STATES OF JERSEY

ANNUAL BUSINESS PLAN 2008 (P.93/2007): NINTH AMENDMENT

Lodged au Greffe on 4th September 2007
by the Public Accounts Committee

STATES GREFFE

ANNUAL BUSINESS PLAN 2008 (P.93/2007): NINTH AMENDMENT

(a) *In paragraph (b), after the words* "set out in Summary Table C, page 45", *insert the words –*

", except that the proposed figures for total States net revenue expenditure allocation in the said Table C shall be decreased by £12,425,000 in 2008, by £15,964,000 in 2009, by £23,657,000 in 2010, by £30,000,000 in 2011 and by £35,000,000 in 2012 as shown for information in the following Table –

	2007 Expenditure Allocation (restated) *£'000*	2008 revised Expenditure allocation *£'00*	2009 Expenditure Allocation *£'000*	2010 Expenditure Allocation *£'000*	2011 Expenditure Allocation *£'000*	2012 Expenditure Allocation *£'000*
venue Expenditure tion	**516,075**	**547,229**	**560,517**	**571,360**	**583,000**	**595,000**
l Expenditure tion	**43,499**	**42,441**	**42,223**	**43,189**	**42,965**	**43,627**
States Net diture Allocation	**559,574**	**589,670**	**602,740**	**614,549**	**625,965**	**638,627**

(b) *In paragraph (c), after the words* "withdrawn from the consolidated fund in 2008", *insert the words –*

", except that the proposed total net revenue expenditure of £559,654,400 shall be reduced to £547,229,000 and that for the net revenue expenditure of each States funded body set out in the said Summary Table A there shall be substituted the following total net revenue expenditure–

Amended Summary Table A

Department	Gross Revenue Expenditure	Income	Suggested 2008 based on revised spending limit (See Figure 7)
	£'000	£'000	£'000
Ministerial Departments			
Chief Minister	15,770	1,231	14,539
Grant to the Overseas Aid Commission	7,179	–	7,179
Economic Development	17,171	1,164	16,007
Education Sport and Culture	107,632	14,048	93,584
Health and Social Services	160,975	16,771	144,204
Home Affairs	43,404	1,576	41,828
Housing	13,605	35,620	(22,015)
Planning & Environment	8,847	2,981	5,866
Social Security	143,181	7	143,174
Transport and Technical Services	36,921	15,458	21,463
Treasury & Resources	66,767	5,603	61,164
Non-ministerial States funded bodies			
Bailiff's Chamber	1,258	55	1,203
Law Officers' Department	5,392	195	5,197
Judicial Greffe	4,396	587	3,809
Viscount's Department	1,760	396	1,364
Official Analyst	635	60	575

Office of the Lieutenant Governor	746	36	710
Office of the Dean of Jersey	22	–	22
Data Protection Commission	279	65	214
Probation Department	1,476	–	1,476
Comptroller and Auditor General	709	–	709
States Assembly and its services	4,981	24	4,957
Proposed Revenue Expenditure 2008	**£588,591**	**£95,877**	**£547,229**
adjustments to reconcile			
Treasury: Interest and Repayment of Debt	*(45,029)*	*(318)*	*(44,711)*
Social Security: Income Support Transitional Relief	*(9,700)*		*(9,700)*
Revenue Expenditure for Financial Forecast	***643,337***	***95,559***	***492,818***

Notes:

The Overseas Aid Commission Expenditure allocation appears as a grant from the Chief Minister's Department, as it has not yet been established as a States funded body under the new Public Finances (Jersey) Law 2005.

The PAC recognises that the Minister for Treasury and Resources has the ability to reallocate funds between States funded bodies during a financial year."

(c) *After paragraph (c) insert a new paragraph (d) as follows and renumber subsequent paragraph accordingly –*

"(d) to agree that the 'Revenue Expenditure for Financial Forecast' as set out in the reconciliation to the Financial Forecast below Summary Table A is the figure that shall be used on which to base Departmental comparatives in the States accounts for the year ended 31st December 2008;"

(d) *In paragraph (g) after the words* "Summary Table C, page 45, for the period 2009 to 2012" *insert the words –*

