

ANNEX TO FINANCIAL
REPORT AND ACCOUNTS 2013



TREASURY
& RESOURCES

R.65/2014
ANNEX



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REPORT AND ACCOUNTS
2013**

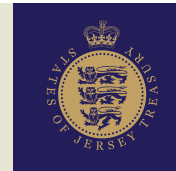




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Introduction to the Annex

The principal accounts document is the Financial Report and Accounts, which includes high level financial summaries and the Minister's and Treasurer's reports. The aim of the Financial Report and Accounts has been to produce a concise annual report which will appeal to the majority of users of the accounts.

This supplementary accounts document sets out more details about figures in the accounts, which should be read in conjunction with the Financial Report and Accounts. The information contained within this annex is unaudited.

The Treasury and Resources Department hopes that readers will find the information in this annex of benefit and would encourage any queries in relation to the annex to be addressed to the relevant Department.

A copy of the 2013 Financial Report and Accounts can be found on the States of Jersey website (www.gov.je); alternatively a hard copy can be obtained from the States Assembly Information Centre at the following address:

*Morier House
St. Helier
Jersey
JE1 1DD*

The Treasury and Resources Department thanks all departments for their cooperation in providing the information to allow this annex to be produced.





Explanation of the contents of Department / Fund Pages

The detailed information presented in these pages includes narrative information on the key financial results in a format that is comparable between Departments/Funds. However, some variation is necessary due to the differing nature of the entities. The table below shows which sections apply to each type of entity.

	Department	Trading Operation	Special Funds
Key Results	✓	✓	✓
Service Analysis	✓	✓/X	X
Staff FTE	✓	✓	X
Financial Statements	✓	✓	✓
Trading Fund Balance	X	✓	X

Key Results

This section examines the highlights for the entity's performance. For Departments and Trading Operations this will normally consider performance against the Budget approved by the States, and changes from the previous year.

Special Funds may focus instead on the financial position at the end of the year and will also consider the performance of investments held in the Common Investment Fund (CIF).

Participants in the CIF recognise all income and gains on these investments as gains or losses on the units held, and so when considering the performance of these funds it is important to consider the performance of its investments in the CIF as well as the results in the Statement of Comprehensive Net Expenditure. Further information about how information is presented is given in the next section.

Service Analysis

This section looks at where the expenditure in a department/trading operation was spent (and income received), and what the key variances from budget and changes from the previous year were. Near-Cash and Non-Cash items are separately identified.

Staff Full Time Equivalent Employees

This considers how many Full Time Equivalent (FTE) employees the department/trading operation had at the end of the year. It also compares this to the position at the previous year end.

From 2013 FTE figures have been reported without exemptions that were previously part of the Regulations of Undertakings Law (e.g. covering exempt students and absence cover), and 2012 figures have been restated to be on a comparable basis. Employees without a fixed working pattern are not included in these figures.

Financial Statements

These statements are similar to those included for the whole States of Jersey in the main accounts for individual entities, but are shown gross of internal charges to allow a proper comparison against budget. Non-cash items are shown separately in the Statements of Comprehensive Net Expenditure.

Trading Fund Balance

Under the Public Finances (Jersey) Law 2005, Trading Operations must maintain a Trading Fund that does not form part of the Consolidated Fund. The Fund balance for each operation is calculated on the same basis as the Consolidated Fund (see the Consolidated Fund section for details), and shown in this section.



Note on the performance of Investments held in the Common Investment Fund

During 2010 a Common Investment Fund was created to allow funds (both inside and outside of the States accounting boundary) to pool funds for investment purpose. The CIF is an administrative arrangement, not a separate fund, and provides a simple cost effective way of pooling funds for investment purposes. The aim of the CIF is to provide greater investment opportunities, economies of scale and minimise fees and costs.

In operation, participant funds buy “units” in various CIF pools. Each pool will then buy individual investments in line with agreed strategies. This means that individual participants do not own investments, but rather units in the relevant CIF pool. As a result, participants recognise gains or losses based on the units held rather than the underlying investments.

The amount of income, expenditure, gains and losses incurred in the CIF attributable to each participant is tracked, and the results included in the participants’ pages in the Annex. These amounts are equivalent to those that would have been included in the financial statements of the participant if they held the investments directly, and it is important to consider these results in conjunction with those in the SoCNE.

Effect of changes to Accounting Standards

Accounting Standards evolve with time, and the Minister has a policy of annually updating the Accounting Standards used by the States of Jersey. In 2013 there have been several changes in the Accounts, and details of these changes are given in Section 6 and Note 9.3 of the main Accounts document. Previous years' figures have been restated in both the main Accounts and Annex to ensure consistency between years, and compliance with IAS 10. Note 9.3 also provides a reconciliation between previous years' figures previously reported and restated figures.

There have been some changes in how some items are accounted for, in particular the Accounting for Asset Donations and Capital Grants. A summary of the impacts on Statement of Comprehensive Net Expenditure for 2012 figures is given in the table below. The impact on the Statement of Financial Position is purely a reclassification of reserves.

Following a recommendation of the C&AG in her report to the States Assembly on the 2012 Accounts, the Accounting Boundary for 2013 has been revised to include the Social Security Fund, Social Security (Reserve) Fund, Health Insurance Fund, Long Term Care Fund and the Jersey Dental Scheme (the Social Security Funds).

An additional Special Fund has also been included for the first time in these Accounts – the Insurance Fund.

The Insurance Fund was established under the Public Finances (Jersey) Law 2005 (as amended under P.73/2013), and formalises arrangements previously included under "Other Consolidated Fund Items".

The Jersey Innovation Fund is a new Special Fund established under P.124/2012 and will make investments in private and public sector projects to drive greater innovation in Jersey and improve competitive advantage. No amounts have been transferred into the fund as at 31 December 2013 and so no pages are included in this Annex.

		Education Sport and Culture	Health and Social Services	Home Affairs	Treasury and Resources	Jersey Airport
		£'000	£'000	£'000	£'000	£'000
Income						
Donations of Assets	Now recognised in Income when received	49	81	–	–	–
Capital Grants Received		–	–	75	–	–
Capital Grant Amortisation	No longer required	–	–	(34)	–	(694)
Expenditure						
Depreciation	No longer offset by release from Reserves	36	70	–	4	–
Impairments		–	–	–	6,216	–





Final Approved Budgets

Revenue Approvals

Whilst the following departmental pages compare actual results against budget at a detailed level, the States approve only the total departmental budget.

The final approved budget for each department may vary from that approved in the Medium Term Financial Plan for several reasons, including additional budget

allocations during the year, transfers between revenue and capital heads of expenditure and other transfers between departments (which are approved by formal Ministerial Decisions).

A summary is set out in the table below:

Department	MTFP 2013 Total NRE £'000	Carry Forward from 2012 £'000	Allocation of Contingency £'000	Allocation of Additional Funding £'000	Transfers between capital and revenue £'000	Departmental Transfers £'000	2013 Final Approved Budget Total NRE £'000	Non Cash Amounts £'000	2013 Final Approved Budget Near Cash £'000
Ministerial Departments									
Chief Minister	19,370	2,294	4,741	70	(1,829)	1,247	25,893	514	25,379
Grant to the Overseas Aid Commission	9,324	8	1	–	–	–	9,333	–	9,333
Economic Development	18,259	913	92	34	–	(1,143)	18,155	3	18,152
Education, Sport and Culture	104,551	3,633	3,024	–	(163)	40	111,085	217	110,868
Department of the Environment	5,726	632	409	–	(8)	–	6,759	124	6,635
Health and Social Services	187,492	1,218	3,683	40	(125)	(75)	192,233	3,230	189,003
Home Affairs	47,343	1,980	710	8	(809)	(8)	49,224	613	48,611
Housing	(17,117)	1,040	476	–	–	244	(15,357)	9,681	(25,038)
Social Security	183,354	2,853	101	–	(926)	(808)	184,574	–	184,574
Transport and Technical Services	41,589	1,832	358	–	(530)	112	43,361	15,990	27,371
Treasury and Resources	41,142	4,362	2,939	35	(1,945)	566	47,099	11,140	35,959
Non Ministerial States Funded Bodies									
Bailiff's Chamber	1,595	53	16	–	–	116	1,780	–	1,780
Law Officers' Department	7,660	50	88	–	–	99	7,897	9	7,888
Judicial Greffe	6,659	17	42	–	–	(436)	6,282	19	6,263
Viscount's Department	1,398	355	18	–	(28)	22	1,765	30	1,735
Official Analyst	656	10	8	–	–	–	674	46	628
Office of the Lieutenant Governor	692	61	37	30	–	24	844	4	840
Office of the Dean of Jersey	26	–	–	–	–	–	26	–	26
Data Protection Commission	223	40	4	–	–	–	267	–	267
Probation Department	2,151	117	31	–	–	–	2,299	27	2,272
Comptroller and Auditor General	751	450	–	–	–	–	1,201	–	1,201
States Assembly and its services	5,037	208	26	–	–	–	5,271	10	5,261
Departments Net Revenue Expenditure	667,881	22,126	16,804	217	(6,363)	–	700,665	41,657	659,008
Allocations for Contingencies	7,547	29,985	(16,804)	–	–	–	20,728	–	20,728
Net Revenue Expenditure	675,428	52,111	–	217	(6,363)	–	721,393	41,657	679,736



Notes:

1. Carry Forwards from 2012

Carry Forwards from 2012 were approved by Ministerial Decision (MD-TR-2013-0017: "2012 Year End Carry Forwards"), which approved the carry forward of £22.1 million of departmental underspends from 2012 to 2013, and the carry forward of £30.0 million to Allocations for Contingencies in 2013 (£28.4 million of unallocated contingency and £1.6 million of departmental underspends).

2. Allocations for Contingency

Contingency Expenditure is approved by the States in the Medium Term Financial Plan, and the Public Finances Law allows the Minister for Treasury and Resources to approve transfers from contingency expenditure to heads of expenditure under Article 17.

3. Additional Funding Approved in Year

The Public Finances Law allows the approval budgets in addition to those approved in the Medium Term Financial Plan, under specific circumstances. These are:

- Article 9(2) allows the States to amend an expenditure approval on a proposition lodged by Council of Ministers if a state of emergency has been declared or on the grounds that there is an urgent need for expenditure and no expenditure approval is available.
- Article 20 allows the Minister for Treasury and Resources to approve an expenditure approval where a state of emergency has been declared or where the Minister is satisfied that there otherwise exists an immediate threat to the safety of all or any of the inhabitants of Jersey. In this case the Minister must lodge a proposition seeking expenditure approval.

In addition, amounts previously approved may be reallocated by the Treasury Minister under Article 18(1).

In addition to the amounts allocated to Revenue heads of Expenditure, £417,000 was allocated to Capital Heads of Expenditure during the year. £800,000 was also withdrawn from the Capital Planning vote as part of the funding sources for the Capital Programme identified in the MTFP.

4. Transfers between Capital and Revenue and Transfers between departments

From 2010, every effort has made to prepare Business Plans to accurately estimate the split of Capital and Revenue budgets according to GAAP. However, where variations to these estimates occur in year, adjustments may still be required. Capital approvals in previous years were not necessarily fully GAAP compliant, and where these included approvals for revenue expenditure in 2013, budget adjustments have been required to bring the budget into line with accounting definitions.

These are approved by a Treasurer's Delegated Decision, and reported to the States as part of the six monthly Budget Management Report.



Capital Approvals

The table below shows how total Capital Approvals within the Consolidated Fund have changed during 2013.

	£'000
Previous Approvals	98,917
2013 Approval	36,326
Revenue to Capital Transfers	6,363
Other Transfers	417
Disposal Receipts Applied	2,469
2013 Capital Expenditure	(43,205)
Amounts Returned to Consolidated Fund	(141)
Unspent Capital Approvals Carried Forwards	101,146





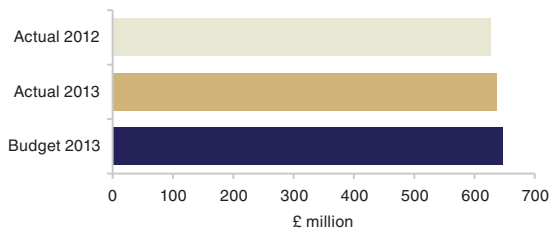
The Consolidated Fund

This is the fund through which the majority of the States' income and expenditure is managed.

Key Results:

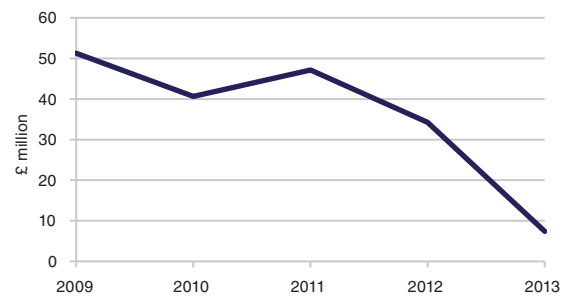
NET GENERAL REVENUE INCOME

£636.7 million



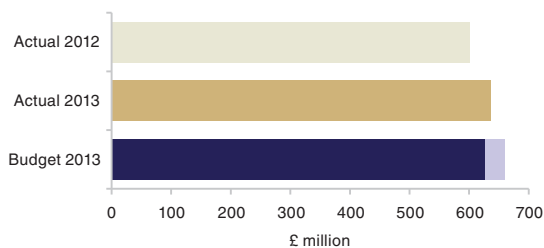
AVAILABLE CONSOLIDATED FUND BALANCE

£7.5 million



DEPARTMENTAL NET REVENUE
EXPENDITURE (NEAR CASH)

£636.2 million





Consolidated Fund – Aggregated Statements

Aggregated Statement of Comprehensive Net Expenditure

	2012 Actual £'000	2013 Actual £'000
Revenue		
Taxation Revenue	(513,542)	(534,474)
Duties, Fees, Fines and Penalties	(95,296)	(91,816)
Sales of Goods and Services	(112,595)	(114,999)
Investment Income	(22,644)	(13,644)
Other Income	(19,995)	(16,994)
Total Revenue	(764,072)	(771,927)
Expenditure: Near Cash		
Social Benefit Payments	164,794	178,855
Staff Expenditure	333,361	346,024
Other Operating Expenditure	192,153	196,098
Grants and Subsidies Payments	35,227	36,986
Impairments of Financial Assets	4,353	6,136
Finance Costs	14,940	14,446
Foreign Exchange Loss/(Gain)	73	(134)
Total Expenditure: Near Cash	744,901	778,411
Net Revenue (Income)/Expenditure: Near Cash	(19,171)	6,484
Non Cash Amounts		
Investment Income	(9)	(16)
Donations of Property, Plant and Equipment	(130)	(113)
Staff Expenditure	94	168
Depreciation and Amortisation	39,548	53,929
Impairments/(Reversal of Impairments) of Property, Plant and Equipment	5,682	(1,328)
Gain on Disposal of Non-Current Assets	(103)	(153)
Movement in Pension Liability	(50,844)	(11,999)
Total Non Cash Amounts	(5,762)	40,488
Net Revenue (Income)/Expenditure	(24,933)	46,972
Other Comprehensive Income/(Expenditure)		
Revaluation of Property, Plant and Equipment	(151,418)	(112,602)
Loss/(Gain) on Revaluation of Strategic Investments during the period	8,100	(25,000)
Reclassification adjustments for gains/losses included in Net Revenue Expenditure	9,500	–
(Gain)/Loss on Revaluation of Other AFS Investments during the period	(73)	(40)
Reclassification adjustments for gains/losses included in Net Revenue Expenditure	–	8
Actuarial Loss in respect of Defined Benefit Pension Schemes	452	1,089
Total Other Comprehensive Income/(Expenditure)	(133,439)	(136,545)
Total Comprehensive Income/(Expenditure)	(158,372)	(89,573)



Aggregated Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	2,620,153	2,760,932	2,855,572
Intangible Assets	10,074	9,648	9,440
Loans & Advances	3,200	2,157	3,209
Strategic Investments	346,400	308,800	333,800
Other Available for Sale investments	14,335	14,589	15,408
Investments held at Fair Value through Profit or Loss	138,453	195,798	181,731
Derivative Financial Instruments expiring after more than one year	201	230	–
Trade and Other Receivables	9	7	7
Total Non-Current Assets	3,132,825	3,292,161	3,399,167
Current Assets			
Non-Current Assets classified as held for sale	3,264	538	3,987
Inventories	5,314	5,216	6,339
Loans & Advances	1,474	993	435
Derivative Financial Instruments expiring within one year	98	263	174
Trade and Other receivables	97,403	100,338	99,378
Cash and Cash Equivalents	91,702	77,186	67,946
Total Current Assets	199,255	184,534	178,259
Total Assets	3,332,080	3,476,695	3,577,426
Current Liabilities			
Trade and Other Payables	(119,662)	(131,423)	(135,438)
Balance due to Other States Funds	(54,358)	(69,753)	(81,691)
Finance Lease Obligations	(742)	(871)	(930)
Provisions for Liabilities and charges	(100)	(1,327)	(1,471)
Total Current Liabilities	(174,862)	(203,374)	(219,530)
Total Assets Less Current Liabilities	3,157,218	3,273,321	3,357,896
Non-Current Liabilities			
Finance Lease Obligations	(7,528)	(6,658)	(5,728)
Provisions for liabilities and charges	(4,801)	(2,735)	(2,648)
PECRS Pre-1987 Past Service Liability	(229,998)	(228,396)	(218,856)
Provision for JTSF Past Service Liability	(135,100)	(97,747)	(101,057)
Defined Benefit Pension Schemes Net Liability	(11,493)	(9,282)	(10,488)
Total Non-Current Liabilities	(388,920)	(344,818)	(338,777)
Assets Less Liabilities	2,768,298	2,928,503	3,019,119
Taxpayer's Equity			
Accumulated Revenue Reserves	2,178,178	2,207,055	2,162,151
Revaluation Reserve	353,241	502,096	612,584
Investment Reserve	236,879	219,352	244,384
Total Taxpayer's Equity	2,768,298	2,928,503	3,019,119



Consolidated Fund Balance

The Consolidated Fund balance is calculated in a way to represent funds available to be spent in future years, and includes:

- Financial Assets (Advances and Investments held at Fair Value through Profit or Loss).
- Net Current Assets or Liabilities (adjusted for elements of Pension, Finance Lease, and other obligations, which will be included in future expenditure approvals).
- Provisions for liabilities and charges.

The Consolidated Fund excludes:

- Assets which cannot be easily converted into cash (Property, Plant and Equipment, Intangible Assets and Strategic Investments).
- Other Long Term Liabilities – which will be settled from future expenditure approvals.

Available Consolidated Fund Balance

The balance calculated does not take into account withdrawals from the Consolidated Fund that have already been approved (and so are not available to spend). The balance must be adjusted for these to give the balance available, at the end of the year. With the move to three year planning under the Medium Term Financial Plan, elements of this balance may be allocated by the States to fund expenditure in future years. 2014 and 2015 expenditure has already been approved by the States in the MTFP 2013–2015.

Capital projects are approved on an allocation basis and so any unspent amounts are removed from the available balance. Similarly, amounts approved for specific purposes but that have not yet been allocated to departments, and property receipts that will be used to purchase assets under Article 18(5) of the Law are also removed. Finally, an adjustment must be made for amounts that will be included in a future revenue head of expenditure through the carry forward process.

Available Consolidated Fund Balance

	2012 Actual £'000	2013 Actual £'000
Available Non-Current Financial Assets	198,192	184,947
Net Current Assets	(18,840)	(41,269)
Less: Non-Current Assets Held for Sale	(538)	(3,987)
Less: Non-Current Provisions	(2,735)	(2,648)
Add Back: Current Finance Lease Liabilities	871	930
Add back: Current Pension Liabilities	4,041	6,084
Add back: Accruals for untaken leave	2,872	3,040
Consolidated Fund Balance	183,863	147,097
Unspent Capital	(98,917)	(101,146)
Voted amounts to be allocated	(3,756)	(2,321)
Provision for Decommissioning	2,080	2,080
Departmental Carry forwards	(22,125)	(19,872)
Carry forward of Contingency	(29,985)	(18,345)
Available Consolidated Fund Balance	31,160	7,493



Reconciliation of Movement in Available Consolidated Fund Balance

	£'000
Opening Balance	31,160
Net General Revenue Income	636,688
Net Revenue Expenditure – Near Cash	(636,186)
Add Back: Carry Forwards from 2012	52,111
Add Back: Additional Allocations	217
Remove: Transfers between Capital and Revenue	(6,363)
Approvals Carried Forward:	
Departmental Carry forwards	(19,872)
Carry forward of Contingency	(18,345)
Capital Approval in the Year: from Consolidated Fund	(12,566)
Capital Approval in the Year: Other Funding Sources	(24,760)
Funding from the Central Planning Vote	800
JPH Receipts Applied	2,348
Transfer from Dwelling Houses Loan Fund	2,000
Returns to the Consolidated Fund	141
Other Movements	120
Fund Movement	(23,667)
Closing Balance	7,493



Chief Minister's Department

The Chief Minister's Department is at the centre of government and provides leadership and co-ordination of strategic planning across the States.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£23,222,866

15.3% increase
from 2012

£2,155,279

8.5% underspend
against Near Cash Final
Approved Budget



Chief Minister's Overview

The Chief Minister's Department provides support and advice to the Chief Minister and Council of Ministers. The Department is responsible for the co-ordination of Government Polices and has managerial accountability for providing Information Services (IS) and Human Resources (HR) to other Government Departments. The Department is also responsible for the Island's external relations, including the constitutional relationship with the United Kingdom.

In addition, the Chief Executive is Head of the Public Sector and, through the Corporate Management Board of departmental Chief Officers, co-ordinates the development and implementation of policy.

The increase in spend compared to 2012 is mainly as a result of transfers into the Department (for example Jersey Financial Services and Safeguarding Partnership Board) and additional monies received in 2013 for other projects (for example Public Sector Reform and Freedom of Information Implementation).

In order to deliver its objectives, the Department is arranged into sections dealing with domestic policy, IS and HR functions, External Relations and Law Drafting. For further detail, see Service Analysis.

Senator Sir Philip Bailhache was elected as Jersey's first Minister for External Relations in 2013 given the need for the Island to take more responsibility for its own international relations rather than relying only on the UK government. The role will help to protect and promote Jersey's interests overseas.

The main objectives for the Department in 2013 were based upon providing support and advice to the Chief Minister, direction and leadership to the public services, and the conduct of the Island's external relations.

In furthering these aims, the Department's work in 2013 included:

- Progressing and preparing for further Public Sector Reform over the longer term, including work on e-Government and Workforce Modernisation.
- Policy work focused on population issues with the implementation of the Control of Housing and Work Law in July, resulting in a register of residents' details and the issuing of Registration cards.
- External Relations ensuring active engagement with the UK Prime Minister around the G8 Leader's Summit which focussed on trade, tax and transparency; and with UK political leaders as part of the Party Conferences. In addition, a London Office was established in order to maintain strengthened relations with Whitehall, Westminster and the City of London.
- Overseas visits were made to China, UAE, Washington, Madeira and France, and the Island received visits by the Latvian Ambassador, the French Ambassador, members of the UK Justice Select Committee, the Indonesian Minister for Law and Human Rights, the UK Secretary of State for Justice, the Caymanian Premier and the Minister of Financial Services, the Lord Mayor of London and the Danish Ambassador.
- Preparation for the Freedom of Information (Jersey) Law 2011 which will be implemented in early 2015, and the establishment of a team who will be responsible for advising on data management and security.



Future Developments

In 2014 the Chief Ministers Department will continue with developing and delivering e-Government, making public services more accessible and increasing the online presence of departments.

With the implementation of Freedom of Information in 2015, CMD will be working closely with other departments on the necessary preparations.

The focus will also be on Workforce Modernisation, Performance Management, Leadership Development and Lean Training.

External Relations will work with Guernsey to establish an office in Caen to represent both Islands' interests with the French authorities, with the Bureau des Iles Anglo-Normandes (BIAN) replacing the Bureau de Jersey to support relations in areas such as energy, fisheries, civil contingencies, transport links, tourism, education and language links, and business development.

