

Treasury and Exchequer Ministerial Decision Report



END OF YEAR FLEXIBILITY REPORT FOR TRANSFERS FROM 2023 TO 2024

1. Purpose of Report

This report sets out how the Minister is applying her powers under the Public Finances (Jersey) Law 2019 (PFL) to amounts unspent at the end of 2023, including the movements recommended and the reasons for those requests.

2. Background

At the end of 2023, various Heads of Expenditure (across departments, projects and reserves) have unused amounts remaining. Under the Public Finances Law, the Minister can approve the transfer of these amounts into 2024. This report and decision form part of a series of activities that take place to transfer amounts, including the Government Plan 2024-27 process, and MD-TR-2024-027 that has been approved by the Minister.

The Government Plan 2024-2027 included changes to the cashflow profile of the capital programme. Funding previously budgeted to be spent in 2023 was included across the years 2024 to 2027, with £20 million planned to be released to the consolidated fund in 2023.

Allowing for this release, the remaining unspent balance in 2023 is £65.6 million across departmental revenue budgets, projects and reserves. £12.5m of this amount has already been transferred to Reserves in 2024 under MD-TR-2024-0027, leaving a potential balance of £53.1 million that could be transferred from 2023 to 2024.

Detail of amounts unspent in 2023

Source of Underspend	£'000	£'000
Departmental Underspends		7,323
Covid Head of Expenditure		149
Projects		30,315
Reserves		27,797
Total Available from 2023		65,584
Allocated by MD-TR-2024-027	(4,087)	
Held in Reserve by MD-TR-2024-027	<u>(8,420)</u>	
		(12,507)
Unspent Balance Remaining		53,077

In addition, the New Healthcare Facilities project was £15.2 million underspent, and this balance will be transferred to the project in 2024.

The Annual Report and Accounts are currently being audited, and, as part of this process, numbers may continue to be refined. However, it is anticipated that the balance in the Consolidated Fund may be lower than the forecast in the Government Plan 2024-2027. Releasing funds back to the Consolidated Fund rather than transferring to 2024 will restore the opening balance to that forecast in the Plan.

Transfers to the Reserve in 2024

Of the available balance of £53.1 million, an amount of £15.1 million will be returned to the Consolidated Fund. The remaining balance will be ringfenced or committed per the below, maintaining the following specific allocations:

Ringfenced Funds

- £10.0 million of funding for Assisted Home Ownership will be made available to support proposals brought forward in this area during 2024.
- £6.6 million of the 2023 allocations for the response to Major Incidents that had impacted the Island in late 2022 and 2023 will be ringfenced for the ongoing work in 2024.
- £1.7 million to underwrite existing letters of comfort issued by the Minister.
- £5.1 million held in the Reserve for Centrally Held Items as smoothing reserves for the Central Market, Court and Case Costs and the Revenue Consequences of Capital will be retained.

The remaining balance will be allocated to the Central Reserve in 2024 to allow government to react to emerging pressures in 2024.

3. Recommendation

The Minister is recommended to approve the transfers totalling up to £ 53,200,000 to 2024 as detailed below:

Under Article 19 of the PFL:

- a transfer of up to £38,000,000 from various heads of expenditure in 2023 to the Central Reserve head of expenditure in 2024.

Under Article 20 of the PFL:

- a transfer of up to £15,200,000 from the New Healthcare Facilities project Head of Expenditure in 2023 to the Head of Expenditure for that project in 2024.

4. Reason for Decision

In light of known and potential funding pressures for 2024, the Minister approves the transfer of net departmental underspends, project underspends and unspent sums on the Reserve in 2023 to the Central Reserve in 2024 whilst also allowing an amount to be returned to the Consolidated Fund. The Minister also approves the transfer of unspent funds in 2023 on the New Healthcare Facilities Major Project Head of Expenditure to the equivalent of Head of Expenditure in 2024.

Article 19 of the Public Finances (Jersey) Law 2019 states that despite an approved Government Plan, the Minister may direct that an unspent amount appropriated for a head of expenditure in one financial year be deemed to be appropriated for a reserve head of expenditure for the following financial year.

Article 20 of the Public Finances (Jersey) Law 2019 states that despite an approved Government Plan, the Minister may direct that an unspent amount appropriated for a head of expenditure for a major project in one financial year is deemed to be appropriated for a head of expenditure for that major project for the following year.

5. Resource Implications

In 2023, various department, project and reserves heads of expenditure will reduce by up to £38,000,000 and the New Healthcare Facilities Major Project Head of Expenditure will decrease by up to £15,200,000.

In 2024, the Central Reserve Head of Expenditure will increase by up to £38,000,000. The New Healthcare Facilities Major Project Head of Expenditure will increase by up to £15,200,000 in 2024.