"except that for the allocations in the said Table C there shall be substituted the allocations in the following revised Table C –

d Table C – Total States Net Expenditure Allocations 2008 – 2012

Funded Bodies	2007 Expenditure Allocation (restated) £'000	2008 revised Expenditure allocation £'000	2009 Expenditure Allocation £'000	2010 Expenditure Allocation £'000	2011 Expenditure Allocation £'000	2012 Expenditure Allocation £'000
erial Departments						
hief Minister	14,403	14,539	14,903	15,192		
Grant to the Overseas Aid Commission	6,331	7,179	7,334	7,476		
conomic Development	16,005	16,007	16,395	16,713		
ducation, Sport and Culture	96,094	93,584	95,599	97,451		
ealth and Social Services	137,095	144,204	148,816	151,699		
ome Affairs	39,644	41,828	42,729	43,556		
ousing	1,857	(22,015)	(22,675)	(23,132)		
lanning and Environment	5,719	5,866	5,992	6,108		
ocial Security	102,828	143,174	146,257	149,090		
ransport and Technical Services	21,241	21,463	21,975	22,401		
reasury and Resources	55,096	61,164	62,481	63,691		
inisterial States funded bodies						
Bailiff's Chamber	1,179	1,203	1,232	1,256		
Law Officers' Department	5,097	5,197	5,324	5,427		
Judicial Greffe	3,738	3,809	3,901	3,977		
Viscount's Department	1,339	1,364	1,397	1,424		
Official Analyst	564	575	589	600		
Office of the Lieutenant Governor	695	710	727	741		
Office of the Dean of Jersey	21	22	22	23		
Data Protection Commission	209	214	219	223		
Probation Department	1,444	1,476	1,512	1,541		
Comptroller and Auditor General	696	709	726	740		
tates Assembly and its services	4,782	4,957	5,064	5,162		
venue Expenditure Allocation	**£516,075**	**£547,229**	**£560,517**	**£571,360**	**£583,000**	**£595,000**
l Expenditure Allocation	**£43,499**	**£42,441**	**£42,223**	**£43,189**	**£42,965**	**£43,627**
States Net Expenditure Allocation	**£559,574**	**£589,670**	**£602,740**	**£614,549**	**£625,965**	**£638,627**
nents to reconcile to Financial Forecasts:						
ncome Support - Transitional Relief		*(9,700)*	*(5,600)*	*(3,700)*	*(2,200)*	*(900)*
Repayment of Capital Debt (revenue)	*(42,214)*	*(44,711)*	*(45,700)*	*(45,700)*	*(45,700)*	*(45,700)*
Property Capital Receipts (capital)	*(700)*	*(2,300)*	*(4,000)*	*(4,000)*	*(4,000)*	*(4,000)*
Trf from Land Acquisition (capital)	*(1,000)*					
tates net expenditure allocation (as shown ncial forecasts)	*£515,660*	*£532,959*	*£547,440*	*£561,149*	*£574,065*	*£588,027*

he Overseas Aid Commission expenditure allocation appears as a grant from the Chief Minister's Department, solely for the purpose of the xpenditure allocations, as it has not yet been established as a States funded body under the new Public Finances (Jersey) Law.
he transitional relief for Income support is included in the allocations for social security.
he property transfers from ESC to Property Holdings have been recognised in 2008.
o comply with previous approvals in the Strategic Plan and previous Business Plans, spending in year 2009 is consistent with amounts oted in the 2007 Business Plan, thereby complying with the 3 year budgeting process.
o comply with previous approvals in the Strategic Plan and previous Business Plans, spending in year 2009 is consistent with amounts oted in the 2007 Business Plan, thereby complying with the 3 year budgeting process.

(e) *After paragraph (g) insert a new paragraph (h) as follows and renumber subsequent paragraph* *accordingly –*

“(h) to request the Minister for Treasury and Resources not to exercise his powers under Article 15(1)(b) of the Public Finances (Jersey) Law 2005 regarding the reallocation of year end underspends before seeking the prior ‘in principle’ agreement of the States Assembly;”.

PUBLIC ACCOUNTS COMMITTEE

REPORT

Background

In 1995 the Audit Committee of the day was particularly concerned about the poor response by Committees and Departments to their recommendations. It was felt that there was a lack of willingness to accept what was good practice to achieve economy, effectiveness and efficiency. In particular, in their report of 31st March 1995, the Commission recommended that *"there should be available telling financial information"*. It was recognised that without information it is extremely difficult to impose fiscal discipline.

The Public Accounts Committee is not yet convinced that the transparency of financial information supplied to the States has reached the standard of best practice which it would wish to see. Some progress is being made, although slowly. The full conversion to GAAP accounting is a case in point. However, the Public Accounts Committee will be commenting more fully on this in its report on the 2006 Accounts of the States of Jersey.

The recent report by David Kern[1] also highlighted the lack of a medium term fiscal policy and fiscal discipline. Whilst his other suggestions regarding tax competitiveness but at the same time broadening the tax base, and encouraging local business are relevant, all of these are subordinate to the necessity for observing medium term fiscal discipline.