Key Results

Performance against Near Cash Final Approved Budget

Near Cash Net Revenue expenditure is the amount that Accounting Officers are held accountable for.

KEY VARIANCES FROM BUDGET

	£'000
Public Sector Reform	1,003
Other Projects	852
Jersey Financial Services	181
Other Variances	119
Net Underspend	2,155

Most of the underspend is due to projects for which the whole budget has been allocated, but for which the work spans more than one year. This includes £1.0 million for Public Sector Reform (PSR) projects which span more than one year, and £0.8 million for other projects such as Freedom of Information (FOI) Implementation, Statistics Household Expenditure and the Safeguarding Partnership Board (SPB).

There was also a £0.2 million underspend in Jersey Financial Services (JFS), which was transferred from Economic Development Department (EDD) to Chief Ministers Department (CMD) in 2013.



Performance compared to 2012 (Total NRE)

The total of Near Cash and Non-Cash amounts represents the usage of resources by a department.

KEY VARIANCES FROM 2012

	£'000
2012 NRE	20,508
Financial Services	1,066
External Relations	960
HR	867
Policy	588
Other Variances	(338)
2013 NRE	23,651

Expenditure increased compared to 2012 by £3.1 million.

£1.0 million of expenditure related to the Financial Services Commission, transferred from EDD during 2013.

Within External Affairs there was a £1.0 million increase due to pump priming costs for the London Office and expenditure within the Bureau de Jersey.

HR spend increased by £0.9 million, mainly due to Public Sector Reform projects in HR spanning more than one year.

The £0.5 million increase within Policy relates mainly due to variations in expenditure on projects spanning more than one year, such as the Safeguarding Partnership Board which was transferred from HSS (Health and Social Services).

The remaining reduction in expenditure is due to minor variances across the department, for example one-off expenditure incurred by the CSR team in 2012.

Changes from Budget Voted in the Medium Term Financial Plan

RECONCILIATION OF 2013 MEDIUM TERM FINANCIAL PLAN TO FINAL APPROVED BUDGET

	£'000
MTFP 2013	19,370
Carry Forwards	2,294
Allocation of Contingency	4,741
Allocation of Additional Funding	70
Transfer to Capital	(1,829)
Departmental Transfers	1,247
Final Approved Budget	25,893

In 2013 adjustments to the original budget voted in the Medium Term Financial Plan totalling £6,522,645 were made.

£2.3 million was carried forward from 2012 to contribute towards funding pressures in External Relations, Human Resources, FOI Implementation and the Joint Safeguarding Board.

£4.7 million was allocated from contingency for various initiatives, including: the Public Sector Reform Agenda (£3.6 million); Senior Manager Training (£0.4 million), the London Office (£0.2 million) and pay awards (£0.2 million).

Other minor projects such as the Data Centre Migration project and the HR System Replacement Project Management costs also received funding allocations.

£0.07 million allocation of additional funding was received for attendance at Party Conferences in the United Kingdom.

£1.8 million was transferred to capital, including £1.7 million to support the Public Sector Reform Programme, E-Government, and smaller amounts for HR System Replacement project management costs.

Several Departmental transfers occurred during the year, including the transfer of Jersey Financial Services from EDD, the Safeguarding Partnership Board from Health and Social Services (HSS) and the transfer of the Customer Services Centre to other Departments.



Staff FTE

At the year end, the department employed the equivalent of 221.4 full time employees. This is an increase of 17.5 (8.5%) from 2012, and is mainly due to an increase in FTE in HR of 5.2, and also the transfers relating to Safeguarding Partnership Board (4.6 FTE) and Financial Services (5.0 FTE).

Service Analysis

Information Services

Actual 2012	Actual 2013	Budget 2013
£9.8 million	£9.8 million	£10.1 million

The net underspend within Information Services of £0.3 million within long term projects related to the FOI Implementation due to late recruitment. This is offset against a small overspend within other areas, mainly due to the implementation of VOIP, CRM and the Data Protection Review

Human Resources

Actual 2012	Actual 2013	Budget 2013
£4.6 million	£5.4 million	£6.7 million

An underspend of £1.3 million was mainly due to the long term projects surrounding Public Sector reform (£0.7 million). The remaining underspend was due to a combination of staff vacancies and reorganisation within the department which delayed commencement of projects in the year.

Policy Unit

Actual 2012	Actual 2013	Budget 2013
£2.7 million	£3.3 million	£3.7 million

There was a net underspend of £0.4 million against the final approved budget within the Policy Unit. This is due to the Safeguarding Partnership Board for which budget received in 2013 includes funding for 2014 & 2015.

The increased spend of £0.6 million against 2012 figures was mainly due to additional staff within the section in respect of the Safeguarding Partnership Board.



Other Services

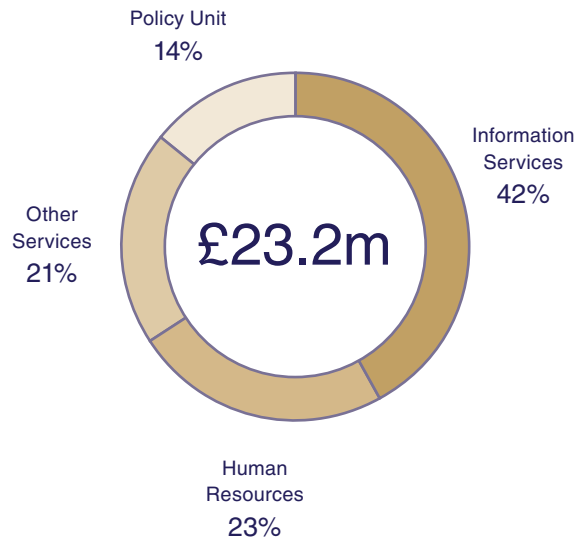
Actual 2012	Actual 2013	Budget 2013
£3.0 million	£4.7 million	£4.9 million

Other services include External Relations, Law Drafting, CSR and Financial Services.

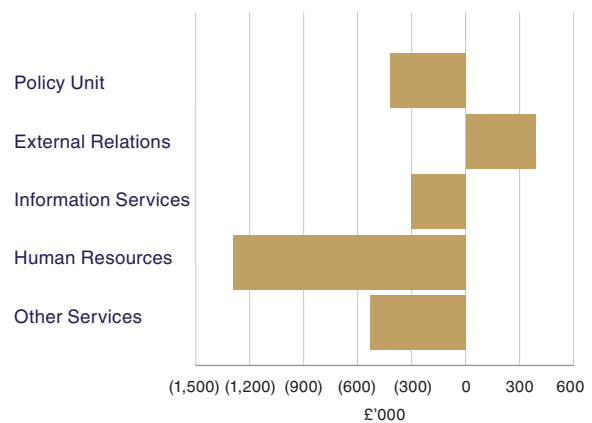
External Relations had an overspend against its final approved budget (£0.4 million) and actual compared to 2012 due to the Bureau de Jersey, which was originally due to be funded from income from the new Control and Housing and Work Law (CHWL) fees. Due to the delay in the implementation of this project the shortfall was met from other areas within the Department.

Jersey Financial Services showed an increase against 2012 expenditure due to its transfer from EDD in 2013.

Net Revenue Expenditure – Near Cash



Underspend Breakdown





Net Revenue Expenditure – Service Analysis

2013 Medium Term Financial Plan			2013 Final Approved Budget				2012 Actual			2013 Actual		
Near Cash £'000	Non- Cash £'000	Total £'000	Near Cash £'000	Non- Cash £'000	Total £'000		Near Cash £'000	Non- Cash £'000	Total £'000	Near Cash £'000	Non- Cash £'000	Total £'000
Policy Unit												
1,135	–	1,135	1,940	–	1,940	Chief Executive's Office	1,119	–	1,119	1,549	–	1,549
218	–	218	234	–	234	Communications Unit	195	–	195	238	–	238
613	–	613	628	–	628	Population Office	681	–	681	736	–	736
401	–	401	518	–	518	Statistics Unit	410	–	410	403	–	403
395	–	395	398	–	398	Economics Unit	314	–	314	375	–	375
10	–	10	10	–	10	Legislation Advisory Panel	3	–	3	9	–	9
2,772	–	2,772	3,728	–	3,728	Policy Unit	2,722	–	2,722	3,310	–	3,310
921	–	921	1,850	–	1,850	External Relations	1,277	–	1,277	2,238	–	2,238
843	–	843	1,048	–	1,048	Law Drafting Department	979	–	979	869	–	869
9,587	514	10,101	10,053	514	10,567	Information Services	9,768	360	10,128	9,751	428	10,179
4,655	–	4,655	6,738	–	6,738	Human Resources	4,579	–	4,579	5,446	–	5,446
78	–	78	715	–	715	Public Sector Reform	823	–	823	543	–	543
–	–	–	1,247	–	1,247	Financial Services	–	–	–	1,066	–	1,066
18,856	514	19,370	25,379	514	25,893	Net Revenue Expenditure	20,148	360	20,508	23,223	428	23,651



Financial Statements

Income

Actual 2012	Actual 2013	Budget 2013
£1.6 million	£2.2 million	£1.2 million

The largest income streams are recharges by Human Resources (HR) and Information Services (IS) to other departments.

In addition to this, income is also received through the Population Office for fees in respect of Registration and Inspection.

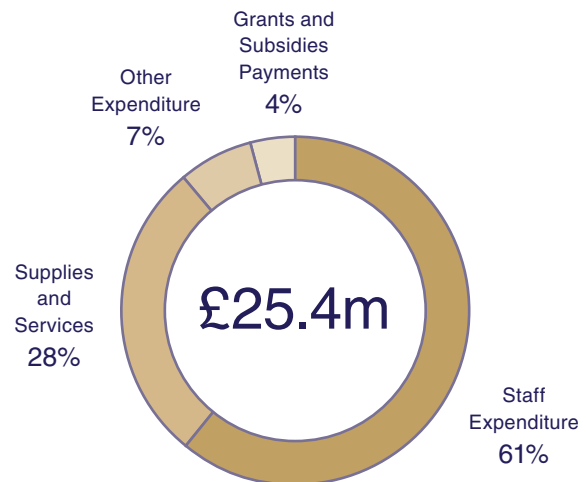
In 2013 the Control of Housing and Work Law accounts for the increase of income above that received in 2012 and also against the final approved 2013 budget.

MAJOR INCOME STREAMS

	£'000
HR/IS support to Departments	1,540
Population Office Fees	463
Other	187
Total Income	2,190

Near Cash Expenditure

NEAR CASH EXPENDITURE BREAKDOWN





Staff Expenditure

Actual 2012	Actual 2013	Budget 2013
£13.0 million	£15.5 million	£15.4 million

The increase in expenditure of £2.5 million compared to 2012 is mainly due to the transfer of Jersey Financial Services and also the Safeguarding Partnership Board.

In addition the reclassification of contract staff within ISD to Non-States staff and Human Resources posts relating to Public Sector Reform has also contributed to the increase in expenditure.

Supplies and Services

Actual 2012	Actual 2013	Budget 2013
£7.2 million	£7.6 million	£9.1 million

The £0.4 million increase in expenditure compared to 2012 was mainly due to transfer of the Jersey Financial Services and the Safeguarding Partnership Board.

The underspend of £1.6 million against the final approved budget is due to full funding received for projects spanning more than one year, for example Public Sector Reform.

Other Expenditure Lines

Actual 2012	Actual 2013	Budget 2013
£1.6 million	£2.3 million	£2.1 million

Other expenditure includes premises and maintenance, which increased from 2012 mainly due to Jersey Financial Services and the Safeguarding Partnership Board.

In addition the payments of grants increased due to Jersey Financial Services, the Bureau de Jersey and the London Office.

Non Cash Expenditure

Actual 2012	Actual 2013	Budget 2013
£0.4 million	£0.4 million	£0.5 million

The variance against budget within depreciation costs is due to delays within the HRIS replacement project.

Statement of Financial Position

There has been an investment in intangible assets, including the Migration Control Database the Microsoft Desktop Upgrade, Enterprise Systems Development and E-Government.



Statement of Comprehensive Net Expenditure

2013 MTFP £'000	2013 Final Approved Budget £'000		2012 Actual £'000	2013 Actual £'000
Revenue				
(293)	(293)	Duties, Fees, Fines and Penalties	(198)	(205)
(886)	(886)	Sales of Goods and Services	(1,355)	(1,985)
–	–	Other Income	(2)	–
(1,179)	(1,179)	Total Revenue	(1,555)	(2,190)
Expenditure: Near Cash				
13,098	15,377	Staff Expenditure	13,020	15,508
5,495	9,131	Supplies and Services	7,163	7,554
508	547	Administrative Expenditure	512	655
541	525	Premises and Maintenance	554	636
1	1	Other Operating Expenditure	3	10
392	977	Grants and Subsidies Payments	451	1,046
–	–	Impairments of Financial Assets	–	4
20,035	26,558	Total Expenditure: Near Cash	21,703	25,413
18,856	25,379	Net Revenue Expenditure: Near Cash	20,148	23,223
Non Cash Amounts				
514	514	Depreciation and Amortisation	360	428
514	514	Total Non Cash Amounts	360	428
19,370	25,893	Net Revenue Expenditure	20,508	23,651



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	797	363	224
Intangible Assets	1,114	2,082	4,406
Total Non-Current Assets	1,911	2,445	4,630
Current Assets			
Trade and Other receivables	341	267	553
Total Current Assets	341	267	553
Total Assets	2,252	2,712	5,183
Current Liabilities			
Trade and Other Payables	(1,438)	(1,394)	(2,116)
Provisions for liabilities and charges	–	(30)	–
Total Current Liabilities	(1,438)	(1,424)	(2,116)
Assets Less Liabilities	814	1,288	3,067
Taxpayer's Equity			
Accumulated Revenue Reserves	814	1,288	3,067
Total Taxpayer's Equity	814	1,288	3,067



Key Performance Indicators

British-Irish Council Leader's Summit

Performance

A total of 19 Ministers attended from all the BIC administrations. The choice of location, professional organisation of the Summit and the value of the discussions held were widely noted by the visiting administrations. Delegates also commented on the added value of promoting and highlighting the history and culture of Jersey.

Why it is important

The British-Irish Council Leader's Summit meets on two occasions each year. Summits are hosted by the eight BIC member administrations on a rotation basis which therefore requires Jersey to host a Summit meeting once every four years. Summit meetings are events of national and international significance. The Summit in Jersey was attended by the Irish Prime Minister, the UK Secretary of State for Northern Ireland and leading Ministers from the devolved administrations and Crown Dependencies. It was important for Jersey's international standing and reputation that the Island hosted a professional, secure and successful summit.

What was achieved

Jersey hosted a successful summit meeting on 14 and 15 November 2013 at the L'Horizon Hotel in St Brelade. The British-Irish Council continues to play a unique and important role in furthering, promoting and developing links between member administrations through positive, practical relationships and in providing a forum for consultation and exchange of information in matters of mutual interest. During the meeting, the Council discussed the current economic situation in the Member Administrations with a particular focus on youth employment. Ministers representing Jersey were able to highlight the success of the Island's Advance to Work scheme. The Council also considered and approved a two-year work programme for the Creative Industries work sector which is to be led by the Government of Jersey.

In addition, the Summit provided the opportunity for Jersey to promote a greater understanding among the visiting Ministers and Officials of the Island's history and culture. Efforts in this regard included, at the conclusion of the Summit dinner, a reading in Jersey French from Wace's Roman de Rou and a performance by Gabriella Cassidy, a young local opera singer about to embark on a professional career.



Changes in the overall population and inward migration

Why is it important

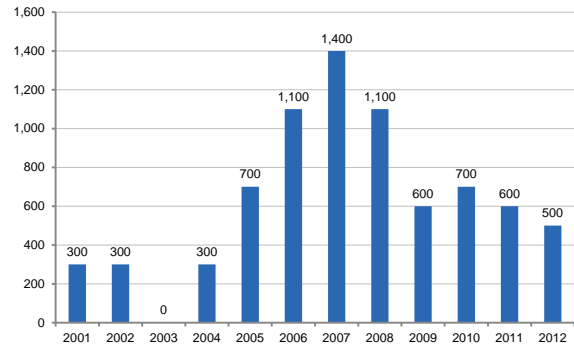
Jersey is a small island with finite space and resources. Any increase to the population as a result of natural growth (births over deaths) or inward migration must be carefully balanced to ensure the sustainability of the environment, economy and provision of public services.

What was achieved

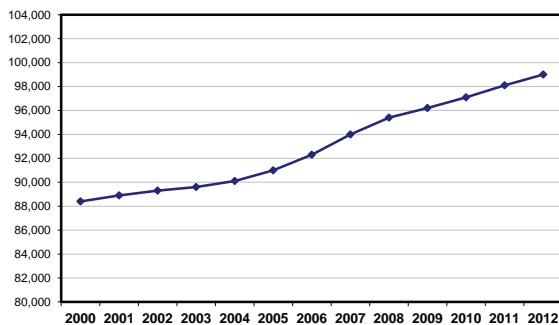
The rate of net immigration has reduced in recent years from a peak of 1,400 in 2007 to 500 in 2012. However, the introduction of a new Control of Housing and Work Law will enable net immigration to be much better managed to achieve States immigration, economic and unemployment objectives, notably, by providing more effective compliance powers and more timely information on actual immigration and population trends, including how many people arrive and how many people leave the island.

These more effective controls and achieving related objectives is a priority area.

NET MIGRATION INTO THE ISLAND



TOTAL POPULATION







Jersey Overseas Aid Commission

The JOAC is an independent body within the responsibilities of the Chief Minister. The objectives of JOAC are to manage and administer the monies voted annually by the States of Jersey for overseas aid.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£9,181,858

3.4% increase
from 2012

£151,330

1.7% underspend
against Near Cash
Final Approved Budget



Overview

In 2013, the Commission received applications which totalled in excess of £10 million from its approved agencies and had to reject many worthy projects due to its budget limits. The Commission also received additional funding enquiries from over 50 other organisations.

Most of the expenditure in 2013 was by way of direct grants to 49 agencies, both large and small, with all grants based on the individual merits of projects covering clean water, health, sanitation, education, agriculture, livestock, and revolving credit schemes for small businesses.

The Commission allocated over £1.9 million to emergency relief projects and made exceptional grants to its standard policy in response to Typhoon Haiyan and the ongoing humanitarian crisis in Syria.

Community Work Projects were organised to Uganda, Bangladesh and Malawi, involving 34 volunteers at a net cost inclusive of materials and equipment of £168,775.

A total of 13 applications were approved for grants made to local organisations for aid projects overseas. Some charities, with an established record of project implementation with the Commission, were awarded grants covering the total funding required, whilst others were awarded grants on the basis of matching pound for pound on monies fundraised by the submitting organisation itself.

Administration costs remained low at £92,139, showing a reduction of over £6,000 when compared to the previous year.

Changes from Budget Voted in the Medium Term Financial Plan

RECONCILIATION OF 2013 MEDIUM TERM FINANCIAL PLAN TO FINAL APPROVED BUDGET

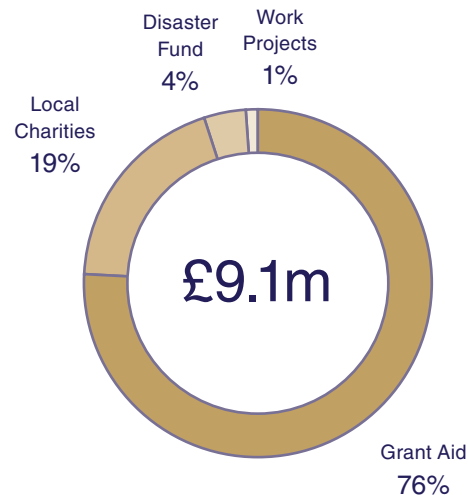
	£'000
MTFP 2013	9,324
Carry Forwards	8
Allocation of Contingency	1
Final Approved Budget	9,333

In 2013 adjustments to the original budget voted in the Medium Term Financial Plan totalling £9,088 were made. This amount represents the small underspend £7,692 carried forward from 2012, and a transfer from the Central Contingency Fund of £1,396 associated with the costs relating to the 2013 pay award.

Staff FTE

At the year end the department employed the equivalent of 1.5 full time employees. There is no change from 2012.

Total Grants Awarded



Statement of Comprehensive Net Expenditure

2013 MTFP £'000	2013 Final Approved Budget £'000		2012 Actual £'000	2013 Actual £'000
Expenditure: Near Cash				
75	76	Staff Expenditure	82	78
13	21	Supplies and Services	12	9
2	2	Administrative Expenditure	5	5
9,234	9,234	Grants and Subsidies Payments	8,779	9,090
9,324	9,333	Total Expenditure: Near Cash	8,878	9,182
9,324	9,333	Net Revenue Expenditure	8,878	9,182



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Current Assets			
Trade and Other receivables	–	–	72
Total Current Assets	–	–	72
Total Assets	–	–	72
Current Liabilities			
Trade and Other Payables	(102)	(74)	(385)
Total Current Liabilities	(102)	(74)	(385)
Assets Less Liabilities	(102)	(74)	(313)
Taxpayer's Equity			
Accumulated Revenue Reserves	(102)	(74)	(313)
Total Taxpayer's Equity	(102)	(74)	(313)



Economic Development Department

Economic Development works to increase the performance of the local economy, encourage economic diversification and improve job opportunities for local people.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£17,015,416

1.6% decrease
from 2012

£1,136,722

6.3% underspend
against Near Cash Final
Approved Budget



Minister's Overview

The recent global financial crisis has led to economic turmoil in Europe and the US on an unprecedented scale. It is clear from all economic indicators that Jersey has not been immune from the effects of global downturn. Furthermore, it would have been unwise to expect a repeat of the conditions that underpinned past economic success.

Over the past year the Department has prioritised its work and resources against the following strategic aims:

1. Encourage innovation and improve Jersey's international competitiveness
2. Grow and diversify the financial services sector, capacity and profitability
3. Create new businesses and employment in high value sectors
4. Raise the productivity of the whole economy and reduce the reliance on inward migration

There have been many successes against the above. These include:

- Working with the key stakeholders and with input from the finance industry which resulted in The Financial Services Sector Review.
- Establishing the Jersey Innovation Fund to encourage and support investment into innovation.
- Investing in Jersey Business Limited. A newly established business support and advisory service strengthening its support team and services to encourage the growth of local enterprises.
- Introducing and supporting new skills and workforce development initiatives – the Skills Accelerator Scheme.
- Increasing investment into Locate Jersey with additional staff and resources

Future Developments

The Economic Development Department aims to deliver growth, improve competitiveness, diversify the local economy and create employment.

We contribute towards achieving the vision set out in the States Strategic Plan, in particular, to create a strong and sustainable economy. The key Strategic Priority that the Department aims to deliver is to get people into work. In addition, the Department also has a role in contributing towards managing population growth and immigration through its strategy and policy development.

The overarching framework that governs the work of the Department is the Economic Growth and Diversification Strategy which sets out the key objectives for the Department and these are reflected in the annual business plan. The Department will continue to manage a range of regulatory functions which include: the administration of the Shipping Law; consumer protection legislation; Sunday trading legislation; tourism-related legislation; agriculture-related legislation; and Broadcasting legislation. The new Aircraft Registry and the Financial Ombudsman will be established in 2014.

As the economy recovers it is important that we maintain the regulatory environment for businesses to prosper in.

One of the key challenges is growth delivery within the new interim migration population policy. This will result in the Department taking a much more targeted approach prioritising resources towards high value business across all sectors. This is an important step change in the Department's approach but absolutely essential if it is to meet its objectives.



Key Results

Performance against Near Cash Final Approved Budget

Near Cash Net Revenue expenditure is the amount that Accounting Officers are held accountable for.

KEY VARIANCES FROM BUDGET

	£'000
Policy and Regulation	542
Skills	365
Economic Growth & Diversification	199
Other Variances	31
Net Underspend	1,137

Overall the department had a net underspend of £1,136,722 (6.3%) against Near Cash Final Approved Budget.

