

Treasury and Exchequer Ministerial Decision Report



RESERVE FUNDING FOR COVID-19 RESPONSE

1. Purpose of Report

To enable the Minister to approve the allocation of up to £23,343,484 in 2022 from the General Reserve (Covid-19 Contingency) to the Covid-19 Response head of expenditure for the projects as detailed in the table below.

2. Background

While Jersey has now exited the 'emergency phase', Covid-19 remains a severe public health risk that needs to be managed. The Island's Post-Emergency Strategy includes an important continued role for testing. The Government Plan 2022-25 provided an initial £20 million to be held centrally for the purposes of the Testing and Tracing programme to support the delivery of the service until June 2022. It is now clear that a testing regime will be needed for the remainder of 2022, and, to some extent, testing will continue to play a role in future years. However, in light of the Island's evolving public health strategy, the scale of the testing programme will be smaller and the total annual cost for 2022 will be £22.6 million with a further £0.7 million required to support laboratory facilities in Health and Community Services (HCS).

The financial requirements are summarised below:

IA Ref	Title	General Reserve	AO	HoE	2022
IA 22-022	PCR Laboratory	Covid-19 Contingency	Caroline Landon	Covid-19 Response	£700,000
IA 22-007	Testing Programme including Technology	Covid-19 Contingency	Tom Walker	Covid-19 Response	£22,643,484
					£23,343,484

Covid-19 Contingency

Health and Community Service (HCS) - PCR (Polymerase Chain Reaction) Laboratory – up to £700,000

During the initial phases of the pandemic, PCR test processing was delivered via an outsourced service. This supported the PCR testing demand at the time, but as the longer-term need for testing became apparent, a further review of options for PCR was completed in March 2021 and the Competent Authority Ministers agreed that future testing strategy should be delivered via an in-house model by expanding the capacity and capability of the General Hospital's pathological testing laboratory. To implement the revised model at pace, an in-house processing facility was temporarily established on a ward in the General Hospital pending the development of a longer-term laboratory. The construction of the laboratory facility now needs to be implemented following completion of the relevant design work. The new facility will provide a fit-for-purpose laboratory that meets all of the relevant regulatory requirements for pathological testing, enables the transition of hospital premises back to BAU health services, and will enable a much-needed expansion of on-Island diagnostic testing capacity post-Covid-19.

Strategic Policy, Planning and Performance (SPPP) – Testing Programme including technology
– up to £22,643,484

Funding for the Testing and Tracing Programme will continue to deliver the Island's on-going testing requirements in support of the Post-Emergency Strategy. This includes the continued provision of a scaled down LFT screening programme, and PCR testing for people with symptoms or positive LFTs, hospital pre-admission, residents of enclosed communities, and specific higher risk members of the workforce.

The Testing and Tracing Programme also enables the Island to respond dynamically to potential changes in public health requirements. Continued high rates of infection around the world mean there remains a significant risk that new variants of concern could emerge that pose an acute threat to public health. To manage this risk appropriately, the Island needs to retain the ability to stand up testing requirements should that prove necessary. The scaled down Testing and Tracing Programme is tailored to the current public health context, but it is capable of being rapidly expanded should public health advice change.

3. Recommendation

The Minister is recommended to approve the allocation of up to £23,343,484 in 2022 from the General Reserve (Covid-19 Contingency) to the Covid-19 Response head of expenditure for the projects as detailed in the table above.

The Treasurer to notify the relevant Accountable Officers for HCS and SPPP when the funds have been released in accordance with their Accountable Officer Responsibilities instruction letter from the Principal Accountable Officer (PAO).

4. Reason for Decision

Article 15(3) of the Public Finances (Jersey) Law 2019 states that the approval by the States of a Government Plan authorises the Minister to direct how an approved appropriation for a reserve head of expenditure in the plan may be spent (including on another head of expenditure) in the first financial year covered by the plan.

The current Policy for Allocations from the Reserve agreed by the Minister for Treasury and Resources on **Wednesday 4th May** 2022 sets the requirement for all allocations from the General Reserve once approved by the States Treasurer to be referred for information to the Council of Ministers and to seek comments from the PAO prior to submission to the Minister for approval.

This Decision has been circulated to the Council of Ministers in accordance with the requirements of the policy.

The Investment Appraisal Team has reviewed the business cases for these requests. Following these reviews, the Treasurer, taking into account comments from the PAO, recommends that the Minister allocates funding from the General Reserve (Covid-19 Contingency).

5. Resource Implications

The General Reserve (Covid-19 Contingency) to decrease by up to £23,343,484 and the Covid-19 response head of expenditure to increase by an identical amount.

This decision does not change the total amount of expenditure approved by the States in the Government Plan 2022-25.