Minister for Treasury and Resources



19-21 Broad Street | St Helier Jersey | JE2 4WE

Richard Bell Treasurer of the States, Treasury and Exchequer

BY EMAIL

16 June 2023

Dear Richard.

Funding for insurance costs

I understand that:

- there an urgent need to meet insurance costs that have increased substantially in 2023;
- a business case is being developed to seek additional budget for any expenditure that falls to the department rather than the Insurance Fund;
- you need to be able to meet the increased insurance costs before the business case can be finalised and the formal allocation process can be completed;
- the associated contract must be signed today in order to avoid potentially higher costs in the future;
- you wish to ensure that, as an Accountable Officer with legal obligations, you are not at risk of breaching the Public Finances Law or Manual.

In order to satisfy your legal obligations, I confirm that you will have access to up to £2.2 million set aside in the General Reserve for this purpose.

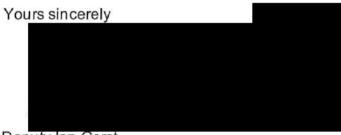
This letter will allow you to incur the necessary initial expenditure and/or make contractual commitments. In doing so, I ask you that:

- you continue to do everything possible to ensure expenditure represents value for money such that costs are minimised while all the intended objectives are met;
- you do not enter into any contractual commitments beyond the £2.2 million assurance provided by this letter; and
- you complete a business case for this work as soon as possible in order that we can assess the full extent of the likely financial consequences.

This includes compliance with the Public Finances Manual, seeking exemptions as necessary.

As with all allocations from the General Reserve, funding will be made available only for this specific purpose, and the amount may be reduced should it become apparent your department is able to meet the costs from within existing approved expenditure limits.

For the avoidance of doubt, this letter does not obviate the need for a formal budget allocation. It remains necessary for an allocation to be made from the General Reserve on the basis of an approved business case to allow you to meet your legal obligation to manage within existing expenditure limits. I request that you progress the necessary steps to enable the formal allocation to take place so the process may be completed in a timely manner and no later than the end of the third quarter.



Deputy Ian Gorst Minister for Treasury and Resources

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