This was mostly due to the underspend in the Policy and Regulation area of £0.5 million which resulted in higher than expected receipts from Ofcom and delays in the development of Intellectual Property regulations.

A delay in the launch of a new grant scheme and the phasing out of the old Apprenticeship Scheme led to an underspend of £0.4 million in the Skills area. The slippage in Economic Growth and Diversification is mainly due to a delay in legislation. These are discussed in more detail under the Service Analysis.

Performance compared to 2012 (Total NRE)

The total of Near Cash and Non-Cash amounts represents the usage of resources by a department.

KEY VARIANCES FROM 2012

	£'000
2012 NRE	17,298
Financial Services	(766)
Economic Growth & Diversification	284
Policy and Regulation	250
Other Services	(51)
2013 NRE	17,015

The decrease in Net Revenue Expenditure (NRE) from 2012 to 2013 was £284,043 (1.6%). There was a decrease in Financial Services (£0.8 million) mainly due to additional funding received from Contingency in 2012 in respect of the additional grant to Jersey Finance Limited for research. This was offset by an increased expenditure in Economic Growth and Diversification (£0.3 million) and Policy and Regulation (£0.3 million) which are discussed in more detail under the Service Analysis.



Changes from Budget Voted in the Medium Term Financial Plan

RECONCILIATION OF 2013 MEDIUM TERM FINANCIAL PLAN TO FINAL APPROVED BUDGET

	£'000
MTFP 2013	18,259
Carry Forwards	913
Allocation of Contingency	92
Allocation of Additional Funding	34
Departmental Transfers	(1,143)
Final Approved Budget	18,155

In 2013 adjustments to the original budget voted in the Medium Term Financial Plan totalling £103,662 were made. This amount includes funds carried forward from 2012 to 2013 (£0.9 million) to contribute to Tourism, Inward Investment and other departmental funding pressures.

The Departmental transfer mainly relates to the transfer of Financial Services (excluding Jersey Finance Limited) to Chief Minister's Department (£1.0 million) and the management of Bureau de Jersey (£0.1 million).

Staff FTE

At the year end the department employed the equivalent of 57.9 full time employees. This is an increase of 1.8 (3.2%) from 2012, and is due to the recruitment in 2013 of vacancies at the end of 2012.

Service Analysis

Policy and Regulation

Actual 2012	Actual 2013	Budget 2013
£1.3 million	£1.6 million	£2.1 million

The underspend of £0.5 million (25.8%) is the result of unexpected Ofcom income of £480,659 towards the end of 2013, together with delays in the area of Intellectual property development (£0.1 million).

The £0.3 million increase in expenditure compared with 2012 is mainly due to additional Digital economy and Consumer Affairs resource, and smaller increases in IT investment and research for the Shipping Registry, the grant to Channel Islands Competition and Regulatory Authority and costs to establish an Aircraft Registry.

Economic Growth and Diversification

Actual 2012	Actual 2013	Budget 2013
£2.3 million	£2.5 million	£2.7 million

There was an underspend of £199,109 (7.3%) mainly due to the delay in legislation for the development of Renewable Energy and E-Commerce (£122,950). There was also a delay in the production of marketing materials for Inward Investment (£56,350).

The increase in expenditure compared to 2012 (£283,063) is primarily due to an increase in the grant to Digital Jersey (£500,847) offset by grants for Canbedone (£150,000) and Bureau de Jersey (£75,000) not repeated in 2013.



Skills

Actual 2012	Actual 2013	Budget 2013
£0.4 million	£0.2 million	£0.6 million

A delay in the launch of a new Skills Accelerator scheme (£0.2 million) and the phasing out of the old Apprenticeship Scheme (£0.1 million) were the main reasons for an underspend of £0.4 million (65.4%) in the Skills area.

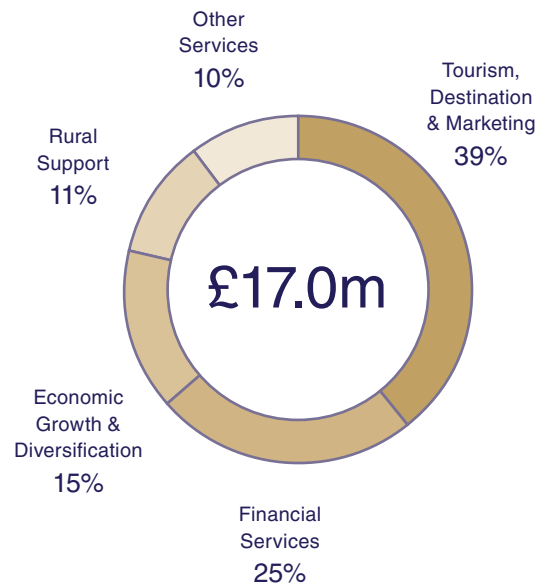
The decrease in expenditure compared to 2012 is primarily due to the reduction of Apprenticeship grants paid in the old scheme (£0.1 million) and extra Stimulus funding for Apprenticeship grants in 2012 (£0.1 million).

Financial Services

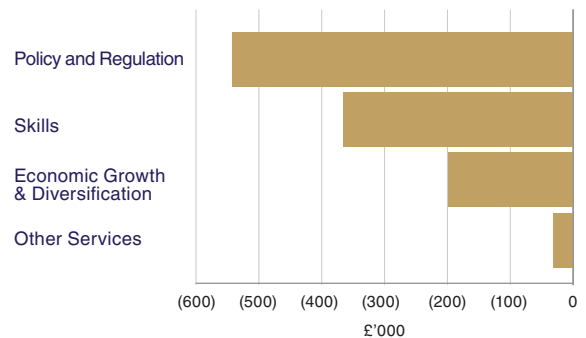
Actual 2012	Actual 2013	Budget 2013
£4.9 million	£4.2 million	£4.2 million

Financial Services expenditure was on budget. The decrease in expenditure compared to 2012 is due to a reduction in the grant paid to Jersey Finance Limited due to an exceptional item in 2012.

Net Revenue Expenditure – Near Cash



Underspend Breakdown



Net Revenue Expenditure – Service Analysis

2013 Medium Term Financial Plan			2013 Final Approved Budget				2012 Actual			2013 Actual		
Near Cash £'000	Non- Cash £'000	Total £'000	Near Cash £'000	Non- Cash £'000	Total £'000		Near Cash £'000	Non- Cash £'000	Total £'000	Near Cash £'000	Non- Cash £'000	Total £'000
Economic Growth & Diversification												
600	–	600	600	–	600	Enterprise Support	765	–	765	614	–	614
1,913	–	1,913	2,136	–	2,136	Investment and Diversification	1,488	–	1,488	1,923	–	1,923
2,513	–	2,513	2,736	–	2,736	Economic Growth & Diversification	2,253	–	2,253	2,537	–	2,537
Tourism, Destination & Marketing												
1,085	–	1,085	1,086	–	1,086	Joint Marketing	1,118	–	1,118	959	–	959
3,693	–	3,693	3,979	–	3,979	Destination Marketing and Communication	4,077	–	4,077	4,090	–	4,090
631	–	631	653	–	653	Events	740	–	740	705	–	705
124	–	124	124	–	124	Research and Statistics	99	–	99	91	–	91
321	–	321	324	–	324	Visitor Services	320	–	320	278	–	278
500	–	500	500	–	500	Tourism Development Fund	–	–	–	500	–	500
6,354	–	6,354	6,666	–	6,666	Tourism, Destination & Marketing	6,354	–	6,354	6,623	–	6,623
Policy and Regulation												
300	–	300	300	–	300	Competition Law	303	–	303	335	–	335
621	3	624	668	3	671	Consumer Affairs/Trading Standards	545	4	549	681	–	681
–	–	–	–	–	–	Gambling Legislation and Control	39	–	39	–	–	–
–	–	–	–	–	–	Regulation of Undertakings	106	–	106	–	–	–
334	–	334	351	–	351	Rural Sector	382	–	382	475	–	475
494	–	494	777	–	777	Policy & Regulatory Services	(75)	–	(75)	63	–	63
1,749	3	1,752	2,096	3	2,099	Policy and Regulation	1,300	4	1,304	1,554	–	1,554
Rural Support												
882	–	882	882	–	882	Single Area Payment	952	–	952	863	–	863
744	–	744	744	–	744	Dairy Service Support Payment	732	–	732	711	–	711
278	–	278	276	–	276	Rural Initiative	310	–	310	320	–	320
53	–	53	53	–	53	General Support	55	(5)	50	48	–	48
1,957	–	1,957	1,955	–	1,955	Rural Support	2,049	(5)	2,044	1,942	–	1,942
Skills												
589	–	589	559	–	559	Training and Workforce Development	412	–	412	194	–	194
589	–	589	559	–	559	Skills	412	–	412	194	–	194
Financial Services												
5,094	–	5,094	4,140	–	4,140	Finance Sector	4,931	–	4,931	4,165	–	4,165
5,094	–	5,094	4,140	–	4,140	Financial Services	4,931	–	4,931	4,165	–	4,165
18,256	3	18,259	18,152	3	18,155	Net Revenue Expenditure	17,299	(1)	17,298	17,015	–	17,015



Financial Statements

Income

Actual 2012	Actual 2013	Budget 2013
£2.1 million	£2.0 million	£1.9 million

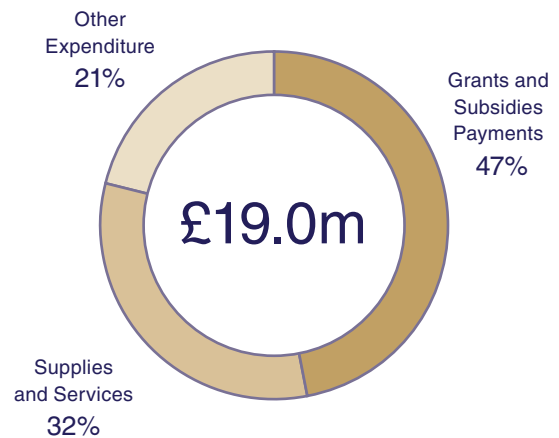
The small overachievement against budget is mainly due to higher than expected income from lottery ticket sales commission in Trading Standards. The decrease of income compared to 2012 is due to a slight reduction of income from Ofcom in respect of Wireless Telegraphy Licence fees and a reduction of Tourism marketing income.

MAJOR INCOME STREAMS

	£'000
Licences and Registrations	1,103
Ofcom	484
Marketing and Advertising	266
Other	124
Total Income	1,977

Near Cash Expenditure

NEAR CASH EXPENDITURE BREAKDOWN



Grants and Subsidies Payments

Actual 2012	Actual 2013	Budget 2013
£8.5 million	£9.0 million	£8.9 million

There was a slight overspend against budget. The increase compared to 2012 of £0.5 million is due to additional grants made to:

- Digital Jersey – £500,847
- Tourism Development Fund – £500,000 (not made in 2012)
- Jersey Finance Limited – £305,903 and
- Jersey Dairy – £100,000 towards a Flexifill machine

offset by a reduction in grants to:

- Canbedone Limited – £150,000 (not made in 2013)
- Apprenticeship Schemes £171,736 from the old scheme which is winding down and Stimulus funding £102,071 in 2012
- Jersey Financial Services Commission £248,965 transferred to Chief Minister's Department (CMD) in 2013



Supplies and Services

Actual 2012	Actual 2013	Budget 2013
£6.5 million	£6.1 million	£7.1 million

Supplies and Services were £1.0 million under budget mainly due to unexpected income from Ofcom (£0.5 million) received late in the year and which will be carried forward to 2014. There were also underspends in Intellectual property development (£100,000) and the Diversification for Renewable Energy and E-commerce budget due to delays in legal advice (£0.3 million) and slippage in other areas as discussed previously.

The £0.4 million decrease in expenditure compared to 2012 was mainly due to the transfer of Financial Services to CMD.

Other Expenditure

Actual 2012	Actual 2013	Budget 2013
£4.4 million	£3.9 million	£4.0 million

The decrease in other expenditure compared with 2012 (£470,524) is mainly due to a reduction in staff costs due to the transfer of Financial Services staff to CMD (£422,841) and other small variances in other areas.



Statement of Comprehensive Net Expenditure

2013 MTFP £'000	2013 Final Approved Budget £'000		2012 Actual £'000	2013 Actual £'000
Revenue				
(668)	(849)	Duties, Fees, Fines and Penalties	(873)	(845)
(981)	(981)	Sales of Goods and Services	(1,153)	(1,039)
(75)	(75)	Other Income	(105)	(93)
(1,724)	(1,905)	Total Revenue	(2,131)	(1,977)
Expenditure: Near Cash				
3,852	3,350	Staff Expenditure	3,744	3,444
6,288	7,094	Supplies and Services	6,542	6,119
252	259	Administrative Expenditure	308	230
390	358	Premises and Maintenance	336	236
61	61	Other Operating Expenditure	4	11
9,137	8,935	Grants and Subsidies Payments	8,496	8,952
19,980	20,057	Total Expenditure: Near Cash	19,430	18,992
18,256	18,152	Net Revenue Expenditure: Near Cash	17,299	17,015
Non Cash Amounts				
3	3	Depreciation and Amortisation	4	2
–	–	Gains on Disposal of Non-Current Assets	(5)	(2)
3	3	Total Non Cash Amounts	(1)	–
18,259	18,155	Net Revenue Expenditure	17,298	17,015



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	10	6	2
Total Non-Current Assets	10	6	2
Current Assets			
Inventories	113	100	104
Trade and Other receivables	155	226	62
Cash and Cash Equivalents	4	3	3
Total Current Assets	272	329	169
Total Assets	282	335	171
Current Liabilities			
Trade and Other Payables	(2,107)	(2,265)	(1,353)
Total Current Liabilities	(2,107)	(2,265)	(1,353)
Total Assets Less Current Liabilities	(1,825)	(1,930)	(1,182)
Non-Current Liabilities			
Provisions for liabilities and charges	(243)	(187)	(187)
Total Non-Current Liabilities	(243)	(187)	(187)
Assets Less Liabilities	(2,068)	(2,117)	(1,369)
Taxpayer's Equity			
Accumulated Revenue Reserves	(2,068)	(2,117)	(1,369)
Total Taxpayer's Equity	(2,068)	(2,117)	(1,369)



Key Performance Indicators

Number of staying leisure visitors

Why it is important?

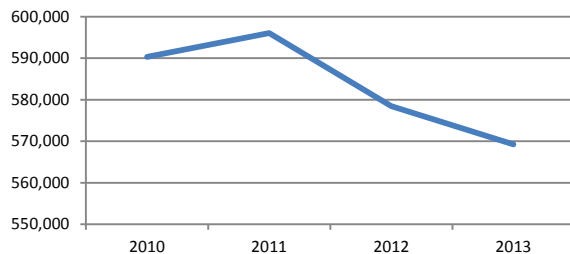
The tourism sector generates significant direct and indirect value to the local economy. The sector employs over 6000 people and the GST generated by leisure visitors totals circa £10 million per annum.

Note: figures exclude number of business visitors

What was achieved

Growth in leisure visitors from European source markets continue whilst the UK is declining in some market segments. The off season from the UK has declined more than the high season. The overall trend of leisure visitors has declined as shown in the graph below.

LEISURE VISITORS



The number of High Net Worth Individuals (HNWI) moving to Jersey

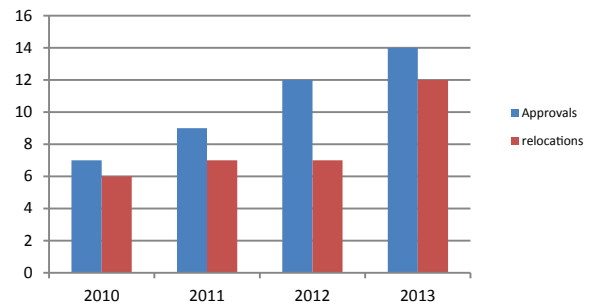
Why it is important? (Figures are: Jan–Dec 2013)

Attracting economically active high net worth individuals forms part of the inward investment strategy. In addition to the income tax paid HNWI contribute to the local economy through stamp duty, indirect taxes, spend in the community, and investment into local enterprise.

What was achieved Jan-Dec 2013

In 2013 the number of high net worth approvals was 14 and in that year, 12 HNWI individuals relocated to the island.

HNWI RELOCATING TO JERSEY







Education, Sport and Culture Department

Education, Sport and Culture provides educational, sporting and cultural opportunities which begin at nursery and continue into retirement. This supports our commitment to encourage lifelong learning to enable everyone to realise their potential.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£106,908,879

3.6% increase
from 2012

£3,958,677

3.6% underspend
against Near Cash Final
Approved Budget



Minister's Overview

As well as continuing to meet the challenges of core service provision in 2013, Education, Sport and Culture launched a number of initiatives designed to enhance education and bring benefits to the wider community.

Funding had previously been agreed for a new IT strategy for schools and this was launched to much acclaim in October 2013. 'Thinking Differently' will revitalise how IT is taught in our schools so that we put our children in a position to master new technology in a creative, innovative way. It encourages them to develop the 21st century skills and aptitudes they need to meet future challenges and careers.

The first Sports Strategy for over a decade was published following an extensive public consultation. 'Fit For The Future' highlighted the social and health benefits of a physically active community. It stimulated a public debate and provided the impetus for the States to approve additional funding for sports infrastructure so that the Island is well prepared to host the NatWest Island Games in 2015 and has a lasting legacy in terms of facilities for islanders.

The pressures created by economic uncertainty and high unemployment continue to affect the work of the department. Alongside the States Back To Work initiatives, we have continued to develop the Trackers Apprentice Programme to help fill workforce skills gaps. As well as an excellent retention rate, Trackers has reached its target number of clients a year ahead of schedule so further expansion will take place.

In addition to these areas, Education, Sport and Culture continued to support the successful work of the arts, heritage and sport sectors as well as the Jersey Youth Service, which completed the first phase of its move to the newly refurbished St James centre in 2013.

Future Developments

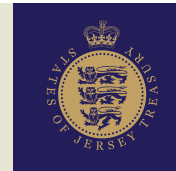
All sections of Education, Sport and Culture will continue to focus on the delivery of quality services despite facing the ongoing dual challenges of high unemployment and rising student numbers.

One of the main focuses for the Department in 2014 will be the curriculum and new GCSE exams. As changes come into force in the UK, the Jersey Curriculum will have to be updated to ensure our students are not disadvantaged. The maths review undertaken in 2013 will be followed by a similar investigation of English in order to maintain the drive towards school progress.

During 2014, projects will get underway to prepare our school buildings for the changing demographics previously highlighted in the Department's forward planning. Construction will start at five States primary schools this summer in order to provide for the extra children coming through. Looking ahead, a feasibility study will continue to investigate options for a new Les Quennevais secondary school.

Changes to the organisation of special needs services will be implemented across the primary and secondary sectors this year. Construction will also start on a new unit at Haute Vallee secondary school. This will ensure that autistic spectrum pupils have the specialist facilities they need in order to succeed in education.

The current cap on UK university tuition fees comes to an end in July 2015 and we are awaiting news of what future arrangements will be. Increases could have significant implications for the Department's financial position going forward.



Key Results

Performance against Near Cash Final Approved Budget

Near Cash Net Revenue expenditure is the amount that Accounting Officers are held accountable for.

KEY VARIANCES FROM BUDGET

	£'000
Schools and Colleges	
Non Fee Paying Provided	1,552
Fee Paying Provided	735
Culture and Lifelong Learning	
Higher Education	863
Other Variances	809
Net Underspend	3,959

The underspend amounting to 3.6% of Final Approved Budget primarily reflects the arrangement for Delegated Financial Management that allows Non Fee Paying Provided Primary and Secondary schools to carry forward funds to manage the differential between the academic and financial year. School funding is determined largely by pupil numbers which can fluctuate and have a significant impact on budgets. Allowing schools to carry forward underspends enables them to more effectively manage these changes over a longer period and plan for projects e.g. decoration.

Fee Paying Provided schools comprise Victoria College, Victoria College Prep, Jersey College for Girls and Jersey College for Girls Prep. The same Delegated Financial Management principle applies to Fee Paying Provided schools, which together with prudent planning and spending provides the schools with the ability to manage minor school improvement works and minimise fee increases in future years.

Higher Education university grants to students depend on a combination of factors including household income, universities and courses chosen. Whilst student numbers attending university has remained constant at about 1,400 there has been a notable increase in the number of students (from 44 in 2011 to 120 in 2013) opting for the comparatively cheaper courses being offered by the University Centre at Highlands College resulting in lower than anticipated growth in grant payments.

Performance compared to 2012 (Total NRE)

The total of Near Cash and Non-Cash amounts represents the usage of resources by a Department.

KEY VARIANCES FROM 2012

	£'000
2012 NRE	103,346
Procurement Savings	(701)
Pay Awards	1,664
Ad Hoc Grants	1,084
Social Benefit Payments	798
Other Variances	870
2013 NRE	107,061

Procurement savings of £0.7 million were deducted from the Department's 2013 budget representing its contribution to corporate procurement savings in relation to insurance, managed print and utility costs.

The pay award of £1.7 million represents the 1% consolidated and 1% non-consolidated increases awarded in 2013.

Ad hoc grants relate to one off payments to the Jersey Heritage Trust of £738,000 for the purchase and restoration of the coin hoard found in Grouville in 2012, £306,300 invest to save grant to FCJ Primary school for building works to increase the capacity of the school and £40,000 to the Jersey Arts Trust to fund cultural diplomacy and artistic activities.

Social Benefit payments, which represent student university grants, increased by £0.8 million as a result of the full year impact of UK university tuition fee increases in September 2012 to £9,000 per year. The number of Jersey students accessing higher education remained largely unchanged at about 1,400 in 2013.

Other variances relate to initiatives launched following the economic recession, including the Trackers Apprentice Programme and increased places at Highlands College.



Changes from Budget Voted in the Medium Term Financial Plan

RECONCILIATION OF 2013 MEDIUM TERM FINANCIAL PLAN TO FINAL APPROVED BUDGET

	£'000
MTFP 2013	104,551
Carry Forwards	3,633
Allocation of Contingency	3,024
Transfer to Capital	(163)
Departmental Transfers	40
Final Approved Budget	111,085

In 2013 adjustments to the original budget voted in the Medium Term Financial Plan totalling £6,533,556 were made, representing:

Carry forwards of £3.6 million from the 2012 Departmental underspend mainly in relation to Delegated Financial Management for schools and colleges and higher education growth,

Allocations from Contingency include £1.7 million for costs associated with the 1% consolidated and 1% non-consolidated pay awards for 2013; £738,000 to enable the Jersey Heritage Trust to acquire and restore the coin hoard and other precious metals discovered in Grouville in June 2012; £315,000 grant to the Jersey Heritage Trust to cover the shortfall in the annual refreshment and refurbishment fund and £306,300 from the Restructuring Provision to fund building works at FCJ Primary school to increase the capacity of the school.

Transfers from revenue to capital were made to comply with GAAP rules on capital expenditure covering a range of items, including the purchase of a caretakers van for Victoria College Prep, a CNC router for Jersey College for Girls and Victoria College and future minor capital programme at Victoria College.

Departmental transfers of £20,000 from the Economic Development Department and £20,000 from the Chief Minister's Department were received by the Department for the Jersey Arts Trust to fund cultural diplomacy and artistic activities for the benefit of the Islands' International profile.

Staff FTE

At the year end the Department employed the equivalent of 1,589.3 full time employees. This is an increase of 52.8 (3.4%) from 2012, and is due to the recruitment of mentors for the Trackers Apprentice Programme introduced in 2013, the conversion of Highlands College zero hours lecturers to permanent status and the change to full time permanent status for zero hours contracts, a trend which is likely to increase the Department's full time equivalent numbers further in 2014.