This is reflected in the fact that the 2004 States Resource Plan contained the following –

THE STATES are asked to decide whether they are of opinion −

to approve the States Resource Plan 2004 to 2008 and in particular –……….

(b) (ii) to agree that total States net revenue expenditure should be increased by no more than 3% per annum for the years 2005 through to 2008;

There is little evidence that this 3% rate has been taken into account when preparing budgets. It has been maintained that the blame for expanding budgets rests with the politicians. Since 2004 the budgets forecast in the Business Plan appear not to have complied with this vote of the Assembly.

The concerns of the Public Accounts Committee can be understood by consideration of the graphs in the Appendix.

Figure 1 shows that from 2003 to 2006 actual expenditure is growing significantly faster than the growth in the figures voted for in the relevant Business Plans.

For example, until October 2006 the Treasury maintained that the final Net Revenue Expenditure figure would be £441 million. By the following January, when the accounts were prepared, the actual Net Revenue Expenditure had become £465 million. At the same time, the original vote had been increased by allocation of underspends from 2005, service changes and a number of other transfers so that the alleged authorised budget figure was £466 million. Moreover, the departmental comparatives were based on the £466 million and not the original 2006 Business Plan figure of £441 million. This makes it extremely difficult to identify where significant spending has occurred and does not provide any reliable financial performance indicators for the Departments.

Currently the 2008 Business Plan indicates that the probable outturn for 2007 will be £482 million, an increase of £8 million on the forecast in 2006. It is clear from the graph that actual expenditure is growing much faster than the budgeted amounts as shown in the Business Plans.

Figure 2 charts Income against Net Revenue Expenditure. The levels of Net Revenue Expenditure forecast for 2010 onwards are such that the overall financial position will be in deficit. The size of the deficit depends on the accuracy of the estimates of income by 2010.

Figure 3 shows the effect of a modest reduction in Net Revenue Expenditure in 2008 with tighter control over growth in expenditure. The effect of this would be to ensure that there is, assuming the income forecasts are valid, no deficit in 2010 onwards. This forecast is summarised in Figure 8, which uses reduced levels of expenditure compared with the original Table 3.1 on page 12 of the Draft Business Plan.

The Public Accounts Committee is concerned about the rate of growth in expenditure, 96% in the past 10 years against the growth in income, 92% over the same period as shown in the accounts of the States and compared with an increase of 46.6% in RPI. Apart from the inflationary pressures, with an ever-increasing spiral in spending, this pressure on spending will lessen the Treasury Minister's room for manoeuvre and could lead to a necessity to consider higher rates of taxation.

Figures 4 to 6 derive the estimate of the increased tax burden on the general population arising from the inability of the States to restrain spending. In 2006 the effect of the increase of expenditure from £441 million to £465 million was to add 14.8% to the tax bill of the general public.

The Public Accounts Committee has seen no evidence of concerted action to control expenditure. Moreover, there are still no clear financial performance indicators for Departments by which to measure their performance, nor are there reliable guidelines to use to set budgets.

The comment in the current Business Plan, on page 22, "*that there may be limited scope for delivering further major efficiency savings"* is not a phrase which would be recognised in the private sector or in the public sector on the mainland. Efficiency is an ongoing exercise not a "one-off" operation.

Tax changes

Due to external pressures, Jersey is making radical changes to its tax structure. The Goods and Services Tax will be introduced in 2008. There is considerable uncertainty over the future and it is not clear that the 3% rate can be maintained over the medium to longer term. The Minister has given assurances that the rate will remain constant for the first 3 years but the rate in year 4 will depend on the overall performance of the economy.

At the same time, the essential counterbalance to the new GST taxes, the Income Support Scheme, has yet to be finalised and we will not know whether it is operating smoothly until late 2008 at the earliest. It is not yet known whether the monies allocated for this are sufficient.

The other tax changes, 20 means 20 and zero/10, are only just beginning to be phased in, but the full effects of these will not be felt until 2009 to 2011. Moreover, there are also environmental taxes being designed.

There are problems with ITIS in that a side-effect has been the rise in supplementation which has been required to cover the increased numbers of low income workers coming into the tax net. A solution has to be found to this.

There have been assurances that there will be no more new taxes before 2012 but after this it will very much depend on the performance of the economy and the fiscal discipline of the States.

The Fiscal Strategy promised real control over States Expenditure and a commitment to balanced budgets. However, the performance so far is such that by 2011 there will be a structural deficit in the economy. If this deficit is tackled now, then the process will be less painful than leaving it until 2011. In addition, restraint of expenditure can be organised from within the Island rather than it being enforced by external circumstances in 2011.

