocated budget approved in the Government Plan 2023-26 to the General Reserve. There are no consequences to the delivery of Sewage Treatment Works Major Project as the total project budget is unchanged, and the project remains on track to deliver its remaining components by the end of 2025.

### **Transfer from Electronic Document Management Solution Project to Cabinet Office – Transfer of £700,000**

The Cabinet Office has identified various pressures in their day-to-day running costs including extended contracts with suppliers for supporting SAP 'Connect' solutions. The department has identified the Electronic Document Management Solution (EDMS) project as one with an available budget in 2023 which can be reprioritised. The EDMS project is therefore able to transfer up to £700,000 of its 2023 budget to the Cabinet Office Head of Expenditure. The discovery phase of the EDMS project has identified an alternative approach to organising records and procuring the assets for a scalable digital platform, resulting in this budget being available to support pressures in the Cabinet Office.

## **3. Recommendation**

The Minister is recommended to approve the transfer of up to £3,990,240 between heads of expenditure in 2023 as detailed in the tables 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

The General Reserve Head of Expenditure will increase by £1,390,240, with the Sewage Treatment Works head of expenditure decreasing by up to £967,236 in 2023, and the MS foundation head of expenditure decreasing by up to £423,004 in 2023. The Electronic Document Management Solution head of expenditure will reduce by up to £700,000 in 2023 and the Cabinet Office head of expenditure will increase by up to £700,000 in 2023. The ITS Release 3 & 4 head of expenditure will decrease by up to £1,900,000 and the Integrated Technology Solution Release 1 & 2 head of expenditure will increase by up to £1,900,000 in 2023. This decision does not change the total amount of expenditure approved by the States in the Government Plan 2023-26.

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