Service Analysis

Non Fee Paying Provided Schools

Actual 2012	Actual 2013	Budget 2013
£60.4 million	£62.1 million	£63.6 million

Non Fee Paying Provided or States schools comprise: 17 Nursery, 22 Primary, 5 Secondary and 3 Special Needs schools (including UK placements) together with the Jersey Music service with a total annual near cash budget in 2013 of £63.6 million

There has been a significantly increase in the number of pupils in States schools over the year especially in Primary schools where numbers have increased by 110 to 5,169. Overall numbers (excluding nursery) total 8,681.

The spending increase over 2012 of £1.7 million (2.7%) is mostly due to the 1% consolidated and 1% non-consolidated pay awards and non-staff inflation.

The net underspend of £1.5 million (2.4%) against Final Approved Budget is due to the Delegated Financial Management arrangements in place for schools.

Culture, Heritage and Libraries

Actual 2012	Actual 2013	Budget 2013
£6.3 million	£7.0 million	£7.2 million

Culture, Heritage and Libraries expenditure includes: grants to Jersey Heritage Trust, Jersey Opera House, Jersey Arts Trust and Jersey Arts Centre together with the Island's Public Library with a near cash budget in 2013 of £7.2 million.

The spending increase over 2012 represents an additional one-off grant to the Jersey Heritage Trust of £738,000 to fund the purchase of the coin hoard as previously referred to.

The small net underspend against Final Approved Budget reflects efficiency savings made in the Public Library due to delays in recruitment and projects pending the appointment of a new Chief Librarian.

Further and Higher Education

Actual 2012	Actual 2013	Budget 2013
£18.9 million	£20.4 million	£21.7 million

Further and Higher Education expenditure includes: Highlands College, Skills Board, the Trackers Apprentice Programme and the provision of Higher Education grants for students attending university with total annual near cash budgets in 2013 of £21.7 million.

The spending increase over 2012 of £1.5 million represents an increase in Higher Education grants of £0.8 million resulting from the universal increase in UK tuition fees to £9,000 per year as previously discussed, the launch of the Trackers training and education initiative, at a cost of £0.4 million, which has already almost reached its October 2014 enrolment target of 120 apprentices and Highlands College which in addition to pay awards and non-staff inflation increases incurred additional costs in converting zero hours lecturers to permanent status.

The net underspend of £1.3 million against Final Approved Budget represents saving on Higher Education £0.9 million due its dependence not only on the number of students attending university but also the universities and courses chosen which can vary in cost. Highlands College was also underspent as a result of increased income on the degree courses offered locally with more student enrolments than budgeted.



Sports Division

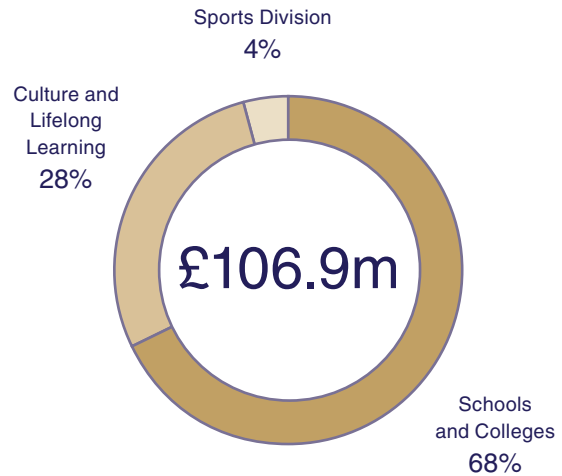
Actual 2012	Actual 2013	Budget 2013
£4.2 million	£4.2 million	£4.3 million

Sports Division expenditure includes: 3 main sports centres with a variety of sports facilities and playing fields spread throughout the Island. The division also has responsibility for sports development, grants, and community sports with a total annual near cash budget in 2013 of £4.3 million. A new five year strategy for sport and physical activity 'Fit for the Future' was launched in October 2013.

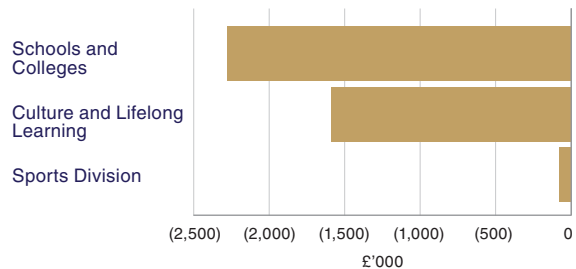
Spend for 2013 was unchanged from 2012 but masks a notable increase in utility costs over the previous year offset by an increase in sports income, through a combination of increased participation and price rises.

In continued challenging economic times, Active Card income remains buoyant at £1.9 million (2012: £1.8 million) and the centres continue to attract in excess of 1.2 million visits per year.

Net Revenue Expenditure – Near Cash



Underspend Breakdown



Net Revenue Expenditure – Service Analysis

2013 Medium Term Financial Plan			2013 Final Approved Budget				2012 Actual (Restated)			2013 Actual		
Near Cash £'000	Non- Cash £'000	Total £'000	Near Cash £'000	Non- Cash £'000	Total £'000		Near Cash £'000	Non- Cash £'000	Total £'000	Near Cash £'000	Non- Cash £'000	Total £'000
Schools and Colleges												
Non Fee Paying Provided Schools												
3,628	–	3,628	3,726	–	3,726	Pre-School Education	3,504	–	3,504	3,599	–	3,599
24,752	34	24,786	25,842	34	25,876	Primary Education	24,266	7	24,273	25,070	30	25,100
24,148	28	24,176	24,880	28	24,908	Secondary Education	24,016	21	24,037	24,275	13	24,288
7,878	31	7,909	8,170	31	8,201	Special Educational Needs & Special Schools	7,894	30	7,924	8,074	29	8,103
696	–	696	999	–	999	Jersey Music Service	759	–	759	1,047	–	1,047
5,672	35	5,707	6,311	35	6,346	Fee Paying Provided Schools	5,464	(7)	5,457	5,576	20	5,596
4,687	–	4,687	5,043	–	5,043	Non Provided Schools	4,761	–	4,761	5,043	–	5,043
71,461	128	71,589	74,971	128	75,099	Schools and Colleges	70,664	51	70,715	72,684	92	72,776
Culture and Lifelong Learning												
Further and Higher Education												
10,927	7	10,934	11,165	7	11,172	Further, Vocational and Tertiary Education	10,042	7	10,049	10,784	8	10,792
9,330	–	9,330	10,494	–	10,494	Higher Education	8,818	–	8,818	9,631	–	9,631
Youth, Careers and Child Care Support												
1,411	21	1,432	1,504	21	1,525	Youth Service	1,501	20	1,521	1,447	16	1,463
861	–	861	873	–	873	Careers Jersey	1,422	–	1,422	737	–	737
379	–	379	386	–	386	Child Care Support	360	–	360	386	–	386
Culture, Heritage and Libraries												
1,661	2	1,663	1,718	2	1,720	Public Libraries	1,610	2	1,612	1,568	2	1,570
2,596	–	2,596	3,606	–	3,606	Heritage (Grant to the JHT)	2,849	–	2,849	3,606	–	3,606
1,782	–	1,782	1,827	–	1,827	Culture (including the Grant to the JAT)	1,800	–	1,800	1,827	–	1,827
28,947	30	28,977	31,573	30	31,603	Culture and Lifelong Learning	28,402	29	28,431	29,986	26	30,012
Sports Division												
1,567	58	1,625	1,675	58	1,733	Sports Centres	1,663	33	1,696	1,644	30	1,674
1,231	1	1,232	1,352	1	1,353	Playing Fields and Schools Sports	1,325	4	1,329	1,369	4	1,373
485	–	485	607	–	607	Sport Development	552	–	552	502	–	502
385	–	385	388	–	388	Grants and Advisory Council	313	–	313	418	–	418
158	–	158	177	–	177	Playschemes and Outdoor Leisure	163	–	163	168	–	168
100	–	100	125	–	125	Minor Capital Expenditure	147	–	147	138	–	138
3,926	59	3,985	4,324	59	4,383	Sports Division	4,163	37	4,200	4,239	34	4,273
104,334	217	104,551	110,868	217	111,085	Net Revenue Expenditure	103,229	117	103,346	106,909	152	107,061



Financial Statements

Income

Actual 2012	Actual 2013	Budget 2013
£18.4 million	£18.4 million	£18.0 million

Income from Fee Paying Provided schools increased by £0.1 million (1.5%) compared to 2012 due to annual school fee increases at Victoria College, Victoria College Prep, Jersey College for Girls and Jersey College for Girls Prep. Pupil numbers across these schools remained unchanged from 2012 at about 2,100.

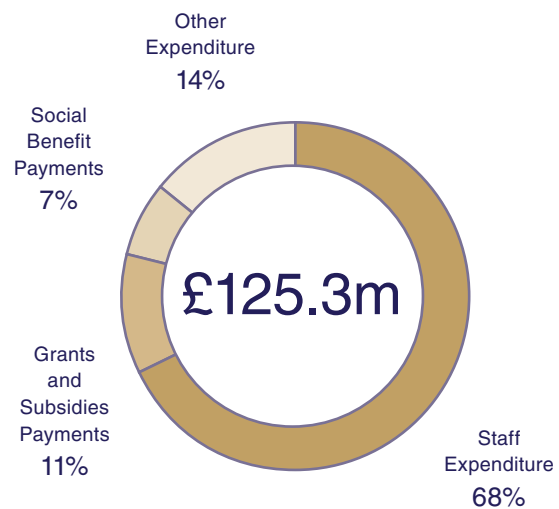
Highlands College fees from courses exceeded budget by £0.1 million (2.1%) as a result of increased student enrolments in local degree courses including the new Sports and Management degree introduced in 2013. Fees decreased by £0.3 million compared to 2012 primarily due to the ending of fiscal stimulus funding in August 2012 for 40 student places on a two year course commenced in September 2010. The decrease for fiscal stimulus of £0.4 million was partly offset by increased income on the higher education degree courses and part time Care and Health programmes.

MAJOR INCOME STREAMS

	£'000
Fee Paying Provided Schools	9,410
Highlands College	2,698
Sports Division	4,061
Other	2,191
Total Income	18,360

Near Cash Expenditure

NEAR CASH EXPENDITURE BREAKDOWN





Staff Expenditure

Actual 2012	Actual 2013	Budget 2013
£83.6 million	£85.2 million	£85.9 million

Staff expenditure represents 68.0% of total expenditure. Cost increases over 2012 of £1.6 million (2.0%) represent the 1% consolidated and 1% non-consolidated pay awards for 2013. The reduction against budget of £0.7 million (0.8%) is due to a reduction in supply teacher costs and timing on the recruitment of unfilled vacancies.

Grants and Subsidies Payments

Actual 2012	Actual 2013	Budget 2013
£12.0 million	£13.2 million	£13.4 million

Grant increases over 2012 of £1.2 million (9.7%) represent one-off payments to the Jersey Heritage Trust for the coin hoard £738,000 and FCJ Primary school for building works to increase the capacity of the school £306,300 and an initial payment of £100,000 for the NatWest Island Games 2015.

The underspend against budget represents a saving on subsidies for free nursery education provided under the Nursery Education Fund as a result of fewer children than expected accessing the provision.

Social Benefit Payments

Actual 2012	Actual 2013	Budget 2013
£8.4 million	£9.2 million	£10.1 million

Social Benefit Payments include student grants for university tuition fees and maintenance to help towards living expenses, accommodation, travel, food and books. Funding is based on household income and covers about 1,400 students.

Costs for 2013 exceed 2012 by £0.8 million (9.5%) due to higher fees being charged by UK universities from September 2012 but represent a saving on budget of £0.9 million (8.3%) due to a combination of factors including student numbers, universities and courses chosen and the level of household income in determining eligibility for grants.

Other Expenditure

Actual 2012	Actual 2013	Budget 2013
£17.6 million	£17.7 million	£19.5 million

Supplies and services represents 53.5% of total other expenditure and include items such as teaching materials, IT support, hired services, stationery, photocopier charges and equipment purchases. Costs exceeded 2012 by £0.5 million (5.1%) due to increases in IT costs, hired services and a one-off investment in musical instruments in advance of hire charges commencing in 2014. The underspend against budget of £2.1 million (17.9%) reflects the arrangement for Delegated Financial Management allowing schools to carry forward funds to manage the differential between the academic and financial year.

Premises and maintenance represents 41.8% of total other expenditure and include items such as minor building works, grounds maintenance, cleaning, insurance and utility costs. Costs exceeded budget by £0.4 million (5.8%) primarily due to utility costs (electricity, gas, heating oil and water) which are £0.2 million (8.6%) over budget, reflecting increasing energy prices over the past few years partly offset by decreased usage, together with essential school building maintenance and minor works £0.2 million (13.2%).



Non Cash Expenditure

Actual 2012	Actual 2013	Budget 2013
£0.1 million	£0.2 million	£0.2 million

Non Cash Expenditure represents depreciation on property, plant and equipment together with small gains on the disposal of assets at the end of their useful lives.

Statement of Financial Position

Property, Plant and Equipment of £1.5 million include Antiques and Works of Art (£0.7 million), School minibuses (£0.3 million) and Assets currently under the course of Construction (central database and minor capital).

Trade and other receivables increased by £0.5 million due to an increase in the value of prepayments at the year end as a result of changes to payment dates of several large grants.

Trade and other payables increased by £0.4 million as a result of higher accruals for grant payments and an increase in the value of goods received but not invoiced prior to the year end.



Statement of Comprehensive Net Expenditure

2013 MTFP £'000	2013 Final Approved Budget £'000		2012 Actual (Restated) £'000	2013 Actual £'000
Revenue				
(21)	(21)	Duties, Fees, Fines and Penalties	(21)	(24)
(17,685)	(17,635)	Sales of Goods and Services	(17,873)	(18,057)
(325)	(326)	Other Income	(474)	(279)
(18,031)	(17,982)	Total Revenue	(18,368)	(18,360)
Expenditure: Near Cash				
8,926	10,058	Social Benefit Payments	8,421	9,219
84,051	85,923	Staff Expenditure	83,576	85,210
9,699	11,519	Supplies and Services	9,001	9,458
884	898	Administrative Expenditure	1,085	671
6,846	7,008	Premises and Maintenance	7,352	7,390
25	25	Other Operating Expenditure	135	71
11,911	13,396	Grants and Subsidies Payments	11,995	13,160
–	–	Impairments of Financial Assets	7	65
23	23	Finance Costs	25	25
122,365	128,850	Total Expenditure: Near Cash	121,597	125,269
104,334	110,868	Net Revenue Expenditure: Near Cash	103,229	106,909
Non Cash Amounts				
217	217	Depreciation and Amortisation	152	146
–	–	Asset Donations	(49)	–
–	–	(Gain)/Loss on Disposal of Non-Current Assets	14	6
217	217	Total Non Cash Amounts	117	152
104,551	111,085	Net Revenue Expenditure	103,346	107,061



Statement of Financial Position

	2011 Actual (Restated) £'000	2012 Actual (Restated) £'000	2013 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	1,517	1,586	1,533
Intangible Assets	212	228	223
Total Non-Current Assets	1,729	1,814	1,756
Current Assets			
Trade and Other receivables	5,025	4,000	4,457
Cash and Cash Equivalents	55	56	34
Total Current Assets	5,080	4,056	4,491
Total Assets	6,809	5,870	6,247
Current Liabilities			
Trade and Other Payables	(4,970)	(6,091)	(6,530)
Total Current Liabilities	(4,970)	(6,091)	(6,530)
Assets Less Liabilities	1,839	(221)	(283)
Taxpayer's Equity			
Accumulated Revenue Reserves	1,839	(221)	(283)
Total Taxpayer's Equity	1,839	(221)	(283)



Key Performance Indicators

Number of pupils in full time education

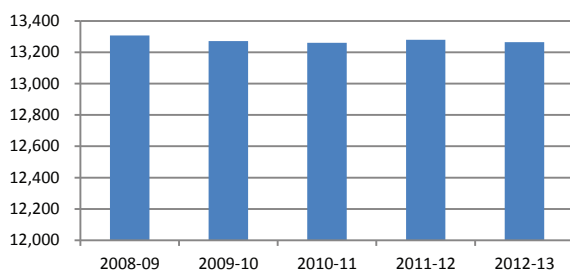
Why it is important?

The funding of States primary and secondary schools is calculated using a formula that is essentially based on the number of pupils. There was a total of 13,265 Jersey pupils in full time education in the academic year 2012-13, of which 66% attended States non fee paying schools, 16% States fee paying schools and 18% private schools.

What was achieved

Pupil numbers (and associated funding) have remained constant over the past 5 years but are expected to increase significantly over the next few years as a result of an increase in the birth rate and net immigration. A capital programme is in place to meet the challenge of more pupils in primary schools.

NUMBER OF PUPILS IN FULL TIME EDUCATION



Examination Results: GCSE and A-Level

Why it is important?

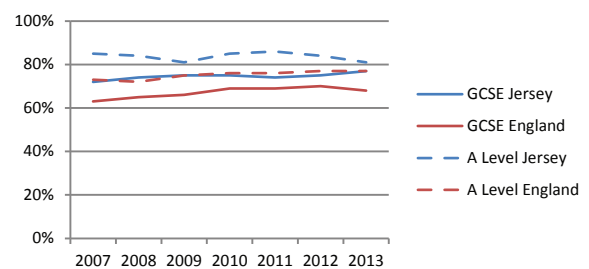
Public examinations are a means of measuring the progress of the individual and of the Education Service as a whole. Progression to Further Education, Higher Education and ultimately career choices depend upon these results. To some extent, the economic stability of the Island depends upon a well qualified local workforce.

What was achieved

In 2013 77% of GCSE examination entries in Jersey achieved grades A* to C compared with 68% in England, a difference of 9%.

In 2013 81% of A Level examination entries in Jersey achieved grades of A* to C compared with 77% in England, a difference of 4%.

PERCENTAGE OF EXAMINATION ENTRIES WITH A*–C PASSES





Higher Education / University Students

Why it is important?

The economic stability of the Island depends upon a well qualified local workforce.

What was achieved

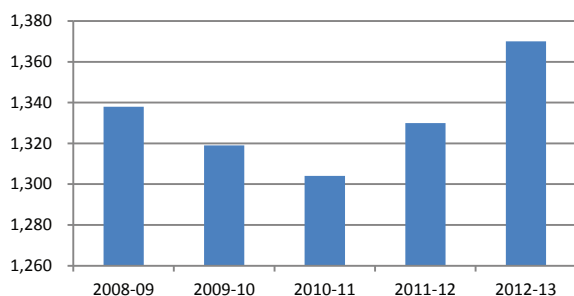
The 2012 census showed that 20% of the working population in Jersey had degree level (or equivalent) qualifications. This is an improvement on the 2001 census when the figure was 11%.

492 Jersey students started university in September 2012 (i.e. were first year students) and there was a total of 1,370 students at university, including the University Centre at Highlands College for the 2012-13 academic year.

This represents an increase on 2011-12 when there were 1,330 students at university. This trend is likely to continue as the economy recovers and employment opportunities remain limited.

Over 80% of Jersey students attend UK universities. The present UK cap on fees of £9,000 per year is subject to review in 2015 and a removal of the cap could impact significantly on the cost of funding Higher Education.

HIGHER EDUCATION / UNIVERSITY STUDENTS



Visits to Sports Centres

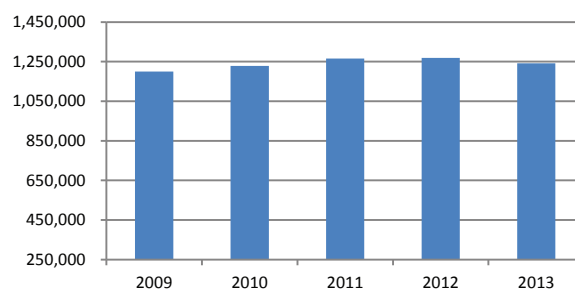
Why it is important?

Sports Centres provide a range of opportunities for the community and schools to partake in all sports and leisure activities. This encourages people to develop healthy lifestyles. They also provide facilities for tourists to enjoy and host sporting and leisure events in the Island thereby improving the general quality of life.

What was achieved

Despite challenging economic conditions and increasing competition the number of visits to sports centres remains in excess of 1.2 million per year. There has also been a 13% increase in Active Card membership over the past 5 years.

VISITS TO SPORTS CENTRES





Department of the Environment

The Department of the Environment is responsible for the Island's built and natural environment and is divided into 2 sections: the Planning and Building section and the Environment section.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£6,237,664

0.2% decrease
from 2012

£396,895

6.0% underspend
against Near Cash Final
Approved Budget



Minister's Overview

The Department has performed well during 2013, delivering a wide range of activities and controlling expenditure within agreed budgets. This has been achieved with limited resources during a time when the Island is experiencing significant social, economic and environmental challenges.

The Department continues to provide grants to support energy efficiency assistance to segments of the community, charities and not-for-profit organisations. Grants are also offered for new initiatives to help Jersey's rural and marine economy in becoming more economically sustainable and to enable it to adapt to future challenges. These are important activities, helping the environment and economic diversity.

The Department has begun work on the Water Framework Directive which will provide a vital and holistic framework and approach that will deliver recognised environmental protection goals in line with EU best practice and will safeguard the future of the Island's environment.

The Department continues to explore new and more efficient and effective ways of working and delivering continued value for money.

Future Developments

The Department will continue to protect and enhance the natural and built environment, including our sea, water, air, land and buildings, while supporting States of Jersey Strategic Plan priorities.

Following the Medium Term Financial Plan (MTFP) process, additional resources and funding have been agreed to support the Department's environmental protection work. This will enable more scientific and environmental monitoring work to take place, particularly in the area of marine and water pollution.

Additional capital funding has been approved to further protect and develop the Island's coastal paths and eco-systems. This will provide a much needed investment into additional infrastructure to enable an improved network for walking, encouraging people to live a healthier lifestyle.

There is a legal requirement to update the Island Plan every 10 years; the Department is currently undertaking an update to the existing plan before the next plan is required in 2020. A more efficient and effective method has been chosen which seeks to undertake a continuous review of the plan commencing in 2014.

Further investment in information technology in 2013 and 2014 will result in a move towards online submissions for planning applications which is planned to go live in 2014.

The development of an environmental policy regime for Jersey is a key policy that the Department will continue to progress with the States of Jersey during 2014.



Key Results

Performance against Near Cash Final Approved Budget

Near Cash Net Revenue expenditure is the amount that Accounting Officers are held accountable for.

KEY VARIANCES FROM BUDGET

	£'000
Other supplies and services	833
Staff expenditure	(69)
License fees	(81)
Planning and Building application income	(275)
Other variances	(11)
Net Underspend	397

The majority of the underspend against budget of £0.4 million (3.6%) relates to underspends in Supplies and Services, including the Water Framework Directive (£0.2 million) and the Invest to Save proposal for File Thinning (£0.2 million) all of which are now planned for 2014. Although there has been an increase in both Planning and Building application income these have still under achieved against budget (discussed in more detail in the Income Section). This shortfall in income was supported by the use of 2012 carry forwards.

Performance compared to 2012 (Total NRE)

The total of Near Cash and Non-Cash amounts represents the usage of resources by a department.

KEY VARIANCES FROM 2012

	£'000
2012 NRE	6,344
Staff expenditure	135
Contract services	65
Consultants fees	47
Planning and Building application fee income	(169)
Other variances	(81)
2013 NRE	6,341

Net Revenue Expenditure (NRE) in 2013 was similar to 2012.

Staff expenditure increased from 2012 by £0.1 million due mostly to pay awards in 2013.

Planning and Building application fee income has increased on 2012 by £0.2 million due to the approval of a few large schemes such as the Police Station and West Mount Quarry.

Contract services increased as a result of increased costs incurred in updating the Island's digital map and the implementation of restructuring projects within the Eco-Active team.



Changes from Budget Voted in the Medium Term Financial Plan

RECONCILIATION OF 2013 MEDIUM TERM FINANCIAL PLAN TO FINAL APPROVED BUDGET

	£'000
MTFP 2013	5,726
Carry Forwards	632
Allocation of Contingency	409
Transfer to Capital	(8)
Final Approved Budget	6,759

In 2013 adjustments to the original budget voted in the Medium Term Financial Plan totalling £1,032,659 were made.