The Council of Ministers has stated in each of the Business Plans that "*States Expenditure ……will not exceed the amounts set out…*" Expenditure was to be restrained to keep RPIx at 2.5% and, in the Strategic Plan," *total States net revenue expenditure should be increased by no more than 3% per annum for the years 2005 through to 2008"*.

Despite these brave words, we are being presented with a Business Plan which proposes an increase of some 7.3%, plus a further £9.7 million, considerably above the target set in the 2007 Business Plan.

There are wide-ranging changes in the tax structure, the effects of which are not yet known, and there is uncertainty in the world economic climate. The economy is buoyant at the moment. It is not the time to be expanding expenditure. It will also add to the confidence of the finance industry if the Island can demonstrate fiscal discipline as well as the existing certainty in the future tax structure.

Proposed action

There has been much play made of the difference between commitment and accrual figures. However, this amendment deals with the budgets and Business Plans and since they are not designed on an accruals basis then commitment figures must be taken.

In arriving at the proposed spending limit it was realised that the total must be sufficiently reduced to make Departments think, but not so reduced that it is impossible; it should be realistic.

The forecast Net Revenue Expenditure for 2008 in 2007 was £492 million. This is a growth of just over 4% over the original budget for 2007 and correlates with current inflation estimates. It is also in line with limiting the growth in Net Revenue Expenditure as a percentage of GVA. It represents a reduction of about 2.5%, or about £12.5 million, on the amount of£505 million requested by the Council of Ministers. Figure 7 shows the effect of the reduction on forecasts (Table 4.1 in the Business Plan). This is only an indicative allocation of resources as the Treasury Minister, using his powers under Article 15(1)(a) of the Public Finances (Jersey) Law 2005, may vary the heads of expenditure.

The Public Accounts Committee also feels that increases in expenditure must be limited for the period 2008 to 2012. At the same time, it is necessary to be consistent with the amounts already voted in the 2007 Business Plan. The Assembly has already voted, through the Strategic Plan and the various Business Plans, for a 3 year budgeting process as well as limiting growth in Net Revenue Expenditure. In order to restore fiscal discipline, it is more appropriate in the current economic climate, as well as maintaining consistency, to limit growth in NRE to 3% in 2009 and 2010, reducing this to 2.5% in 2011 and 2012. This will limit growth in the ratio of NRE to GVA. It also correlates with the target for RPIx.. The effect of this is shown in Figure 8.

It is essential that fiscal discipline is reinstated. The combination of limiting expenditure plus adoption of GAAP will provide the tools to effect this. Members would perhaps like to consider the fact that overall expenditure in Guernsey is apparently limited to the increase in RPI.

The difference between this and previous years is that the figure must be firm. There will be no adjustments using amounts voted in previous years and miscellaneous transfers to increase the figure voted in this proposition. Any funds arising from underspends should be returned to the Consolidated Fund before reallocation is considered. If there is a genuine need for additional funding and reallocation of underspends then this should come back to the States for approval.

The intention is that Departments will have a defined budget and will be expected to adhere to that budget. Services should not be expanded without proper analysis.

States Members should also note that these strictures also apply to them.

In the current forecast in the Business Plan, expenditure will converge with income in 2011/2012 and there will be deficits. If preventative action is taken now, then there should be a surplus in these 2 years when the effects of Zero/10 really become apparent.

Additional proposals

This restraint is only part of the inception of a formalised programme of broader control measures to be set up.

The Public Accounts Committee will initiate a study on applicability of the “Golden Rule”. It is intended that this will be coordinated with the Corporate Services Scrutiny Panel and the Treasury Minister. Part of the structure for this has already been put in place by the Treasury Minister; it remains to build on this.

The rationale behind the “Golden Rule” is outlined in Figure 9.

At the same time budgets must be converted to accrual accounting and this must be included as part of the conversion to GAAP accounting. This must be effected as soon as possible.

