

RESERVE FUNDING FOR ADDITIONAL PRESSURES AND REPURPOSING IN 2022

1. Purpose of Report

To enable the Minister to approve for 2022 the following:

- allocation of up to £1,462,124 from the Reserve for Centrally Held Items (Capital Smoothing Reserve) to various heads of expenditure; and
- repurposing of up to £325,000 of 2022 growth.

2. Background

Reserves for Centrally Held Items – Capital Smoothing Reserve up to £1,462,124

As part of the Government Plan 22-25, projects were reprofiled on a cashflow basis and any allocations remaining unspent at the end of 2021 were held centrally as part of the End of Year Flexibility MD-TR-22-083. The total held centrally was £22.5 million, excluding approvals relating to transfers from other States Funds for specific projects. During 2022, MD-TR-22-431 approved the allocation of £162,569 and MD-TR-2022-814 approved the allocation of up to £10.8 million. It has now been established that further allocations are now required in 2022 to the following heads of expenditure from the Capital Smoothing Reserve.

Head of Expenditure	Accountable Officer	Amount £
C00MP20003 - Cyber (Major Project)	John Quinn	895,905
FA0MD16054 - Grainville Phase 5	Andy Scate	14,767
FA0MF14040 - Demolition Fort Regent Pool	Andy Scate	12,313
N00GP21019 - New Skatepark	Andy Scate	85,415
Q00BT14022 - Sewage Treatment Works	Andy Scate	453,724
Totals		1,462,124

The remaining £10 million will be released to the consolidated fund as part of the £54 million capital underspend identified and reprofiled in the Government Plan 23-26. Any Heads of Expenditure that have seen accelerated spend in 2022 in excess of the reprofiled cashflow forecasts will be required to return the additional amounts from future years allocations. This will be captured in the End of Year Flexibility process due to be completed later in the month.

Repurpose of Growth up to £325,000

During 2022, Departments have contended with a variety of financial challenges. Departments have continued to be agile in the management of services to seek to meet emerging financial pressures without needing to draw on scarce central Reserve funding.

Due principally to delays surrounding initiation, some departments have identified underspends in respect of growth allocations. In order to support departments to meet financial pressures within existing resources, the Minister for Treasury and Resources has been asked to approve a one-off repurposing of growth funding which is forecast to be unspent in 2022 as follows:

- Strategic Policy, Performance and Population up to £116,000;
- Children, Young People, Education and Skills up to £112,000;
- Chief Operating Office up to £55,000; and
- Justice and Home Affairs up to £42,000.

Approving the repurposing of growth would not impact on the delivery of the initiatives for which the funding was originally approved as these amounts are forecast to be unspent. The initiatives should still be delivered in future years.

3. Recommendation

The Minister is recommended to approve for 2022 the following:

- allocation of up to £1,462,124 from the Reserve for Centrally Held Items (Capital Smoothing Reserve) to various heads of expenditure; and
- repurposing of up to £325,000 of 2022 growth.

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, presented to the States Assembly as R.76/2022, sets out the requirements for allocations from the Reserve for Centrally Held Items. These requirements have been met and the Treasurer now recommends these allocations to the Minister for Treasury and Resources for approval.

To enable departments to use existing resources before calling on any additional funding to manage the financial pressures in 2022, the Minister for Treasury and Resources is approving the one-off repurposing of 2022 Growth and one-off repurposing of Covid-19 Response in 2022.

5. Resource Implications

The following Reserve for Centrally Held Items (Capital Smoothing Reserve) Head of Expenditure to decrease by up to £1,462,124 and the various Heads of Expenditure mentioned in the above report to increase by up to identical amounts.

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

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