Carry forwards from 2012 include £0.3 million to offset Planning and Building Income shortfalls caused by downturns within the construction industry, £0.2 million to support CSR initiatives, and smaller amounts to cover shortfalls in waste license income, Master planning work, IT enhancements and the completion of the Meteorological Services review which was not finalised in 2012.

Allocations from Contingency of £0.4 million include £0.1 million to fund a 1% non-consolidated and 1% consolidated pay award, totalling £127,230 for the Department, £0.2 million to support the implementation of the Water Framework Directive and £50,000 to enhance the Island's Countryside Infrastructure. £32,000 was also allocated for restructuring of the Eco-Active project.

To align with Accounting Standards, £42,000 was transferred from capital to revenue to support a study on Energy Security, whilst £50,000 was transferred to capital for work on the Island's coastal footpath networks as part of the enhancement to the Countryside Infrastructure.

Staff FTE

At the year end the Department employed the equivalent of 108.9 full time employees. This is an increase of 3.1 (2.9%) from 2012, and is due to the filling of vacancies from 2012.

Service Analysis

Planning and Building

Actual 2012	Actual 2013	Budget 2013
£1.3 million	£1.2 million	£1.2 million

The Planning and Building section of the Department focused on delivering a customer focused planning and building application process, whilst enforcing planning controls and compliance with building standards.

The decrease in net expenditure from 2012 of £0.1 million (11.7%) relates to an increase in both Planning and Building application fee income. This was partially offset by an increase in staff costs within the Planning and Building section due to pay awards and the increased use of contract staff to deal with planning inquiries.

Despite an increase in budget of £300,000 for additional CSR targets in Planning and Building application fee income the section recorded a small underspend against budget. This is as a result of savings made within the section to offset the shortfall in income received.

Environmental Management and Rural Economy

Actual 2012	Actual 2013	Budget 2013
£1.4 million	£1.6 million	£1.6 million

The Environmental Management and Rural Economy section continued to support the rural economy and environment through the Rural Economy Strategy, Biodiversity Strategy and Countryside Enhancement Scheme (CES), formerly the Countryside Renewal Scheme (CRS).

There was an increase in spend year on year of £0.2 million (10.0%) due to the CES scheme being in operation for an entire year. The scheme had previously been re-launched in July 2012 and, therefore, the 2012 scheme did not give applicants the time necessary to complete their approved projects.



Environmental Policy and Awareness

Actual 2012	Actual 2013	Budget 2013
£1.2 million	£1.3 million	£1.4 million

Environmental Policy and Awareness deliver environmental policy and supporting environmental outreach campaigns including the Eco-Active Programme.

The Energy Efficiency Service (EES) continued to provide energy efficiency improvements to 'vulnerable households' in the form of direct grants and energy efficiency interventions such as loft insulation.

The number of eligible applicants to the scheme remains high and at the end of 2013 there was a 'waiting list' of 55 eligible applicants carried into 2014. The increase in spend from 2012 of £35,463 (2.9%) was due to an increased number of applicants processed for the Community Buildings Scheme. The underspend against budget of £79,267 (5.9%) resulted from general savings within this area including staff vacancies and consultants fees.

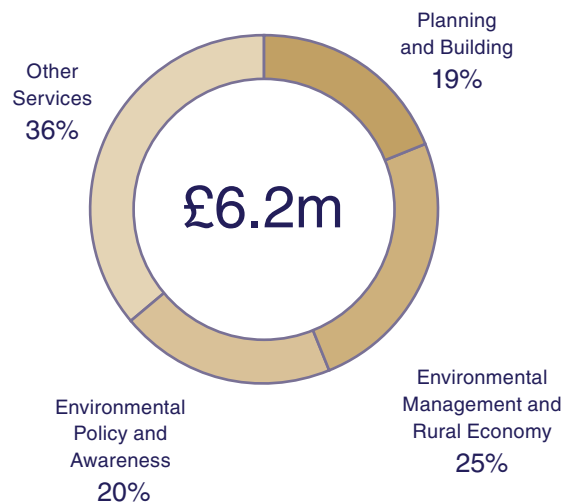
Other Services

Actual 2012	Actual 2013	Budget 2013
£2.3 million	£2.2 million	£2.5 million

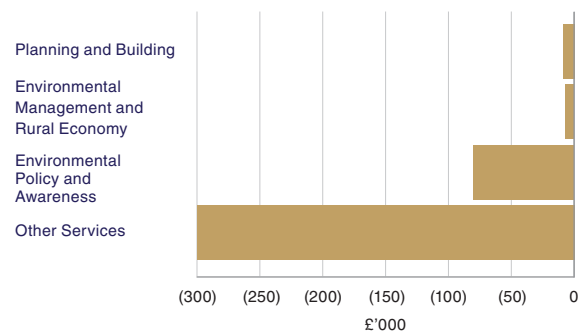
Expenditure on the other Departmental service lines was broadly in line with 2012.

There was an underspend against budget of £264,040 (10.5%) which relates to generally lower levels of overheads within the Department's corporate functions which have sought to maximise efficiency in the use of Departmental resources as well as delivering the Comprehensive Spending Review targets.

Net Revenue Expenditure – Near Cash



Underspend Breakdown





Net Revenue Expenditure – Service Analysis

2013 Medium Term Financial Plan			2013 Final Approved Budget				2012 Actual			2013 Actual		
Near Cash	Non- Cash	Total	Near Cash	Non- Cash	Total		Near Cash	Non- Cash	Total	Near Cash	Non- Cash	Total
£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000
Planning and Building												
(121)	–	(121)	97	–	97	Development Control	382	–	382	175	–	175
(72)	–	(72)	(13)	–	(13)	Building Control	62	–	62	33	–	33
913	45	958	1,087	45	1,132	Policy and Projects	871	19	890	954	29	983
720	45	765	1,171	45	1,216	Planning and Building	1,315	19	1,334	1,162	29	1,191
Environment												
1,526	–	1,526	1,590	–	1,590	Environmental Management and Rural Economy	1,440	–	1,440	1,583	–	1,583
1,196	–	1,196	1,350	–	1,350	Environmental Policy and Awareness	1,235	–	1,235	1,270	–	1,270
910	–	910	1,155	–	1,155	Environmental Protection	928	–	928	966	–	966
442	29	471	477	29	506	Fisheries and Marine Resources	460	26	486	490	24	514
540	49	589	602	49	651	Meteorology	625	49	674	531	49	580
268	1	269	290	1	291	States Veterinary Officer	246	1	247	236	1	237
4,882	79	4,961	5,464	79	5,543	Environment	4,934	76	5,010	5,076	74	5,150
5,602	124	5,726	6,635	124	6,759	Net Revenue Expenditure	6,249	95	6,344	6,238	103	6,341



Financial Statements

Income

Actual 2012	Actual 2013	Budget 2013
£3.8 million	£4.0 million	£4.3 million

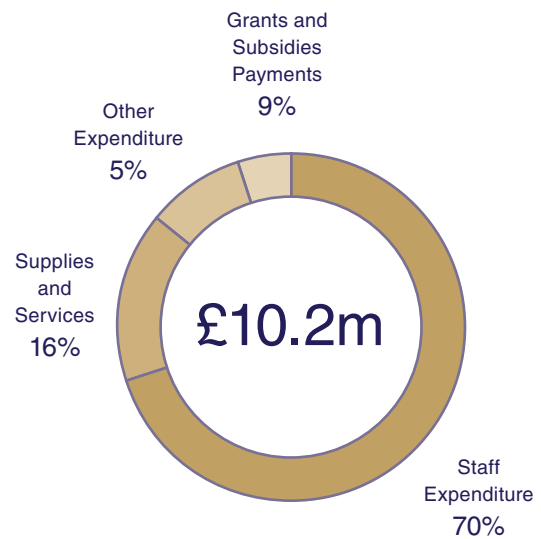
In 2013 Planning and Building application fee income increased on 2012 by £0.2 million (7.0%) but was still £0.3 million lower than budgeted. CSR targets increased the budget for Planning and Building application fee income by £300,000 in 2013. Due to the downturn in the construction industry the Minister decided not to implement the rise in annual charges for 2013. This downturn is demonstrated by the decrease in the volume of planning applications received in 2013. However, the increase in size of the applications does suggest that the construction industry is beginning to pick up. The timing of applications, with the majority received in the second half of the year supports this assertion.

MAJOR INCOME STREAMS

	£'000
Planning Application Fees	1,434
Building Application Fees	1,155
Met Service Income	742
Other	666
Total Income	3,997

Near Cash Expenditure

NEAR CASH EXPENDITURE BREAKDOWN





Staff Expenditure

Actual 2012	Actual 2013	Budget 2013
£7.0 million	£7.1 million	£7.1 million

There was an increase in spend on staff between 2012 and 2013 of £0.1 million (1.9%) and a small overspend against budget. This was caused by a combination of the 2013 pay awards and the use of contract staff to provide additional support with planning applications, public inquiries and planning appeals. As a result 89% of minor and 79% of major planning applications were processed within Departmental timeframes. In contrast the figures for 2012 were 71% and 60% respectively.

Supplies and Services

Actual 2012	Actual 2013	Budget 2013
£1.4 million	£1.6 million	£2.4 million

There was an underspend on budget of £0.8 million (34.4%). The department maintains an unallocated budget provision for unforeseen costs and known financial pressures which is supplemented by carry forwards and included within this budget area. As a result, much of the underspend on Supplies and Services in fact offsets under-achievement of income, as noted previously, and planned overspends on staff and other expenditure, noted in their respective sections.

Grants and Subsidies

Actual 2012	Actual 2013	Budget 2013
£1.0 million	£1.0 million	£1.0 million

The small overspend on budget and the increase in spend from 2012 were due to an increase in CRS grants of £0.1 million netted off against a reduction in Energy Grants and European Plant Protection Organisation fees of £0.1 million.

Other Expenditure Lines

Actual 2012	Actual 2013	Budget 2013
£0.6 million	£0.5 million	£0.5 million

The overspends against budget of £84,855 are due in part to unbudgeted expenditure to meet various planning obligations such as transport initiatives. Additional compensation for a lost planning appeal also contributed to the overspend against budget. The reduction of £75,922 against 2012 is as a result of general savings and one off premises expenditure incurred in 2012 which did not reoccur in 2013.

Non Cash Expenditure

Actual 2012	Actual 2013	Budget 2013
£0.1 million	£0.1 million	£0.1 million

The small underspend against budget was caused by the delay in completing the 3D Map.

Statement of Financial Position

A provision of £20,000 has been made in 2013 relating to two planning appeals against the Department. Trade and other payables includes income which has been deferred to match work completed on planning and building applications. This has shown a reduction on the prior year due to the lower volume of applications received during 2013.



Statement of Comprehensive Net Expenditure

2013 MTFP £'000	2013 Final Approved Budget £'000		2012 Actual £'000	2013 Actual £'000
Revenue				
(3,315)	(3,315)	Duties, Fees, Fines and Penalties	(2,741)	(2,933)
(794)	(794)	Sales of Goods and Services	(751)	(777)
(168)	(168)	Other Income	(258)	(287)
(4,277)	(4,277)	Total Revenue	(3,750)	(3,997)
Expenditure: Near Cash				
6,943	7,071	Staff Expenditure	7,006	7,140
1,522	2,427	Supplies and Services	1,423	1,593
106	106	Administrative Expenditure	114	106
350	350	Premises and Maintenance	457	389
–	–	Other Operating Expenditure	44	44
958	958	Grants and Subsidies Payments	955	963
9,879	10,912	Total Expenditure: Near Cash	9,999	10,235
5,602	6,635	Net Revenue Expenditure: Near Cash	6,249	6,238
Non Cash Amounts				
124	124	Depreciation and Amortisation	98	103
–	–	(Gain) on Disposal of Non-Current Assets	(3)	–
124	124	Total Non Cash Amounts	95	103
5,726	6,759	Net Revenue Expenditure	6,344	6,341



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	1,006	899	1,053
Intangible Assets	19	146	117
Total Non-Current Assets	1,025	1,045	1,170
Current Assets			
Trade and Other receivables	143	181	185
Total Current Assets	143	181	185
Total Assets	1,168	1,226	1,355
Current Liabilities			
Trade and Other Payables	(4,392)	(3,762)	(3,556)
Provisions for liabilities and charges	(100)	(40)	(20)
Total Current Liabilities	(4,492)	(3,802)	(3,576)
Assets Less Liabilities	(3,324)	(2,576)	(2,221)
Taxpayer's Equity			
Accumulated Revenue Reserves	(3,324)	(2,576)	(2,221)
Total Taxpayer's Equity	(3,324)	(2,576)	(2,221)



Key Performance Indicators

Number of Planning and Building Bye-Law applications

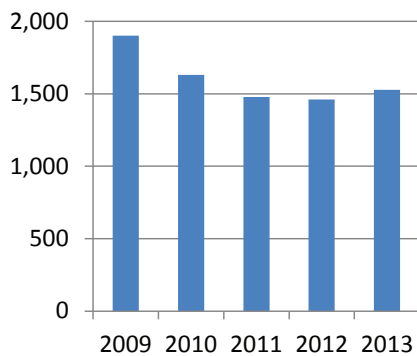
Why is it important?

The number of applications received is an indication of the volume of development and building works carried out on the island. While volumes of applications peaked during 2009/2010, volumes have been maintained in the last 3 years, with planning application numbers rising in 2013 from the 2012 below 1500 applications figure.

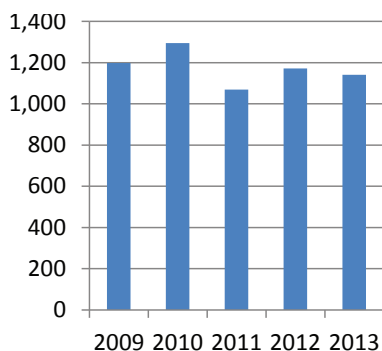
What was achieved?

Applicants expect a prompt and efficient decision making process. During 2013 over 86% of planning applications received were determined within target, the best performance for over 5 years. 100% of Building Bye-Law applications were determined within target.

NUMBER OF PLANNING APPLICATIONS



NUMBER OF BUILDING BYE-LAW APPLICATIONS



Home Energy Scheme (HES) – completed property improvements

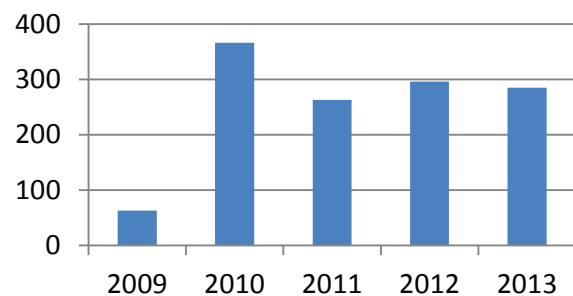
Why is it important?

The Energy Efficiency Service Home Energy Scheme funds energy efficiency and heating system improvements in the homes of eligible vulnerable islanders. The reduction in energy demand as a result of the installed measures makes energy bills more affordable for the homeowners as well as being good for the environment as greenhouse gas emissions are reduced. In addition work the scheme provides substantial amounts of work for local contractors so contributing to the local economy.

What was achieved?

In 2013 the scheme remained highly popular and oversubscribed and those whose homes were treated in previous years, no doubt had a more comfortable winter than previously, which was especially important as 2012/2013 was a very cold winter with high snowfall.

HOME ENERGY SCHEME (HES) – COMPLETED PROPERTY IMPROVEMENTS





Bathing Water Quality

Why is it important?

High quality, unpolluted bathing waters are important both for the promotion of the Island's beautiful natural environment and for the protection of the health of bathers and other persons who use bathing waters for recreational purposes.

What was achieved?

The bathing water from 16 popular island beaches is sampled in accordance with strict European standards between May and September each year. The 2013 results show that every Jersey beach tested passed the European 'imperative' or minimum standard, and that 14 out of the 16 beaches passed the highest quality UK 'guide' or recommended standard. Jersey's 87.5 per cent 'guide standard' pass rate compares well to the UK's 81 per cent pass rate. Reasons for the failure of two beaches for the highest test (Bouley Bay and Bonne Nuit) were investigated.

Drinking Water Quality

Why is it important?

Under the provisions of the Water (Jersey) Law 1972, Jersey Water is required to supply an adequate amount of wholesome water for domestic purposes. High quality, unpolluted drinking water is vital for the protection of the health of consumers.

What was achieved?

Jersey Water and their consultants carried out 13,987 analyses of the treated water supplied for compliance purposes. Of these, 99.84% of the regulatory analyses complied with the maximum allowable concentrations set out in the Water (Jersey) Law 1972. This compliance level compares well with the average figures for the England & Wales water industry.



Health and Social Services Department

Health and Social Services promotes health and social wellbeing for the whole community, providing prompt services to all and protecting the interests of the frail and the vulnerable.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£186,722,526

6.4% increase
from 2012

£2,281,013

1.2% underspend
against Near Cash Final
Approved Budget



Minister's Overview

During 2013 staff worked hard to continue providing safe, high quality health and social services whilst also developing services in line with P82/2012 "Health and Social Services: A New Way Forward" and planning for improved facilities. Building relationships and partnerships has been an important step in addition to working with other Departments to progress shared goals. This has all been taking place whilst working towards achieving our Comprehensive Spending Review (CSR) targets.

Good progress has been made on the redesign of services under P82/2012. CSR savings have been delivered and the Department has managed to contain significant service pressures including the increasing costs and numbers of individual care packages together with the impact of healthcare costs rising at rates significantly higher than inflation.

Amongst the significant achievements in 2013 were the training and introduction of our first nurse prescribers; the implementation of the new bowel screening programme; the accreditation of services by the National Autistic Society and the launch of the Multi Agency Safeguarding Hub. Such achievements and others are due to the continued hard work and dedication of staff.

In December 2013 our outline plans for future hospital provision were agreed in the States; we now have a vision for new facilities on the existing hospital site and in the Westmount Health Quarter at Overdale. £297 million has been allocated from the Strategic Reserve for this ambitious project. This is the largest ever capital project embarked upon by the States of Jersey, and will deliver a hospital that is fit for the future and that we can all be proud of.

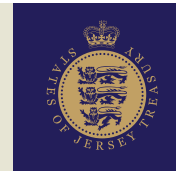
Future Developments

We will now start the detailed planning for the future hospital, working with our staff and seeking the views of Islanders to design modern services and facilities that meet our needs for the future, harness new technologies and are mindful of the particular needs of those with physical disability and sensory impairment. We will also enhance our theatre capacity and improve facilities for those with mental illness with the refurbishment of Clinique Pinel. Services for children with special needs will be enhanced by the upgrade of respite care services at Oakwell and the further development of services for those on the autistic spectrum.

It is evident that we have many change initiatives underway all of which are driven by improving services for islanders, none more than the "Listening Post" within the hospital launched in January 2014. 2014 will also see the further expansion and development of initiatives through the Health and Social Services reform programmes continuing to put the individual at the heart of services, and providing more services 24-hours, more care in people's homes and in community and primary care settings, more choice and better information.

We also continue to look for improvements in existing services, particularly where this reduces waste and duplication and improves services for islanders and the working lives of our staff; "Lean" is the method chosen by the States of Jersey to enhance the customer experience through improved efficiency. It is integral to our forward journey and we will be expanding our capability in this during 2014.

In the coming years Health and Social Services will focus on the future Hospital development and the continued roll out of services outlined in P82/2012. By 2020 Jersey will have experienced a 35% increase in the over 65 years' adult population. The strategy relating to the redesign of Health and Social Services, including the future Hospital development, will deliver Health and Social Services which are able to meet the increased demand and provide high quality care to islanders.



Key Results

Performance against Near Cash Final Approved Budget

Near Cash Net Revenue expenditure is the amount that Accounting Officers are held accountable for.

KEY VARIANCES FROM BUDGET

	£'000
P82/2012 service initiatives	1,981
Primary Care	300
Net Underspend	2,281

The Medium Term Financial Plan (MTFP) allocated £4.5 million to fund phase 1 of the Health and Social Services reform programme. In addition, an amount of £0.5 million was carried forward from 2012 to continue those pilot projects started in the preceding year.

The Department delivered a break-even position in 2013 on existing services. Planned new developments set out in P82/2012 have under spent by £2.0 million as a result of the re-phasing of planned implementation, which is now underway for all service areas within the reform programme.

In 2012, £0.3 million was transferred to H&SS to commission a review of Primary Care services in accordance with P82/2012. Work is ongoing with Primary Care providers to progress this work and at the end of 2013 this £0.3 million remained unspent.

Performance compared to 2012 (Total NRE)

The total of Near Cash and Non-Cash amounts represents the usage of resources by the department.

KEY VARIANCES FROM 2012

	£'000
2012 NRE	178,049
Pay awards	2,876
Growth activities	2,768
Service standards and healthcare inflation	2,892
Reduction in HIF contribution	4,131
Increased income	(1,484)
Other variances	105
2013 NRE	189,337

Net Revenue Expenditure (NRE) has increased by £11.3 million in 2013 compared to 2012. The main drivers for the increase are outlined below.

Pay awards were agreed across all pay groups in 2013. This included both consolidated and non-consolidated pay awards and a new settlement for nurses. The total additional spend on pay compared to 2012, as a result of pay awards, was £2.9 million.

Growth funding was included in the MTFP and the £2.8 million highlighted above was the result of the investment in growth activities including additional spend on new services of £1.5 million, and the investment in nursing establishment and medical staffing of £1.3 million.

The Department continues to face significant demands to maintain and improve standards and manage the increasing cost of healthcare services. The key increases in spend from 2012 were: high cost care placements (£1.2 million); medical insurance (£0.4 million); drugs (£0.8 million); high cost consumables (£0.2 million); and medical equipment (£0.3 million).



As set out in the MTFP, the Department received £4.1 million less income in 2013 from the Health Insurance Fund (HIF) to fund Primary Care Services. The MTFP expenditure budget was increased to reflect the reduction in this income.

The Department's other income increased by £1.5 million largely due to an increase in private patient income. This was driven both by an inflationary increase in charges and an increase in activity and reflects the department's policy of full cost recovery.

Changes from Budget Voted in the Medium Term Financial Plan

RECONCILIATION OF 2013 MEDIUM TERM FINANCIAL PLAN TO FINAL APPROVED BUDGET

	£'000
MTFP 2013	187,492
Carry Forwards	1,218
Allocation of Contingency	3,683
Allocation of Additional Funding	40
Transfer to Capital	(125)
Departmental Transfers	(75)
Final Approved Budget	192,233

In 2013 the Department's cash limit increased by £4.7 million compared to the original budget voted in the Medium Term Financial Plan. The main reasons for this increase are the non-recurrent carry forward of £1.2 million, and an allocation of £3.7 million from the States central contingency during the year.

The £1.2 million carry forward comprised underspends in 2012 for P82/2012 pilot schemes of £0.5 million, Invest to Save schemes of £0.4 million and the funding set out for the development of a new model of Primary Care of £0.3 million. The amounts carried forward for the service redesign initiatives and Invest to Save Schemes have been fully spent in 2013. The funding for Primary Care remained unspent and will be requested for carry forward into 2014.

Contingency allocations comprised £3.5 million of consolidated and non-consolidated pay awards across all pay groups for 2013, and £0.2 million for further investment in Invest to Save schemes and efficiency initiatives.

The Department made a net transfer of £0.1 million to capital. £0.4 million was transferred from revenue to capital for new burners as part of the energy reduction scheme; the refurbishment of the Minor Operations suite; and a new priority despatch system for the Ambulance service. This was offset by a transfer of £0.3 million to revenue to fund essential medical equipment.

The net transfer to other Departments comprises £0.3 million to the Chief Minister's Department for the transfer of the Jersey Child Protection Committee budget, to fund the new Safeguarding Partnership Board, offset by £0.2 million additional budget for the energy reduction scheme and a staff post transferred to the Department.