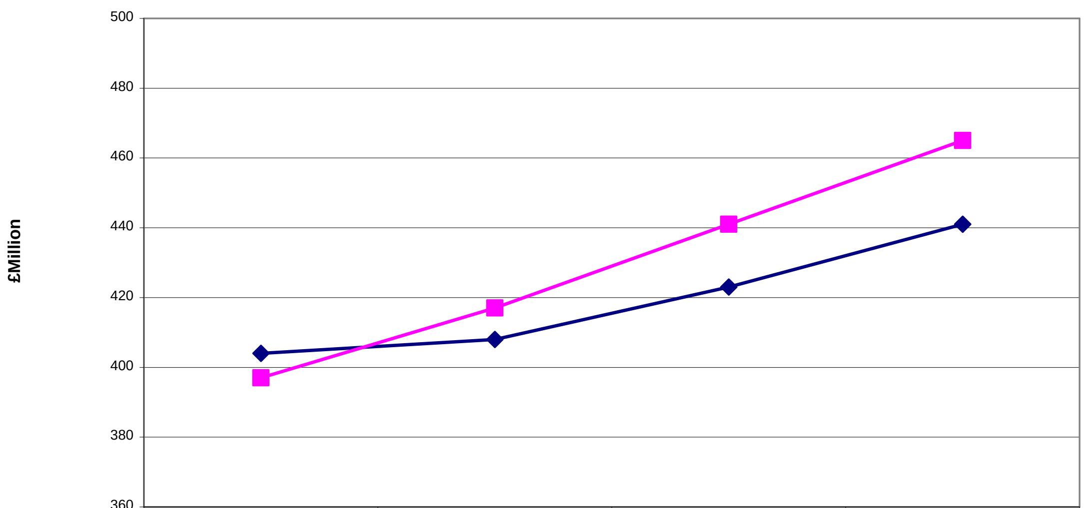
The Treasury Minister is proposing to bring forward amendments to the Public Finances (Jersey) Law 2005. The Public Accounts Committee will be issuing its comments on these and will be bringing its own amendments to assist in the establishment of better medium term fiscal discipline.

Financial and manpower implications

The financial implications of this amendment are self-explanatory and it is intended that the reduction will restrain the employment of additional personnel on new services.

Figure 1

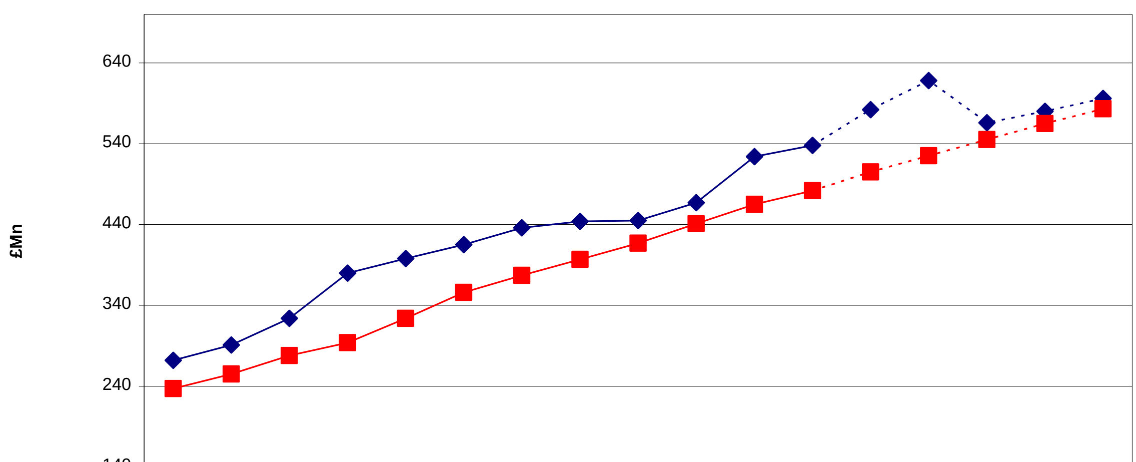
STATES OF JERSEY - Comparison of Actual Expenditure and Budget (per Treasurer's Reports)



	2003	2004	2005	2006
BUDGET	404	408	423	441
ACTUAL	397	417	441	465

Figure 2

Income vs Net Relevant Expenditure
(page xi of States Accounts)

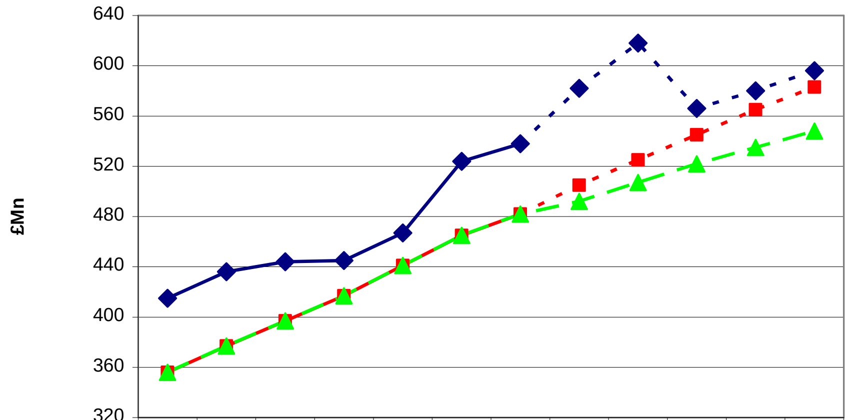


	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
income	272	291	324	380	398	415	436	444	445	467	524	538	582	618	566	580	596
NRE	237	255	278	294	324	356	377	397	417	441	465	482	505	525	545	565	583