Staff FTE

At the year end the department employed the equivalent of 2,379.3 full time employees. This is an increase of 35.6 (1.5%) from 2012, and is primarily due to the investment in nursing establishment and the infrastructure of new services as described in P82/2012.



Service Analysis

Public Health

Actual 2012	Actual 2013	Budget 2013
£2.4 million	£3.7 million	£3.9 million

Public Health services net expenditure has increased by £1.3 million on 2012 and was £0.2 million under spent against budget.

Increase against prior year £1.3 million

Included in the MTFP was a reduction in HIF income of £4.1 million. £1.0 million of this relates to Public Health Services, including Brook Advisory Services, smoking cessation and childhood immunisations. Price increases in vaccines and drugs comprise the majority of the remaining increase of £0.3 million from 2012.

Under spend against budget of £0.2 million

The out-turn against budget is a £0.2 million underspend. This is largely due to the underspend against funding allocated to Public Health services of £0.3 million offset by the increase in spend on vaccines and drugs.

Hospital Services

Actual 2012	Actual 2013	Budget 2013
£107.6 million	£111.8 million	£112.1 million

Hospital services net expenditure has increased by £4.2 million from 2012 and was £0.3 million under spent against budget.

Increase against prior year £4.2 million

The increase compared to the prior year is made up of increases in spend of £4.5 million offset by a net increase in income of £0.3 million.

The key drivers for the increase in spend were 2013 pay awards and investment in nursing establishment (total £3.0 million). In addition there were further increases in drugs of £0.8 million and medical insurance of £0.4 million. The remaining increase of £0.3 million includes increased spend on medical equipment and prosthetics.

Income has increased by £0.3 million as a result of an increase in tariff and activity of private patients of £0.8 million, together with funding for the Primary Care governance team and income from charitable funds of £0.2 million. This was offset by a reduction in HIF income allocated to Hospital services of £0.7 million.

Under spend against budget of £0.3 million

The under spend against budget was due to minor underspends across a number of hospital support services.



Community & Social Services

Actual 2012	Actual 2013	Budget 2013
£65.4 million	£71.2 million	£72.7 million

Community and Social Services expenditure has increased by £5.8 million from 2012 and is £1.5 million under spent against budget.

Increase against prior year £5.8 million

The implementation of additional services outlined in P.82/2012 has resulted in additional expenditure in 2013 of £1.4 million. 2013 has also seen an increase in the cost and incidences of high cost adult mental health and child placements, resulting in an increase in expenditure of £1.2 million. The 2013 pay awards resulted in additional expenditure of £1.4 million in the year.

The reduction in HIF income has resulted in a decrease in income for Community and Social Services of £2.3 million.

The above increases in net expenditure were offset by an increase in adults and children's services income of £0.4 million and £0.1 million of other minor under spend variances.

Under spend against budget of £1.5 million

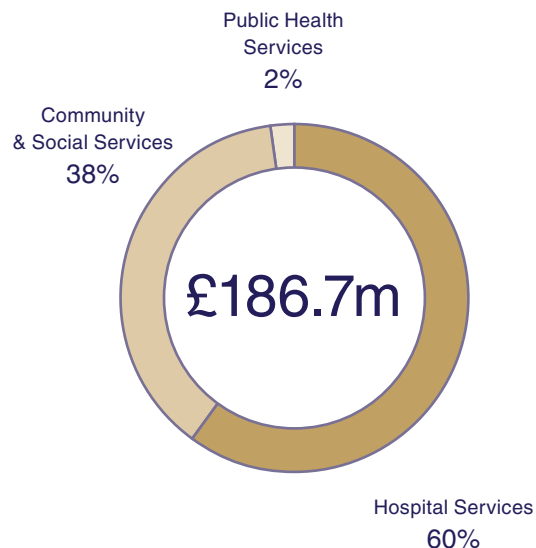
The underspend is primarily due to the underspend against P82/2012 initiatives of £1.7 million in 2013. The net underspend also reflects increased income in adult and children's services offset by significant additional spend (£0.6 million) on high cost placements.

Primary Care Redesign

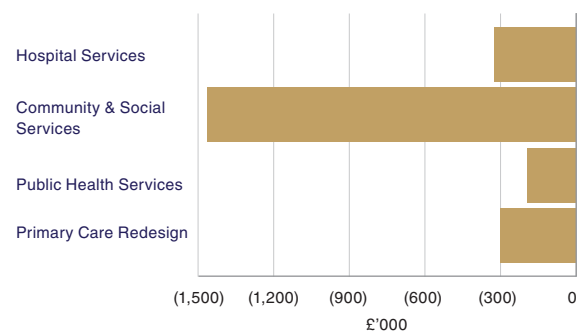
Actual 2012	Actual 2013	Budget 2013
£0.0 million	£0.0 million	£0.3 million

In 2012, £0.3 million was transferred to H&SS to commission a review of Primary Care services in accordance P.82/2012. Work is ongoing with Primary Care providers to progress this work and at the end of 2013 this £0.3 million remained unspent.

Net Revenue Expenditure – Near Cash



Underspend Breakdown



Net Revenue Expenditure – Service Analysis

2013 Medium Term Financial Plan			2013 Final Approved Budget				2012 Actual (Restated)			2013 Actual		
Near Cash £'000	Non- Cash £'000	Total £'000	Near Cash £'000	Non- Cash £'000	Total £'000		Near Cash £'000	Non- Cash £'000	Total £'000	Near Cash £'000	Non- Cash £'000	Total £'000
3,878	22	3,900	3,928	22	3,950	Public Health Services	2,448	14	2,462	3,734	10	3,744
						Hospital Services						
25,850	263	26,113	26,751	263	27,014	Hospital Inpatient Services	24,722	195	24,917	25,222	187	25,409
14,849	428	15,277	15,263	428	15,691	Theatres	14,858	345	15,203	15,554	293	15,847
10,612	133	10,745	11,005	133	11,138	Women & Children	10,407	47	10,454	11,566	100	11,666
6,789	56	6,845	7,011	56	7,067	Unscheduled and Emergency Care	6,684	21	6,705	8,375	42	8,417
16,363	168	16,531	16,715	168	16,883	Day Stay and Outpatient Services	15,061	134	15,195	15,399	133	15,532
10,809	–	10,809	10,809	–	10,809	Tertiary Care	10,574	–	10,574	10,174	–	10,174
19,566	1,662	21,228	19,858	1,662	21,520	Clinical Support	20,975	1,360	22,335	20,643	1,409	22,052
4,604	240	4,844	4,668	240	4,908	Ambulance Emergency Services	4,330	228	4,558	4,823	209	5,032
109,442	2,950	112,392	112,080	2,950	115,030	Hospital Services	107,611	2,330	109,941	111,756	2,373	114,129
						Community & Social Services						
22,311	104	22,415	23,168	104	23,272	Older Peoples Services	17,551	75	17,626	21,034	86	21,120
26,278	73	26,351	26,922	73	26,995	Adults Services	26,230	78	26,308	27,993	70	28,063
15,457	53	15,510	15,628	53	15,681	Children's Services	14,951	50	15,001	15,185	50	15,235
6,896	28	6,924	6,977	28	7,005	Therapy Services	6,681	30	6,711	7,021	25	7,046
70,942	258	71,200	72,695	258	72,953	Community & Social Services	65,413	233	65,646	71,233	231	71,464
–	–	–	300	–	300	Primary Care Redesign	–	–	–	–	–	–
184,262	3,230	187,492	189,003	3,230	192,233	Net Revenue Expenditure	175,472	2,577	178,049	186,723	2,614	189,337



Financial Statements

Income

Actual 2012	Actual 2013	Budget 2013
£25.0 million	£22.3 million	£20.5 million

Total income received in 2013 has decreased by £2.7 million and is £1.8 million higher than budget.

Decrease against prior year of £2.7 million

The decrease in income compared to 2012 is due to the reduction in HIF income, as identified in the MTFP, of £4.1 million offset by an increase in private patient income £0.8 million, and older adult and children's services income of £0.4 million. In addition there were increases in the income from donations and funding for the Primary Care governance team of £0.2 million.

Over recovery against budget of £1.8 million

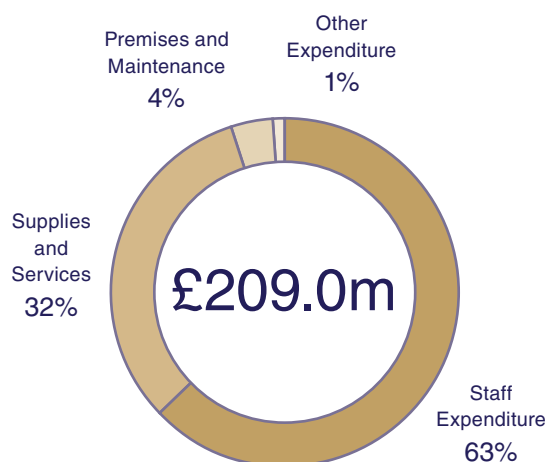
In 2013 Health & Social Services received higher than budgeted income for: children's and adult's services (£0.4 million); donations (£0.4 million); private patient income (£0.4 million); income from those not entitled to free care (£0.3 million), primary care team funding (£0.2 million) and other minor variances (£0.1 million).

MAJOR INCOME STREAMS

	£'000
Private patient and other hospital charges	9,956
Adults' and children's services income	6,235
Rental income	1,272
HIF income	2,000
Other income	2,843
Total Income	22,306

Near Cash Expenditure

NEAR CASH EXPENDITURE BREAKDOWN





Staff Expenditure

Actual 2012	Actual 2013	Budget 2013
£126.3 million	£130.7 million	£135.0 million

Increase against prior year of £4.4 million

The main contributors to the increase in staff costs are the 2013 pay awards across all pay groups (£2.9 million) and the investment in nursing establishment. In addition the further investment in new services resulted in an increase in staff costs of (£0.6 million) from 2012.

Under spend against budget of £4.3 million

A routine level of underspend against budget is expected reflecting the turnover of staff and temporary vacancies. This turnover has resulted in an under spend of £1.4 million as a result of vacancies. The level of vacancies represents approximately 1% of the total workforce at any time.

The Outline Business Cases for new services included a significant element of funding for additional staff resource. As a result of the review of these services and a move towards tendering some of the services to external providers, along with the phased implementation of new services (as outlined above) there was a resultant underspend against staff costs relating to these initiatives of £2.0 million.

The remaining £0.9 million underspend relates to budget reallocations since the original MTFP was prepared.

Supplies and Services

Actual 2012	Actual 2013	Budget 2013
£61.1 million	£67.2 million	£62.6 million

Total supplies and services expenditure has increased from 2012 by £6.1 million, and has overspent against budget by £4.6 million.

Increase against prior year of £6.1 million

New agreements with voluntary and community sector organisations reflect a change in the services commissioned. £1.8 million has therefore been reclassified from grants to supplies and services. This has an increased expenditure effect on both the prior year and against the 2013 budget.

Incidences of both on and off-island community placements have increased expenditure by £1.2 million from 2012. The continued implementation and development of initiatives under P.82/2012 have also resulted in an increase in expenditure of £0.8 million from the prior year. The uplift in medical insurance, amounted to an increase of £0.4 million. Further increases in drugs of £0.8 million, high cost consumables and prosthetics (driven by increased activity) of £0.2 million and the replacement of revenue equipment of £0.3 million are the main drivers behind the remaining increase. Increases in other expenditure areas including efficiency initiatives and vehicle leasing charges account for the remaining £0.6 million increase from the prior year.

Over spend against budget of £4.6 million

The over spend against budget of £4.6 million includes the reclassification of grants, described above, along with increased spend in: community on and off-island placements (£2.0 million); subsidised products; and medical insurance.



Premises and Maintenance

Actual 2012	Actual 2013	Budget 2013
£8.0 million	£8.1 million	£7.6 million

Premises and Maintenance expenditure has increased by £0.1 million from 2012. This is largely due to the continued investment in energy invest to save schemes and an increased spend on utilities, particularly oil and electricity.

The 9% increase in electricity prices and 6% increase in gas primarily account for the £0.5 million increase in expenditure against budget. In addition there was an increase in expenditure on health and safety compliance over allocated budget.

Other Expenditure Lines

Actual 2012	Actual 2013	Budget 2013
£5.0 million	£3.0 million	£4.3 million

Other Expenditure has decreased from 2012 by £2.0 million and is under spent against budget by £1.3 million.

Decrease against prior year of £2.0 million

The decrease from 2012 is primarily due to the reclassification of grant expenditure of £1.8 million to supplies and service. 2012 included £0.8 million with respect to the write down of Tamiflu stocks. There were no such significant write offs in the current year. This is offset by the increase in provisions to account for a number of litigation claims.

Under spend against budget of £1.3 million

The underspend in expenditure against budget is reflected by the reclassification of £1.8 million 2012 grant expenditure to supplies and services offset by an overspend against budget in other operating expenses of £0.4 million for stock variances and the movement in provisions not budgeted for.

Non Cash Expenditure

Actual 2012	Actual 2013	Budget 2013
£2.6 million	£2.6 million	£3.2 million

Non cash expenditure is in line with the prior year.

The under spend against budget of £0.6 million is primarily due to the date for a number of the Department's capital equipment projects being deferred and a correspondingly lower depreciation charge in 2013.

Statement of Financial Position

The increase in net assets of £1.2 million from 2012 is largely due to a decrease in trade payables as a result of the timing of the payment of invoices in the last payment run of the year.



Statement of Comprehensive Net Expenditure

2013 MTFP £'000	2013 Final Approved Budget £'000		2012 Actual (Restated) £'000	2013 Actual £'000
Revenue				
(4)	(4)	Duties, Fees, Fines and Penalties	(4)	(7)
(15,694)	(15,694)	Sales of Goods and Services	(17,150)	(18,442)
(4,780)	(4,766)	Other Income	(7,792)	(3,857)
(20,478)	(20,464)	Total Revenue	(24,946)	(22,306)
Expenditure: Near Cash				
987	987	Social Benefit Payments	964	921
131,172	135,003	Staff Expenditure	126,275	130,675
61,878	62,613	Supplies and Services	61,136	67,239
1,087	1,151	Administrative Expenditure	1,258	1,265
7,459	7,559	Premises and Maintenance	7,995	8,131
12	12	Other Operating Expenditure	878	435
2,113	2,110	Grants and Subsidies Payments	1,839	303
–	–	Impairments of Financial Assets	30	49
32	32	Finance Costs	43	11
204,740	209,467	Total Expenditure: Near Cash	200,418	209,029
184,262	189,003	Net Revenue Expenditure: Near Cash	175,472	186,723
Non Cash Amounts				
3,230	3,230	Depreciation and Amortisation	2,643	2,720
–	–	Asset Donations	(81)	(113)
–	–	Loss on Disposal of Non-Current Assets	15	7
3,230	3,230	Total Non Cash Amounts	2,577	2,614
187,492	192,233	Net Revenue Expenditure	178,049	189,337



Statement of Financial Position

	2011 Actual (Restated) £'000	2012 Actual (Restated) £'000	2013 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	8,304	8,084	7,809
Intangible Assets	4,137	3,480	2,708
Total Non-Current Assets	12,441	11,564	10,517
Current Assets			
Inventories	4,463	4,023	4,258
Loans & Advances	500	–	–
Trade and Other receivables	4,054	4,978	5,804
Cash and Cash Equivalents	10	11	11
Total Current Assets	9,027	9,012	10,073
Total Assets	21,468	20,576	20,590
Current Liabilities			
Trade and Other Payables	(8,185)	(11,056)	(9,413)
Provisions for liabilities and charges	–	–	(404)
Total Current Liabilities	(8,185)	(11,056)	(9,817)
Total Assets Less Current Liabilities	13,283	9,520	10,773
Non-Current Liabilities			
Provisions for liabilities and charges	(150)	(333)	(380)
Total Non-Current Liabilities	(150)	(333)	(380)
Assets Less Liabilities	13,133	9,187	10,393
Taxpayer's Equity			
Accumulated Revenue Reserves	13,133	9,187	10,393
Total Taxpayer's Equity	13,133	9,187	10,393



Key Performance Indicators

Number of nurses per 1000 people in Jersey

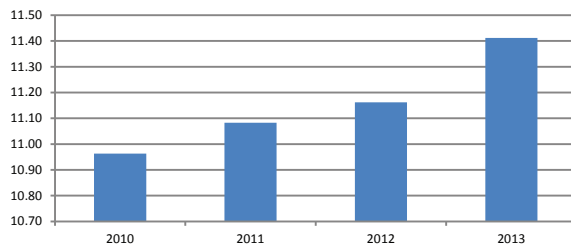
Why it is important?

The level of nursing staff is recognised as a key way to ensure patient safety and improve patient outcomes.

What was achieved

Health & Social Services has invested in nurse staffing levels over the past few years. The levels of nurses per 1000 people in Jersey has therefore increased even though the population increased over the same period.

NURSES PER 1000 PEOPLE



Hospital acquired infection rates

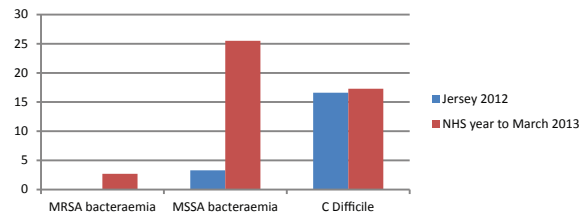
Why it is important?

The rate of hospital acquired infections is a measure of safety and effectiveness for the hospital.

What was achieved

Jersey rates are consistently lower than NHS equivalent rates. This has a direct positive outcome for patients, and reflects effective infection control measures in the hospital in spite of poor quality infrastructure.

HOSPITAL ACQUIRED INFECTION RATES PER 100,000 BED DAYS





Number of adult care packages

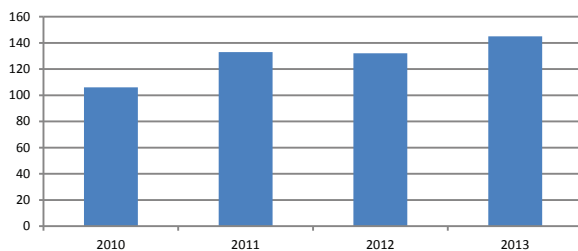
Why it is important?

Adult care packages cover a range of needs including domiciliary care, special needs and mental health placements. Care packages are designed to provide appropriate support to adults with complex care needs. Increase in demand and provision of packages is a key cost driver in adults' services.

What was achieved

Some care placements are driven by external factors (eg court orders) and others reflect the growing demand for personalised care. Numbers of care packages have increased by 37% in the period 2010–2013

ADULTS' CARE PACKAGES



Number of children's care packages

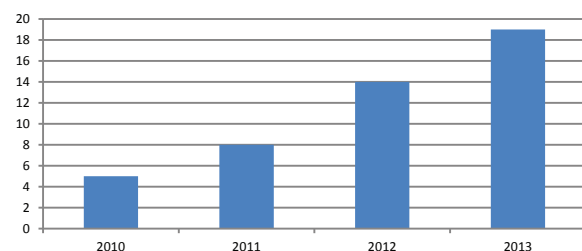
Why it is important?

There is an increasing demand for care packages for children with complex needs. Care packages are designed to provide appropriate support to children and their families. Increase in demand and provision of packages is a key cost driver in children's services.

What was achieved

Numbers of care packages have increased by 280% between 2010 and 2013. This is in line with increased focus on specialised care for individuals and reflects a growing number of children with complex needs within the community.

CHILDREN'S CARE PACKAGES





Childhood immunisation coverage by second birthday

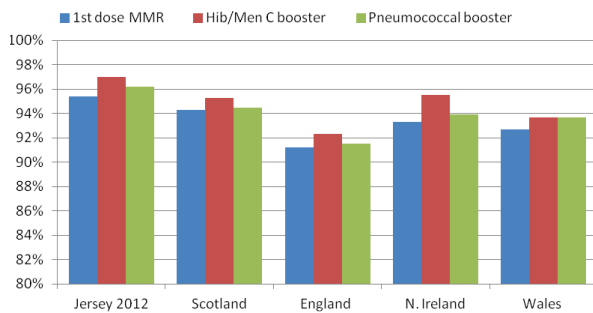
Why it is important?

Childhood vaccinations are a key part of the island's public health strategy. It is important to achieve a good level of coverage to ensure that island wide immunity to disease is maintained.

What was achieved

Coverage for all vaccinations improved between 2011 and 2012. All vaccines achieved over 90% coverage. Most achieved over the World Health Organisation recommended 95% coverage and were higher than those of other jurisdictions.

IMMUNISATION COVERAGE BY 2ND BIRTHDAY



Change in life expectancy over time

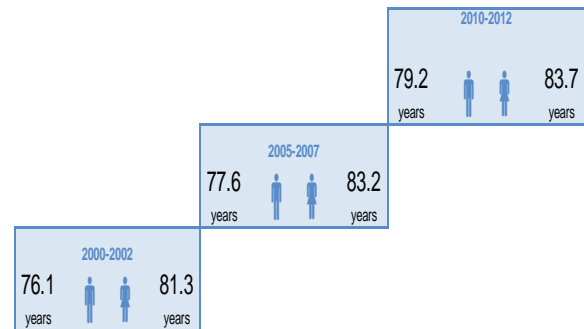
Why it is important?

A fundamental indirect measure of health is life expectancy. Life expectancy is impacted by healthcare, income, lifestyle, education, nutritional standards and housing quality.

What was achieved

Since 2000 there has been a small incremental increase in life expectancy for both men and women over time. This trend is in line with many other European countries.

CHANGE IN LIFE EXPECTANCY OVER TIME





Total number of deaths under 75

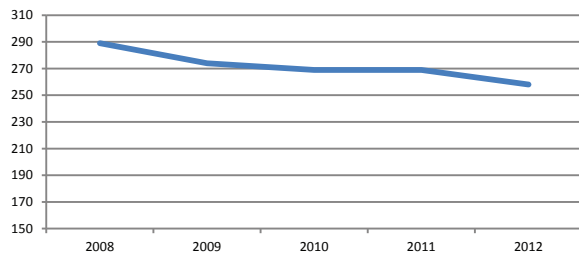
Why it is important?

Mortality levels in the under-75 population give a proxy measure of performance of the healthcare system from prevention through early detection to treatment outcomes.

What was achieved

A steady reduction in the number of deaths under 75, representing a fall of 10.7% between 2008 and 2012.

TOTAL NUMBER OF DEATHS UNDER 75



Ambulance response times under 8 minutes for Category A calls

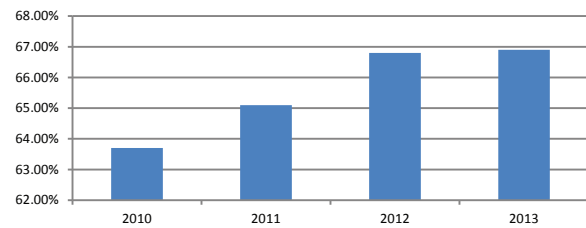
Why it is important?

Category A calls are those where there is an immediate threat to life. The standard measure for these calls is to target a response time of less than 8 minutes.

What was achieved

Over the past four years the percentage of category A calls with response times of less than 8 minutes has continued to increase.

% CATEGORY A CALLS RESPONDED TO WITHIN 8 MINUTES





Home Affairs Department

The Home Affairs Department aims to improve the quality of life of everyone living in Jersey by helping create a safe, just and equitable society. The Department oversees the criminal justice policy and the Building a Safer Society strategy.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£47,148,764

0.1% increase
from 2012

£1,462,861

3.0% underspend
against Near Cash Final
Approved Budget



Minister's Overview

2013 was another very good year for the Home Affairs Department. Despite the need to find further CSR savings of £1.6 million and procurement savings of £0.3 million, all the various Services were able to continue to deliver high quality front-line services.

The States of Jersey Police saw a third successive year-on-year fall in the levels of recorded crime, making Jersey one of the safest places in which to live or visit. Levels of youth crime also continue to fall. The Jersey Customs and Immigration Service has been working with other crown dependencies to deliver the new generation passport project. The Prison Service invested in staff training, resulting in staff gaining vocational qualifications and I awarded the Prison Governor a Commendation in recognition of his achievements in restructuring the Prison. The number of prisoners remained throughout the year at the lowest ever seen in recent years. The Fire and Rescue Service continued to perform well and has entered into mutual assistance arrangements with the Airport Fire Service and Hampshire Fire Service.

Some of the CSR savings projected have been difficult to deliver in their original form, but in some cases alternative savings have been made instead. In other cases, the carry forward of funds from 2012 provided a buffer against delays in the delivery of the full CSR savings.

Following issues highlighted by the Historical Child Abuse Enquiry, conducted by the States of Jersey Police, the Treasurer of the States and Minister for Treasury and Resources subsequently agreed that the Chief Officer, States of Jersey Police should be appointed as an Accounting Officer with effect from 1 January 2012. I allocated the Department's 2013 net revenue expenditure between accounting officers by Ministerial Decision at the start of 2013.

During 2013 the Department put into effect key legislation. The Repatriation of Prisoners Law is in active use and we moved to the new policy of unrestricted prisoner transfers to England and Wales resulting in financial savings, although not as great as originally anticipated due to the reduction in prisoner numbers. The amendment to the Fire Precautions Law is raising the safety standards in houses of multiple occupancy and generating income. Under the States of Jersey Police Force Law, a Police Authority has been established and will be fully constituted in early 2014.

Future Developments

The challenge for 2014 continues to be maintaining existing standards and service levels with a reduced budget whilst contributing to the States Reform Programme, but I am confident that the Department can continue to provide the public of Jersey with services they can be proud of.

The new Police Headquarters finally achieved planning permission in 2013 for construction on the Green Street site and I look forward to detailed design work taking place in 2014 and the project then going out to tender.



Key Results

Performance against Near Cash Final Approved Budget

Near Cash Net Revenue expenditure is the amount that Accounting Officers are held accountable for.

KEY VARIANCES FROM BUDGET

	£'000
Response and Reassurance Policing	785
Prison Operations and Administration	311
Police Authority	93
Other net variances	273
Net Underspend	1,462

The underspend of £1.5 million against the Near Cash Final Approved Budget is in line with in-year forecasts.

The underspend relating to the States of Jersey Police Response and Reassurance Policing is due to staff vacancies and funds carried forward from 2012 in line with agreed resourcing plans.

The underspend relating to Operations and Administration at the Prison is offset by an overspend on Residential Accommodation; this reflects the operational requirements of the Prison.

The establishment of a Police Authority has been delayed, but will be fully constituted in early 2014.

Performance compared to 2012 (Total NRE)

The total of Near Cash and Non-Cash amounts represents the usage of resources by a department.

KEY VARIANCES FROM 2012

	£'000
2012 NRE	47,748
States of Jersey Police	180
Jersey Fire and Rescue Service	(49)
Jersey Customs and Immigration Service	(88)
HM Prison	74
Other net variances	(21)
2013 NRE	47,844

The Department's Net Revenue Expenditure increased by £0.1 million between 2012 and 2013, an increase of 0.2%.

While there are significant changes in some individual areas detailed in the Net Expenditure – Service Analysis, expenditure on Service Areas has not changed significantly between 2012 and 2013 as detailed in the Service Analysis section.

Service Heads review the allocation of budgets and expenditure to match operational requirements on an ongoing basis, which is particularly apparent within the Jersey Prison Service and Jersey Customs and Immigration Service in 2013.



Changes from Budget Voted in the Medium Term Financial Plan

RECONCILIATION OF 2013 MEDIUM TERM FINANCIAL PLAN TO FINAL APPROVED BUDGET

	£'000
MTFP 2013	47,343
Carry Forwards	1,980
Allocation of Contingency	710
Allocation of Additional Funding	8
Transfer to Capital	(809)
Departmental Transfers	(8)
Final Approved Budget	49,224

In 2013 adjustments to the original budget voted in the Medium Term Financial Plan totalling £1,881,124 were made. This amount represents:

- carry forward of unspent funds from 2012 to support service delivery in 2013 and 2014 (£2.0 million);
- allocation from contingency for the costs associated with the 2013 non-consolidated and consolidated pay award and the new pay structure for firefighters (£0.7 million);
- additional funding agreed by the Minister for Treasury and Resources to provide financial support to the Community Relations Trust (£7,700);
- net transfers to capital to properly reflect revenue and capital expenditure and to support capital projects (£0.8 million);
- transfer of budget to the Lieutenant-Governor's Office for the new provision of cadet and military support (£8,000).

Staff FTE

At the year end the department employed the equivalent of 656.8 full time employees. This is an increase of 16.6 (2.6%) from 2012, and is mainly due to new recruits within the States of Jersey Police.

Service Analysis

States of Jersey Police

Actual 2012	Actual 2013	Budget 2013
£23.3 million	£23.5 million	£24.5 million

The Chief Officer, States of Jersey Police, is also the Accounting Officer for Police.

The underspend against budget is mainly due to staff vacancies and funds carried forward from 2012 in line with agreed resourcing plans.

The £0.2 million increase in expenditure from 2012 is less than 1%.

Jersey Fire and Rescue Service

Actual 2012	Actual 2013	Budget 2013
£5.1 million	£5.1 million	£5.1 million

Direct costs relating to the Fire and Rescue Service matched the final approved budget in 2013.

New charges were introduced as part of the CSR savings proposals and contributed to an increase in income from 2012.

Jersey Customs and Immigration Service

Actual 2012	Actual 2013	Budget 2013
£5.5 million	£5.4 million	£5.5 million

Net expenditure on the Jersey Customs and Immigration Service reduced by 1% from 2012 mainly due to the delivery of CSR savings.

The underspend against the budget is mainly due to projects delayed in 2013.



HM Prison

Actual 2012	Actual 2013	Budget 2013
£10.9 million	£10.9 million	£11.0 million

The underspend against budget is due to lower Home Affairs overhead costs. Direct costs relating to the Prison were slightly overspent against the budget due to funding pressures within the Service. This was in line with in-year forecasts and agreed with the Accounting Officer.

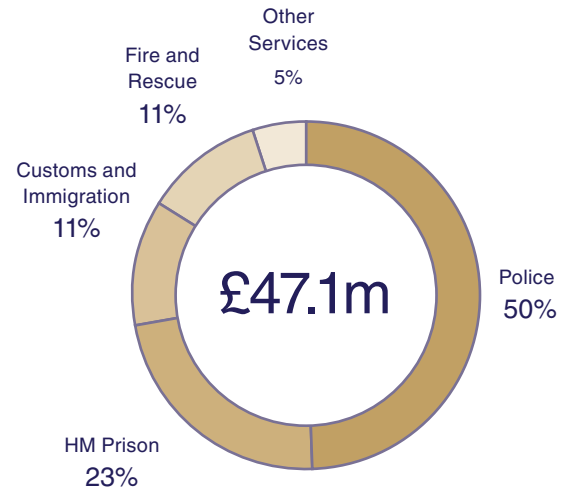
Other Services

Actual 2012	Actual 2013	Budget 2013
£2.3 million	£2.2 million	£2.5 million

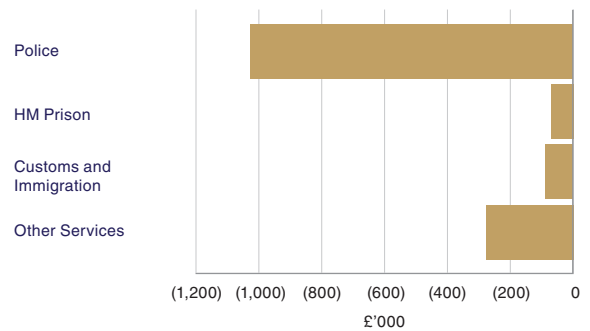
Other Services include Home Affairs, Jersey Field Squadron and Building a Safer Society.

The underspend against budget is mainly due to staff vacancies, lower Home Affairs overhead costs and the delay in the establishment of the Police Authority.

Net Revenue Expenditure – Near Cash



Underspend Breakdown



Net Revenue Expenditure – Service Analysis

2013 Medium Term Financial Plan			2013 Final Approved Budget				2012 Actual (Restated)			2013 Actual		
Near Cash £'000	Non- Cash £'000	Total £'000	Near Cash £'000	Non- Cash £'000	Total £'000		Near Cash £'000	Non- Cash £'000	Total £'000	Near Cash £'000	Non- Cash £'000	Total £'000
Home Affairs												
78	–	78	78	–	78	Explosives Offices/Explosives Licensing	72	–	72	74	–	74
17	–	17	23	–	23	Statutory and Legislative Provisions	18	–	18	20	–	20
125	–	125	125	–	125	Communications Data (Police and Customs)	79	–	79	101	–	101
300	–	300	300	–	300	Criminal Injuries Compensation Scheme	334	–	334	308	–	308
100	–	100	100	–	100	Police Authority	–	–	–	7	–	7
–	–	–	49	–	49	TETRA	92	–	92	48	–	48
68	–	68	80	–	80	Grants	72	–	72	80	–	80
169	–	169	186	–	186	Superintendent Registrar	142	–	142	136	–	136
857	–	857	941	–	941	Home Affairs	809	–	809	774	–	774
Police												
10,942	147	11,089	11,483	147	11,630	Response and Reassurance Policing	10,597	148	10,745	10,698	212	10,910
4,247	17	4,264	4,391	17	4,408	Specialist Crime Investigation	4,288	16	4,304	4,196	–	4,196
1,345	1	1,346	1,359	1	1,360	Manage Offenders through Custody	1,317	–	1,317	1,329	–	1,329
1,757	1	1,758	2,021	1	2,022	Supporting the Criminal Justice System	1,964	–	1,964	2,060	–	2,060
1,663	1	1,664	1,681	1	1,682	Manage Intelligence	1,807	–	1,807	1,762	–	1,762
1,982	1	1,983	2,033	1	2,034	Financial Crime Investigation	1,873	–	1,873	1,940	–	1,940
1,481	1	1,482	1,512	1	1,513	National Security Policy	1,476	–	1,476	1,469	–	1,469
23,417	169	23,586	24,480	169	24,649	Police	23,322	164	23,486	23,454	212	23,666
Fire and Rescue												
4,313	182	4,495	4,575	182	4,757	Emergency Response	4,480	224	4,704	4,470	186	4,656
319	–	319	343	–	343	Fire Protection	395	–	395	394	–	394
229	–	229	222	–	222	Community Safety	227	–	227	227	–	227
4,861	182	5,043	5,140	182	5,322	Fire and Rescue	5,102	224	5,326	5,091	186	5,277
Customs and Immigration												
1,072	48	1,120	1,024	48	1,072	Revenue Collection	1,075	–	1,075	1,021	58	1,079
4,297	48	4,345	4,327	48	4,375	Enforcement	4,430	203	4,633	4,242	58	4,300
152	47	199	162	47	209	External Obligations	(23)	–	(23)	161	57	218
5,521	143	5,664	5,513	143	5,656	Customs and Immigration	5,482	203	5,685	5,424	173	5,597
HM Prison												
7,680	114	7,794	7,705	114	7,819	Residential Accommodation	7,688	58	7,746	8,007	119	8,126
1,254	–	1,254	1,271	–	1,271	Prisoner Activity	1,272	–	1,272	1,210	–	1,210
1,617	–	1,617	1,996	–	1,996	Operations and Administration	1,929	–	1,929	1,685	–	1,685
10,551	114	10,665	10,972	114	11,086	HM Prison	10,889	58	10,947	10,902	119	11,021
Jersey Field Squadron												
1,044	5	1,049	1,072	5	1,077	UK Defence	1,055	8	1,063	1,048	5	1,053
8	–	8	–	–	–	IMLO and Careers Office	5	2	7	1	–	1
1,052	5	1,057	1,072	5	1,077	Jersey Field Squadron	1,060	10	1,070	1,049	5	1,054
471	–	471	493	–	493	Building a Safer Society	425	–	425	455	–	455
46,730	613	47,343	48,611	613	49,224	Net Revenue Expenditure	47,089	659	47,748	47,149	695	47,844

Financial Statements

Income

Actual 2012	Actual 2013	Budget 2013
£2.3 million	£2.5 million	£2.3 million

Income of £127,000 received by the Customs and Immigration Service in excess of the budgeted amount has been transferred to a Home Affairs capital head of expenditure to support the New Generation Passport project.

Income of £137,055 was received from the Criminal Offences Confiscation Fund (COCF) and the Drug Trafficking Confiscation Fund (DTCF) to support projects in the States of Jersey Police and Jersey Customs and Immigration Service.

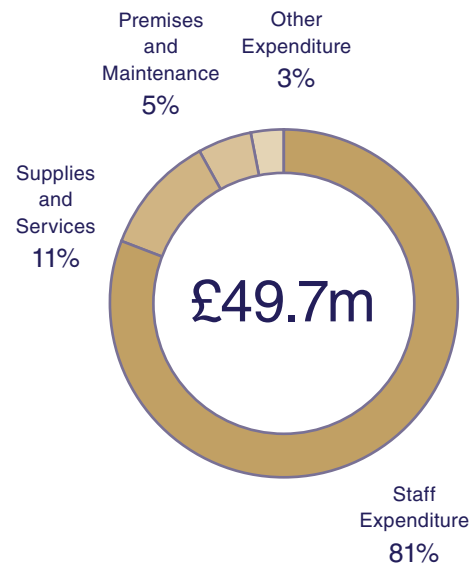
MAJOR INCOME STREAMS

	£'000
Passport Fees	755
Immigration Fees, Work Permits and Registration Fees	313
Legalisation of Documents	257
Prison Sales	273
Fire and Rescue Fees and Courses	131
Grants from DTCF and COCF	137
Property Rentals	132
Police Checks	123
Registrar Fees	112
Other income	315
Total Income	2,548

Passport fees, immigration fees and legalisation of document fees are linked to UK fee levels.

Near Cash Expenditure

NEAR CASH EXPENDITURE BREAKDOWN



Staff

Actual 2012	Actual 2013	Budget 2013
£39.3 million	£40.1 million	£40.7 million

Expenditure on staff costs was 81% of the Department's Near Cash net expenditure in 2013 compared with 79% in 2012.

The £0.6 million underspend against the final approved budget is mainly due to funds carried forward from 2012 and staff vacancies in line with agreed resourcing plans.

The increase in expenditure from 2012 is 1.9%.



Supplies and Services

Actual 2012	Actual 2013	Budget 2013
£5.9 million	£5.5 million	£5.8 million

Expenditure on supplies and services was 11% of the Department's Near Cash net expenditure in 2013 and 12% in 2012.

The underspend against the final approved budget is mainly due to funds carried forward from 2012 and the delay in the establishment of the Police Authority.

The reduction in expenditure from 2012 is partially as a result of the delivery of CSR savings.

Premises and Maintenance

Actual 2012	Actual 2013	Budget 2013
£2.9 million	£2.7 million	£2.7 million

Expenditure on premises and maintenance was 5% of the Department's Near Cash net expenditure in 2013 and 6% in 2012. Expenditure in 2013 did not vary significantly from the final approved budget.

The reduction in expenditure from 2012 is partially as a result of the delivery of CSR savings.

Other Expenditure

Actual 2012	Actual 2013	Budget 2013
£1.3 million	£1.4 million	£1.7 million

Other expenditure includes administrative expenses, other operating expenses, grants and subsidies payments and finance costs.

Other expenditure areas accounted for 3% of the Department's Near Cash net expenditure in 2013 and 2012.

Non Cash Expenditure

Actual 2012	Actual 2013	Budget 2013
£0.7 million	£0.7 million	£0.6 million

There is no significant budget variance or change since 2012 for depreciation charges.

The small net gain on the disposal of assets was the result of vehicle disposals by the States of Jersey Police.



Statement of Comprehensive Net Expenditure

2013 MTFP £'000	2013 Final Approved Budget £'000		2012 Actual (Restated) £'000	2013 Actual £'000
Revenue				
(1,317)	(1,444)	Duties, Fees, Fines and Penalties	(1,273)	(1,400)
(688)	(688)	Sales of Goods and Services	(795)	(860)
(27)	(126)	Other Income	(250)	(288)
(2,032)	(2,258)	Total Revenue	(2,318)	(2,548)
Expenditure: Near Cash				
39,428	40,651	Staff Expenditure	39,297	40,052
5,012	5,763	Supplies and Services	5,858	5,459
1,261	1,273	Administrative Expenditure	847	948
2,575	2,689	Premises and Maintenance	2,875	2,666
309	309	Other Operating Expenditure	341	319
165	172	Grants and Subsidies Payments	173	236
12	12	Finance Costs	16	17
48,762	50,869	Total Expenditure: Near Cash	49,407	49,697
46,730	48,611	Net Revenue Expenditure: Near Cash	47,089	47,149
Non Cash Amounts				
613	613	Depreciation and Amortisation	686	698
–	–	(Gain)/Loss on Disposal of Non-Current Assets	(27)	(3)
613	613	Total Non Cash Amounts	659	695
47,343	49,224	Net Revenue Expenditure	47,748	47,844



Statement of Financial Position

	2011 Actual (Restated) £'000	2012 Actual (Restated) £'000	2013 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	4,236	3,789	3,853
Intangible Assets	539	619	447
Total Non-Current Assets	4,775	4,408	4,300
Current Assets			
Inventories	–	55	54
Trade and Other receivables	317	346	65
Cash and Cash Equivalents	5	2	2
Total Current Assets	322	403	121
Total Assets	5,097	4,811	4,421
Current Liabilities			
Trade and Other Payables	(3,809)	(3,676)	(2,868)
Total Current Liabilities	(3,809)	(3,676)	(2,868)
Assets Less Liabilities	1,288	1,135	1,553
Taxpayer's Equity			
Accumulated Revenue Reserves	1,288	1,135	1,553
Total Taxpayer's Equity	1,288	1,135	1,553



Key Performance Indicators

Levels of Recorded Crime

Why it is important:

The level of reported crime per 1,000 population is recognised as a standard measure of overall community safety.

What was achieved:

3,172 crimes were recorded in Jersey last year. This figure represents a 17.2% reduction compared to 2012. This was the third year in a row that fewer than 4,000 crimes had been recorded and is the lowest since the States of Jersey Police adopted the National Crime Recording Standards.



Crime Detection Rates

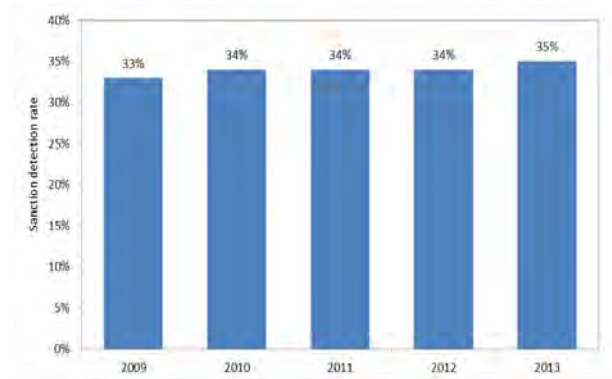
Why it is important:

Crime detection rates play an important role in determining the level of community safety and the success of the Police in bringing offenders to justice.

What was achieved:

Detected crime can be divided into two categories: sanction and non-sanction detections. If a crime has received a sanction detection it means that the offender has appeared in court or attended parish hall enquiry. An administrative detection means the police have a suspect but the case does not progress further. An example of this would be where the victim may not wish to proceed with a prosecution.

Jersey's sanction detection rate was 35.3% for 2013 and compares to an average across England and Wales of 27% for the year. Our overall 'clear up' rate (sanction plus administrative detections) in 2013 was 39.3%. This year's sanction detection and overall clear up rate show slight improvements on the corresponding figures for 2012.





Jersey Customs and Immigration Service Seizures

Why it is important:

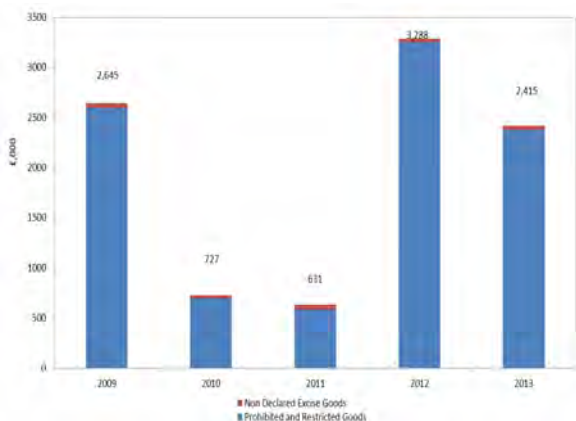
Preventing the importation of controlled drugs (prohibited and restricted goods) helps to ensure the safety of our community.

Whilst the quantities of non-declared non-duty paid alcohol seized at import are not significant, seizures of non-declared non-duty paid tobacco at import protect both the Islands revenue and also local businesses.

What was achieved:

The local street price of controlled drugs remains significantly higher than the EU average. Recent intelligence indicates that there is a considerable decrease in the local availability of heroin and cannabis due to the disruption of criminal groups, both locally and outside of the Island, who were involved in the importation and supply of these drugs, as shown through declines in seizures.

Although there is evidence to suggest that many travellers are making full use of their duty-free tobacco allowance and in some cases exceeding it, as shown through controls at both ports by Customs and Immigration Officers, there continues to be no evidence or intelligence to indicate commercial tobacco smuggling is taking place.



Number of Primary Fires per 100,000 Population

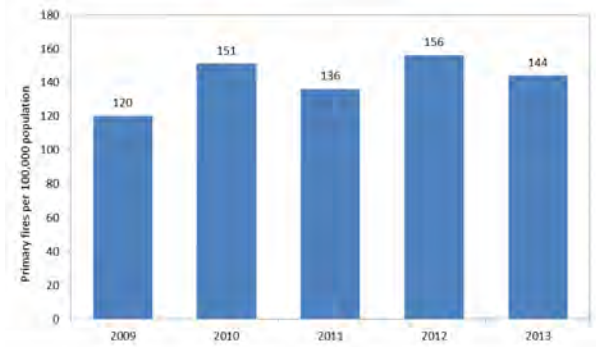
Why it is important:

Primary fires include all fires in buildings, vehicles and outdoor structures or any fire involving casualties, rescues, or fires attended by five or more fire engines.

This is an important measure as it allows the JFRS to benchmark against the UK and covers the more serious fires that occur in Jersey involving damage to buildings and/or casualties.

What was achieved:

The average over the five year period is 141. As a comparator to UK performance, in 2012/2013 the best performer was Cleveland with 110 and the worst was Merseyside with 199. The average across England was 139 primary fires per 100,000 population.





Housing Department

The Housing Department aims to provide social rented housing to around 11,000 people in Jersey. We are responsible for providing housing services to those who may be unable to house themselves due to financial, medical or social difficulties.

Summary Snapshot

NET REVENUE INCOME – NEAR CASH

(£26,126,276)

7.2% increase
from 2012

£1,087,486

4.3% underspend
against Near Cash Final
Approved Budget



Minister's Overview

On the 16th May 2013 the States made some of the most significant decisions it has ever made in respect of how social housing will be delivered in the future. The Department has continued to work hard throughout 2013 to implement the change to a new company status in July 2014.

In addition to the work being undertaken in relation to the Housing Transformation Programme, the Department has continued to deliver its business as usual operations. The refurbishment of homes at Clos Gosset, Pomme D'Or Farm and Jardin Des Carreaux were completed providing clients with new windows, roofs and insulation. Nine new units of accommodation in Journeaux Street were completed at the end of the year as well as substantial progress being made on the refurbishment of La Collette high rise with many clients already returning to their newly refurbished homes.

The Department's Rents Team continued to work hard with clients to reduce rent arrears from £0.5 million at the beginning of 2013 to £0.4 million at the end of 2013. This reduction was achieved with a combination of supportive engagement with customers and enforcement of the Department's arrears policy.