NOTE: The values for 2007 to 2012 are based on the forecasts given in the 2008 Business Plan

Figure 3

Proposed reduction in Net Revenue Expenditure vs Planned Net Revenue Expenditure and vs Public sector Income

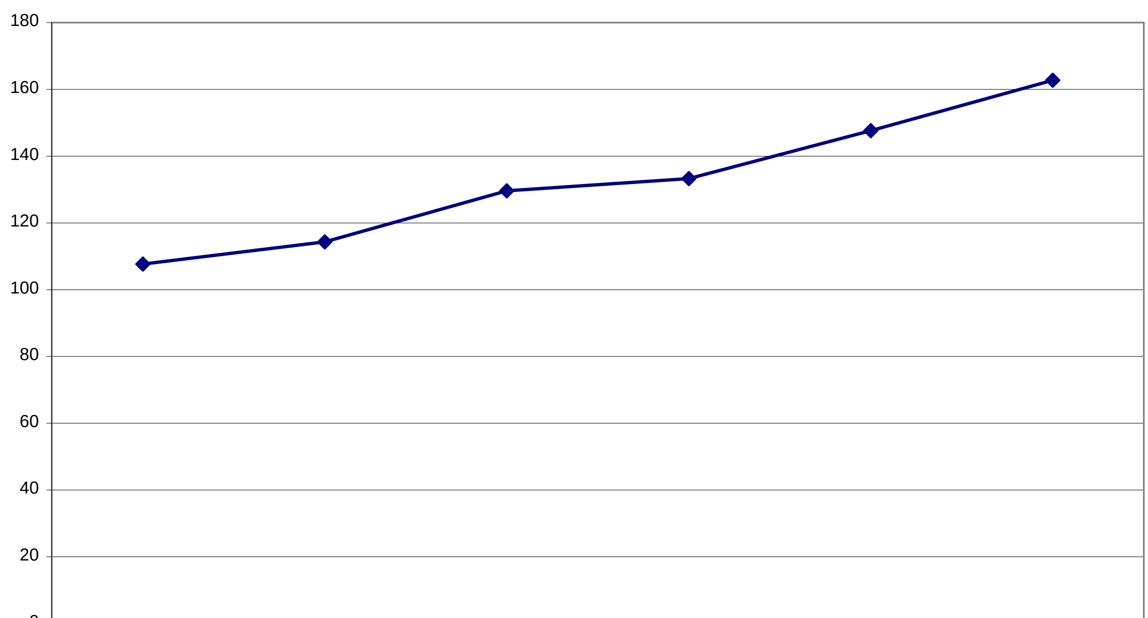


	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenditure Planned	356	377	397	417	441	465	482	505	525	545	565	583
Reduced Expenditure Proposed	356	377	397	417	441	465	482	492	507	522	535	548
Public sector income	415	436	444	445	467	524	538	582	618	566	580	596

NOTE: The values for 2007 to 2012 are based on the values included in the 2008 Business Plan

Figure 4

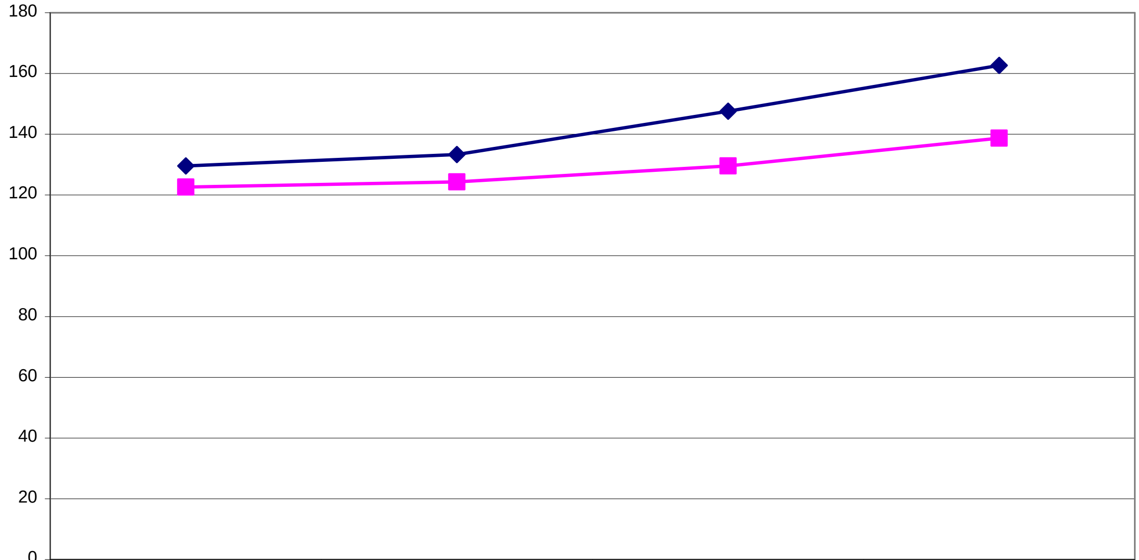
STATES OF JERSEY ~ INCOME TAX PAYABLE BY EMPLOYEES (per Treasurer's Report)



	2001	2002	2003	2004	2005	2006
£ MILLION	107.7	114.3	129.6	133.3	147.6	162.7

Figure 5

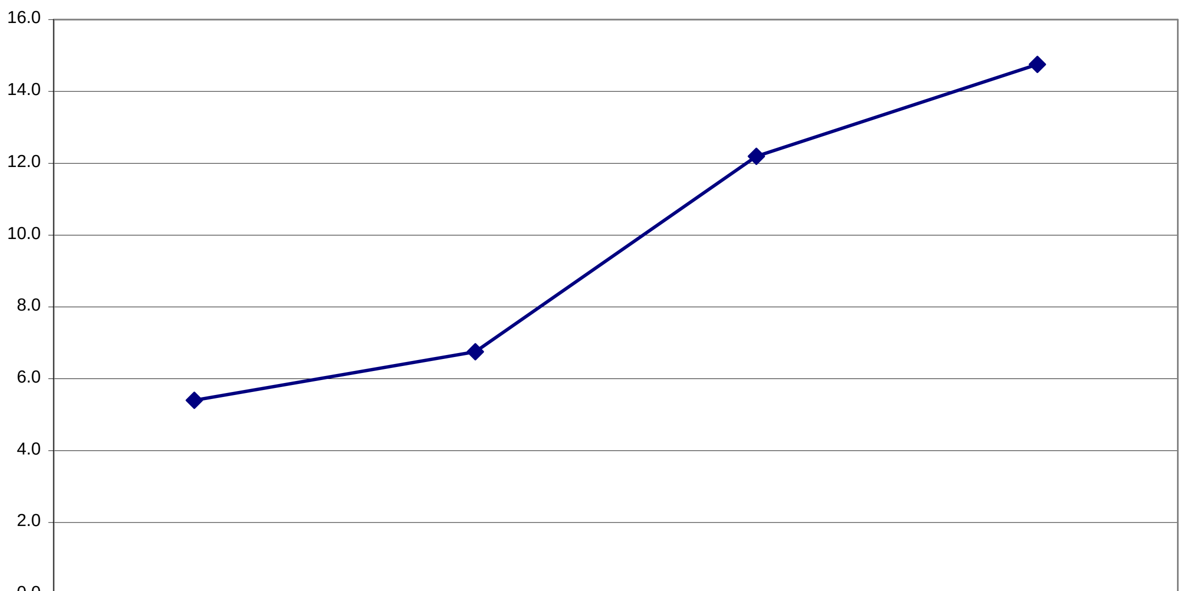
STATES OF JERSEY ~ HOW HOLDING TO BUDGETS WOULD ALLOW INCOME TAX TO BE REDUCED



	2003	2004	2005	2006
ACTUAL	129.6	133.3	147.6	162.7
ADJUSTED	122.6	124.3	129.6	138.7

Figure 6

STATES OF JERSEY ~ POSSIBLE REDUCTION IN INCOME TAX PAYABLE BY EMPLOYEES IF BUDGET HAD NOT BEEN EXCEEDED



	2003	2004	2005	2006
%AGE	5.4	6.8	12.2	14.8

Figure 7: Indication of the effect of the changes to Cash Limits

Department	Approved in 2007 Business Plan For 2008 £'000	Suggested 2008 based on revised spending limit £'000	2008 spending proposed in Business Plan £'000
Chief Minister	14,539	14,539	14,757
Overseas Aid	6,673	7,179	7,363
Economic Development	16,007	16,007	16,057
Education Sport and Culture	98,150	93,584	95,984
Health and Social services	143,329	144,204	147,902
Home Affairs	40,808	41,828	42,901
Housing	2,133	-22,015	-22,015
Planning & Environment	5,598	5,866	6,016
Social security	110,691	143,174	146,914
TTS	21,463	21,463	21,877
Treasury & Resources (includes repayment of capital debt)	54,708	61,164	61,586
Bailiffs Chamber	1,203	1,203	1,225
Law Officers	5,197	5,197	5,272
Judicial Greffe	3,809	3,809	3,880
Viscounts	1,364	1,364	1,393
Official Analyst	575	575	586
Lieut Gov	710	710	727
Dean	22	22	22
Data Protection	214	214	220
Probation	1,476	1,476	1,510
Comptroller and Auditor General	709	709	712
States Assembly	4,870	4,957	5,084
Totals	**£534,248**	**£547,229**	**£559,973**
Capital expenditure allocation	£42,162	£42,441	£42,441
Total States net revenue expenditure	**£576,410**	**£589,670**	**£602,414**
Reconciliation to Financial Forecast			
Less:			
Int & Repymt of debt	*(42,214)*	*(44,711)*	*(44,711)*
Income Support-Tsntl Relief		*(9,700)*	*(9,700)*
Property capital receipts	*(2,300)*	*(2,300)*	*(2,300)*
Total States net expenditure allocation as shown in financial forecasts	*£531,896*	*£532,959*	*£545,703*

Note:

1. All figures in 2008 Business Plan reduced by 2.5%.

2. The transitional relief for Income support is included in the allocations for social security

3. The property transfers from ESC to Property Holdings have been netted out.

4. To comply with previous approvals in the Strategic Plan and previous Business Plans, spending in year 2008 is consistent with amounts voted in the 2007 Business Plan for 2008, thereby complying with the 3 year budgeting process.

Figure 8: Revised Forecast 2007 to 2012:

Forecast with limited net revenue expenditure growth

Year	2008	2009	2010	2011	2012
Income	582	618	566	580	596
Net Revenue Expenditure	492	507	522	535	548
Net Capital Expenditure Allocation	40	38	39	39	40
Total States Net Expenditure	532	545	561	574	588
Surplus For the Year	50	73	5	6	8
Income Support transitional Relief	10	6	4	2	1
Amended Forecast Surplus	40	67	1	4	7
Growth in Net Revenue Expenditure	4.40%	3%	3%	2.50%	2.50%

Figure 9: The Golden Rule

"The Golden Rule is a rule that provides a guideline for the operation of fiscal policy. The Golden Rule states that over the economic cycle the government will borrow only to invest and not to fund current spending. Therefore, over the cycle the current budget i.e. net of investment, must balance or be brought into surplus.

The core of the Golden Rule framework is that as general rule policy should be designed to maintain a stable allocation of public sector resources over the course of the business cycle. Stability is defined in terms of three ratios. Firstly, the ratio of public sector net worth to national income. Secondly, the ratio of public current expenditure to national income and thirdly, the ratio of public sector income to national income. If national income is growing and net worth is positive then this rule implies that on average there will be net surplus of income over expenditure.

The justification for the Golden Rule derives from macro economic theory. Other things being equal, an increase in government borrowing raises the real interest rate consequently crowding out (i.e. reducing) investments as a higher rate of return is required for investment to be profitable. Unless the government uses the borrowed funds to invest in projects with a similar rate of return to private investment, capital accumulation falls with negative consequences upon economic growth.

The distinction between current and capital expenditure in the Golden Rule is related to a broader distinction between cash accounting and accrual accounting. Cash accounting reports the flows of money payments and receipts. If money is received during the accounting period it is counted as revenue even though it might be paid for services provided the previous or the following year. Similarly, payments are included if they are made this year no matter when the goods or services purchased are used. As a result, the proceeds of asset sales were treated exactly like current revenue (or in some cases as a reduction in expenditure) and as far as the budget was concerned, available for spending in the year in which they are realised. It was gradually recognised that a policy of selling assets to finance current expenditure was unsustainable. A simple ad-hoc response was to replace the cash measure of budget balance with an underlying measure which excluded asset sales.

A more systematic response to the defects of the cash budget balance measure has been to adopt a system of accrual accounting. The basic idea of accrual accounting is to separate current and capital expenditure and to recognise revenue and expenditure as they accrued rather than when they are realised as cash payments. Under accrual accounting the purchase price of capital assets is amortised over the life of the asset rather than being lumped in with current expenditure in the year of purchase.

The crucial summary measures in an accrual system of accounting are the operating result and the government's net worth. This is the difference between income derived from taxation grants and government business enterprises and current expenditure on goods services and interest payments, including an allowance for the depreciation of physical assets. A surplus on the operating result implies that income has exceeded current expenditure so that net worth is increasing. Similarly, a deficit corresponds to a reduction in net worth."

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[1] *The Jersey Economy: Prospects, Opportunities and Threats: An Independent Assessment; by David Kern Economic Adviser to the BCC and former Chief Economist, NatWest Bank.*