Future Developments

On the 1st July 2014 the Housing Department will transfer to a new company, Andium Homes, which will be wholly owned by the States of Jersey. All staff and assets of the Department will transfer on this date.

This change will enable greater investment in affordable housing in Jersey and support the aim of achieving Decent Homes Standard for all properties in the Department's portfolio, in addition to the ongoing development of new units. The funding of £207 million will be made available through a bond issued by the Treasury; the interest and capital repayments of which will be made from the rental income of the new company, whilst still maintaining the annual return to the Treasury in real terms.

In advance of this (with effect from the 7th April 2014) the revised rents policy, which will bring social housing rental into line with 90% of market rates, will come into force and be effective for new tenancies created from that date. Extensive work has been undertaken with the Minister for Social Security to ensure that appropriate income support is available for those who need it.

The future of social housing in Jersey will be much improved by the forthcoming changes.

Key Results

Performance against Near Cash Final Approved Budget

Near Cash Net Revenue expenditure is the amount that Accounting Officers are held accountable for.

KEY VARIANCES FROM BUDGET

	£'000
Planned Maintenance	965
Operations	(194)
Voids	160
Other Variances	157
Net Underspend	1,088

The underspend in Planned Maintenance arose from a reallocation of budget in year (as Medical Adaptation costs were charged against the Assisted Living service area of the Department), an unspent contingency budget, staff vacancies whilst vacant posts were recruited to and the allocation of additional budget in Departmental overheads. In addition, inclement weather led to some projects being delayed.

Costs in Operations exceeded the original budget by £0.2 million. This is as a result of utility costs (for heating, lighting and water), being affected by supplier price changes after the budget was set, and lower than anticipated income from parking facilities on the Department's estates. In addition the programme of heating system replacement resulted in costs incurred in the early, colder, months of the year not being fully recovered over the subsequent warmer months as heating recharges to clients were stopped.

The cost of Void refurbishments was underspent in the year by £0.2 million. Lower average costs per void and the promotion of offering decoration vouchers to incoming tenants continues to save costs in this area. Where more substantial refurbishment is necessary, rigorous pursuit for recovery of the costs against the vacating tenant (where appropriate) has achieved additional unbudgeted income.

Performance compared to 2012 (Total NRI)

The total of Near Cash and Non-Cash amounts represents the usage of resources by a Department.

KEY VARIANCES FROM 2012

	£'000
2012 NRI	(17,408)
Deprecation, Amortisation and Impairment	4,638
Rent & Fee Collection	(1,568)
Voids	(202)
Other Variances	3
2013 NRI	(14,537)

The Department's portfolio was revalued upwards at the end of 2012 which increased the 2013 in-year depreciation and amortisation charge by £4.3 million. A further revaluation at the end of 2013 reversed a total of £2.5 million of previous impairments, £0.3 million less than those reversed at the end of 2012.

The income from social housing rental in 2013 exceeds that of 2012 by £1.6 million (4.1%). This is as a result of annualised rent reviews each October across the portfolio and ongoing review of rents charged as each property becomes vacant. This increase in yield also serves to increase the value of the Department's portfolio.

The net cost of Void refurbishment was lower in 2013 than 2012. This was due mostly to a combination of lower average refurbishment costs and an increase in the level of recovery of costs incurred from vacating tenants.



Changes from Budget Voted in the Medium Term Financial Plan

Reconciliation of 2013 Medium Term Financial Plan to Final Approved Budget.

	£'000
MTFP 2013	(17,117)
Carry Forwards	1,040
Allocation of Contingency	476
Departmental Transfers	244
Final Approved Budget	(15,357)

In 2013 adjustments to the original budget voted in the Medium Term Financial Plan totalling £1,759,710 were made. This includes the carry forward of £1.0 million of under spend from 2012 to support ongoing backlog maintenance work and the Housing Transformation Programme.

£0.5 million was allocated from contingency including providing £0.1 million for the 2013 pay award and £0.4 million to support the Housing Transformation Programme.

Departmental transfers in the year included:

- a transfer from Economic Development to reflect changes to the area occupied in Jubilee Wharf (£0.1 million)
- a transfer from the Chief Minister's Department in relation to pay for Customer Service staff, (£0.1 million)
- a transfer from Treasury & Resources in relation to a lower than anticipated increase in Income Support rates, thus affecting the percentage annual increase in Housing rents, (£0.1 million)
- a transfer to the Chief Minister's Department in relation to Housing Gateway staff and IT costs, Housing Policy post and legal fees (£0.1 million).

Staff FTE

At the year end the department employed the equivalent of 44.2 full time employees. This is an increase of 5.2 (13.3%) from 2012, and is due to 2 posts for the Housing Gateway being transferred to the Chief Minister's Department, 3 posts being vacated and 10.2 posts being filled.

Service Analysis

Finance and Rent Collection

Actual 2012	Actual 2013	Budget 2013
(£37.7) million	(£39.2) million	(£39.1) million

Rental income from Social Housing rents for 2013 was £39.8 million, an increase of £1.5 million (4.1%) on 2012. This is attributable to key factors such as the October 2012 rent increase of 3.5% and the progressive re-assessment of rents as each property is re-let. Rent exceeded the budget for the year by £0.1 million (0.27%).

At the end of 2013 arrears of rent from active tenants was £0.4 million compared with £0.5 million at the end of 2012, indicating that the Rents Team is successfully working to support current tenants in repaying their arrears.

The cost of providing for bad or doubtful debts also fell by 12% compared to 2012.

Planned Maintenance

Actual 2012	Actual 2013	Budget 2013
£8.3 million	£8.2 million	£9.1 million

The reason for the under spend in Planned Maintenance has been explained in the Key Results section.

The heating replacement programme, replacing aging fossil fuel communal systems with direct control and environmentally sustainable electrical systems, is largely complete. As a result spend reduced from 2012 by £1.8 million.

£1.6 million was spent on a cyclical programme of kitchen and bathroom replacement, an increase of £1.0 million (162%) from 2012. A programme of electrical testing of client's homes continued in 2013 with an additional £0.9 million being spent on this and bringing circuitry up to the revised modern standards.

Spend on Building Repairs was £0.1 million lower than 2012. This is principally due to inclement weather impeding the progress of various external works which are expected to be carried out in 2014.



Voids

Actual 2012	Actual 2013	Budget 2013
£1.0 million	£0.8 million	£0.9 million

Net cost attributable to Voids fell in 2013 by £0.2 million compared to 2012.

Direct expenditure on refurbishments was reduced in 2013 by £0.2 million (18.6%). At the heart of this saving was a lower than average cost per void. In 2012, 369 orders for refurbishment were raised at an average cost of £2,300. In 2013 the number of jobs increased to 394 whilst the average cost fell to £1,800.

The Departmental policy of recharging outgoing tenants for repairs and decoration (where they have not kept their home in a reasonable state of repair in accordance with the terms of their tenancy agreement), lead to increased income.

Other Services

Actual 2012	Actual 2013	Budget 2013
£4.0 million	£4.1 million	£3.9 million

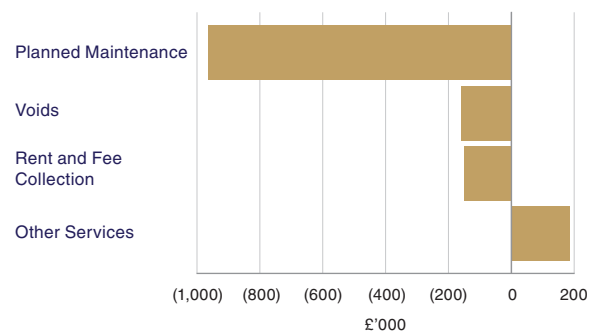
Other services include Response Repairs, Operations, Assisted Living and Tenant Liaison.

In Response Repairs, direct repair costs fell by £0.2 million (8.35%) year on year, whilst staff costs increased following recruitment and income from insurance claims fell following two extra-ordinary and substantial claims in 2012.

The apparent overspend and year on year increase in Assisted Living (£0.1 million) relates to the costs of Medical Adaptation works being charged to this closely related area of the Department, rather than Planned Maintenance as set by the original budget. Direct costs of Medical Adaptations fell by £0.1 million (30.5%) compared to 2012 due in part to specific domestic lift installation costs in 2012 and lower than average costs for walk-in shower installations in 2013.

Tenant Services provides the primary client interface through Customer Services, Allocations and Community Liaison. Costs in this area grew year on year driven by additional staff numbers and removals allowances offered to clients moving at the Department's request as the stock is managed to maximise its utility.

Underspend Breakdown





Net Revenue Expenditure – Service Analysis

2013 Medium Term Financial Plan			2013 Final Approved Budget				2012 Actual			2013 Actual		
Near Cash	Non- Cash	Total	Near Cash	Non- Cash	Total		Near Cash	Non- Cash	Total	Near Cash	Non- Cash	Total
£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000
211	–	211	155	–	155	Strategic Housing Unit	38	–	38	122	–	122
–	–	–	–	–	–	Regulatory Functions	30	–	30	–	–	–
Landlord Services												
Estate Services												
8,170	9,681	17,851	9,135	9,681	18,816	Planned Maintenance	8,289	7,007	15,296	8,171	11,605	19,776
1,847	–	1,847	1,937	–	1,937	Response Repairs	1,967	–	1,967	1,937	–	1,937
384	–	384	414	–	414	Operations	498	–	498	608	–	608
926	–	926	948	–	948	Voids	990	–	990	788	–	788
Tenant Services												
272	–	272	335	–	335	Assisted Living	565	–	565	452	–	452
765	–	765	1,115	–	1,115	Tenant Liaison	908	–	908	1,024	–	1,024
Finance Services												
(39,373)	–	(39,373)	(39,077)	–	(39,077)	Rent and Fee Collection	(37,660)	(40)	(37,700)	(39,228)	(16)	(39,244)
(27,009)	9,681	(17,328)	(25,193)	9,681	(15,512)	Landlord Services	(24,443)	6,967	(17,476)	(26,248)	11,589	(14,659)
(26,798)	9,681	(17,117)	(25,038)	9,681	(15,357)	Net Revenue (Income)/Expenditure	(24,375)	6,967	(17,408)	(26,126)	11,589	(14,537)



Financial Statements

Income

Actual 2012	Actual 2013	Budget 2013
£41.0 Million	£42.3 million	£42.1 million

Income for the year exceeded budgeted expectation by £0.2 million (0.5%), principally due to additional rental income and unbudgeted recovered costs. In the latter case the Department recharges repair costs to clients were it falls within the client's responsibility.

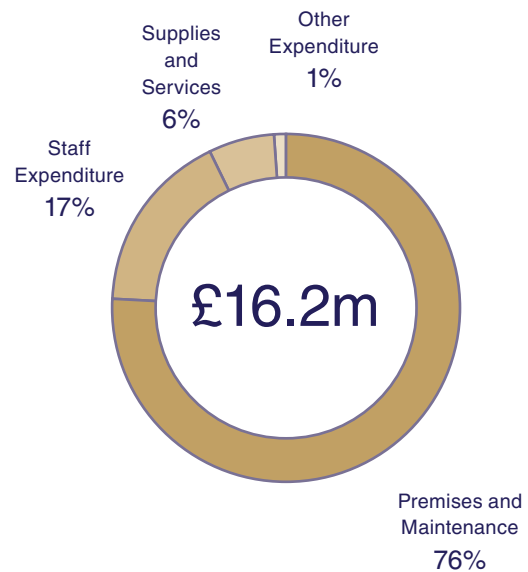
Utility heating recharges income fell year on year by £0.2 million (31%) as a result of the heating replacement programme. Many clients are now paying the utility company direct for their consumption.

MAJOR INCOME STREAMS

	£'000
Housing Rental Income	39,978
Utility Recharges	1,550
Car Park Income	359
Other	410
Total Income	42,297

Near Cash Expenditure

NEAR CASH EXPENDITURE BREAKDOWN





Premises and Maintenance

Actual 2012	Actual 2013	Budget 2013
£12.8 million	£12.2 million	£12.8 million

Premises and Maintenance spend in the year was £0.6 million (5%) less than the amount budgeted. Contributors to this were savings in Response Repair expenditure of £0.2 million and £0.1 million in Voids and a contingency fund (to cover unforeseeable events) which was not called upon of £0.3 million.

Costs of utilities (gas and oil) fell in 2013 compared to 2012 as a result of the heating replacement programme, whilst the cost of water increased slightly following an increase in cost of supply by the utility company and additional numbers of properties in the portfolio.

Spend on asbestos works fell in 2013 by £0.1 million (54%) as a result of the scarcity of available, suitably qualified and licenced, contractors.

Staff Expenditure

Actual 2012	Actual 2013	Budget 2013
£2.7 million	£2.7 million	£2.9 million

The budget for Staff Costs was under spent by a net £0.2 million (6.3%). This was principally due to vacancies during the year and restructuring of various teams, offset by the cost of short term temporary support.

The cost of civil service posts increased year on year by £0.1 million (3.6%) driven in part by a combination of 1% consolidated and 1% non-consolidated pay awards and an increase in numbers of permanent staff.

Supplies and Services

Actual 2012	Actual 2013	Budget 2013
£0.9 Million	£1.0 million	£1.2 million

The budget for Supplies and Services was underspent by £0.2 million (14.8%). A principal part of the under spend is attributable to Professional, Legal and Consultants Fees which form part of the Housing Transformation Programme. An additional budget from the Contingency was approved late in the year and was not fully spent.

In 2013 the costs of developing the application to manage the Affordable Housing Gateway and Surveyor's Fees (relating to the ongoing development of the Department's stock) contributed to an increase on 2012 of £0.1 million.

Non Cash Expenditure

Actual 2012	Actual 2013	Budget 2013
£7.0 million	£11.6 million	£9.7 million

Depreciation costs for the year were, as expected, substantially higher than both budget and prior year following an upwards revaluation of the Department's stock in December 2012.

As a result of the revaluation of the Department's portfolio at 31st December 2013 a number of previous impairments were reversed giving a net reversal of impairments of £2.4 million, compared to a net reversal of £2.8 million in December 2012.

Other Comprehensive Income

The Department's Social Housing portfolio was revalued at the end of 2013 which resulted in an unrealised net gain of £93.0 million. This represents upwards revaluations of £94.9 million offset by impairments of £1.9 million. In addition a revaluation of Housing bonds recorded an unrealised gain of £39,000.



Statement of Financial Position

The Department's social housing property portfolio was revalued at the end of 2013 and a value of £674.3 million was recorded. This is an uplift of £92.0 million from the 2012 valuation of £582.4 million. Three key factors have influenced this uplift: the adoption of the future 90% of market rents policy, the agreed metric for increasing rents on an annual basis (in line with RPI +0.75%) and consideration of the updated stock condition survey data.

The value of Assets under Construction at the end of 2013 was £9.9 million. This includes redevelopment projects at Le Squez and Le Coin, new builds at Lesquende in addition to refurbishment projects at e.g. La Collette and Osborne Court.



Statement of Comprehensive Net Expenditure

2013 MTFP £'000	2013 Final Approved Budget £'000		2012 Actual £'000	2013 Actual £'000
Revenue				
(42,199)	(42,050)	Sales of Goods and Services	(40,709)	(42,094)
(51)	(51)	Other Income	(265)	(203)
(42,250)	(42,101)	Total Revenue	(40,974)	(42,297)
Expenditure: Near Cash				
2,845	2,915	Staff Expenditure	2,682	2,732
608	1,196	Supplies and Services	921	1,019
52	52	Administrative Expenditure	74	71
11,870	12,823	Premises and Maintenance	12,803	12,234
61	61	Other Operating Expenditure	2	4
15	15	Grants and Subsidies Payments	2	3
–	–	Impairments of Financial Assets	114	107
1	1	Finance Costs	1	1
15,452	17,063	Total Expenditure: Near Cash	16,599	16,171
(26,798)	(25,038)	Net Revenue Income: Near Cash	(24,375)	(26,126)
Non Cash Amounts				
9,681	9,681	Depreciation and Amortisation ¹	9,786	14,074
–	–	Reversals of Impairments of Property, Plant and Equipment	(2,811)	(2,469)
–	–	Gain on Disposal of Investments	(8)	(16)
9,681	9,681	Total Non Cash Amounts	6,967	11,589
(17,117)	(15,357)	Net Revenue Income	(17,408)	(14,537)
Other Comprehensive Income				
–	–	Revaluation of Property, Plant and Equipment	(65,110)	(93,025)
–	–	Gain on Revaluation of Other AFS Investments	(68)	(39)
–	–	Reclassification adjustments for gains/losses included in Net Revenue Expenditure	–	8
–	–	Total Other Comprehensive Income	(65,178)	(93,056)
(17,117)	(15,357)	Total Comprehensive Income	(82,586)	(107,593)

Notes

1. A full year of depreciation is shown in these pages to reflect the use of assets by the department. In the Consolidated Accounts depreciation charges have been adjusted to cease after the classification of the Department as a Discontinuing Operation on 17 July 2013.



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	528,494	595,749	685,452
Other Available for Sale investments	14,038	14,287	15,104
Total Non-Current Assets	542,532	610,036	700,556
Current Assets			
Non-Current Assets classified as held for sale	2,478	–	3,965
Trade and Other receivables	1,479	1,627	1,461
Total Current Assets	3,957	1,627	5,426
Total Assets	546,489	611,663	705,982
Current Liabilities			
Trade and Other Payables	(3,499)	(3,892)	(4,513)
Total Current Liabilities	(3,499)	(3,892)	(4,513)
Assets Less Liabilities	542,990	607,771	701,469
Taxpayer's Equity			
Accumulated Revenue Reserves	498,543	500,532	502,907
Revaluation Reserve	45,202	107,927	199,219
Investment Reserve	(755)	(688)	(657)
Total Taxpayer's Equity	542,990	607,771	701,469



Key Performance Indicators

Rent Arrears as a % of Gross Rental Income and Charges

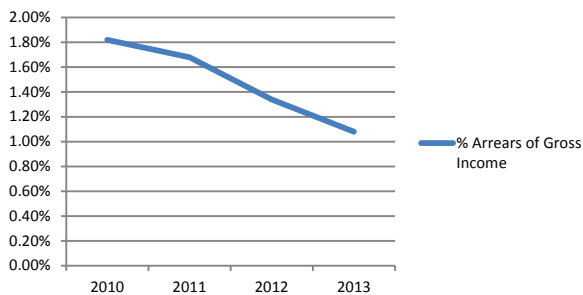
Why it is important?

The income derived from rentals is key to enabling the Department to maintain its stock and provide services to its clients. The recharges made to clients are to cover the costs incurred in e.g. heating and water for clients' homes. If the rent is not collected this increases the cost of bad debt write-off or anticipatory provisions and reduces the funding available to deliver key services.

What was achieved

Since 2010 gross rental income and charges have increased from £37.9 million to £41.5 million. Over the course of that period rent arrears have fallen by £0.2 million from £0.7 million to £0.5 million despite the increase rent and charges which are collectable.

% ARREARS OF GROSS INCOME



% of Maintenance Costs represented by Response Repairs

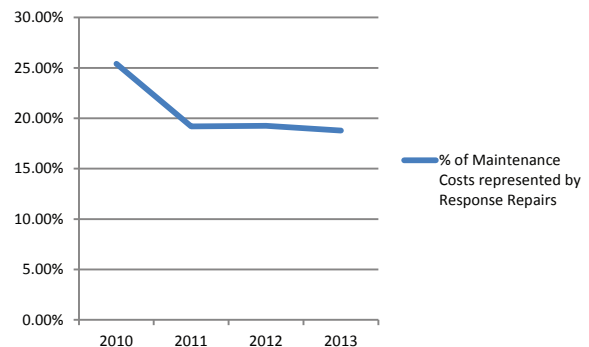
Why it is important?

As the Department invests significant sums in reducing the backlog of maintenance the day to day costs of maintenance would be expected to reduce. A reduction in responsive repairs allows resources, both in terms of time and money, to be directed to the ongoing planned maintenance programmes.

What was achieved

Since 2010 the cost of responsive repairs has fallen not only in relation to the % of overall spend, but also in real terms year on year (£0.4 million). The principal driver for this has been the replacement of aging fossil fuel systems with direct supply electric heating, reducing both electrical and plumbing repair costs.

% OF MAINTENANCE COSTS REPRESENTED BY RESPONSE REPAIRS





% of homes meeting the decent homes standard

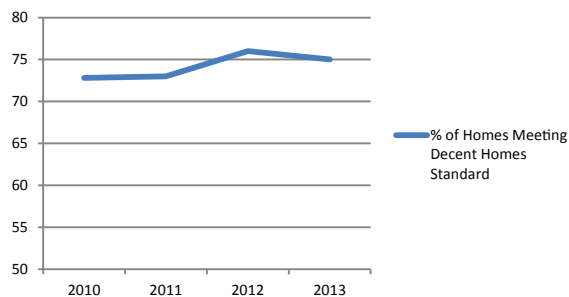
Why it is important?

After decades of under investment the Department committed to improve the standard of its stock to bring it up to the Decent Homes Standard. A home in poor condition can not only have a detrimental impact on our clients' well being but also cost more to maintain as its condition deteriorates.

What was achieved

The Department has continued to invest in reducing the backlog maintenance by improving the insulation and weatherproofing to the exterior and refurbishing the interiors of its homes. This has not only increased the quality of accommodation available but brought more of the stock up to the Decent Homes Standard. The decrease in the % of homes reported as meeting the Decent Homes Standard at the end of 2013 arises from a timing difference between the completion of stock refurbishment programmes and submission of survey reports.

% OF HOMES MEETING DECENT HOMES STANDARD







Social Security Department

The Social Security Department helps people achieve and maintain financial independence through social benefits and employment schemes.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£181,782,451

10.6% increase
from 2012

£2,790,694

1.5% underspend
against Near Cash Final
Approved Budget

These pages report on the Tax Funded activities of the Social Security Department. The Department also administers the Social Security Fund, Health Insurance Fund and the Long Term Care Fund whose activities are reported separately within this annex.



Minister's Overview

The Department continues to provide support to individuals seeking employment. In 2013 the Back to Work Teams provided both short and long term assistance to local jobseekers as well as working closely with employers, the Economic Development Department and the Population Office.

Sanctions available under the Income Support scheme in respect of jobseekers who fail to actively seek work were strengthened and a revised trainee minimum wage rate was introduced. Changes to health and safety legislation were considered and a discrimination law was approved by the States.

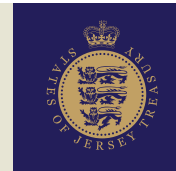
Within the Housing Transformation Programme, Social Security put forward proposals for changes to rental support in the private sector and assisted the Housing Department with the preparation of changes to rental structures in the social sector.

Under the Comprehensive Spending Review (CSR) £2.8 million of recurrent savings were found.

The £181.8 million of expenditure noted above included a contribution of £11.7 million made at the end of the year to the new ring fenced Long Term Care Fund (LTCF) to provide a long term care benefit.

Future Developments

The main priority of the Department remains to reduce the high rate of registered unemployment and to help local people back into employment. During 2014 there will be a specific initiative focussed on the construction sector, as well as continuing to work across the whole range of labour market sectors, providing training, working with employers and supporting jobseekers. A further £3 million recurrent savings under CSR will be found. Race Discrimination legislation will be brought into operation during 2014, as well as seeking States approval of "family friendly" employment law changes, and completing the consultation on, and drafting of, Sex Discrimination legislation. Work with the Housing Department on the implementation of the Housing Transformation Programme will continue.



Key Results

Performance against Near Cash Final Approved Budget

Near Cash Net Revenue expenditure is the amount that Accounting Officers are held accountable for.

KEY VARIANCES FROM BUDGET

	£'000
Contribution to LTC Fund	(11,700)
Income Support	11,246
Employment Services	2,524
Other Variances	722
Net Underspend	2,792

Income Support was underspent by £11.2 million against budget, of which £8.7 million was a result of lower claim numbers for weekly benefit than budgeted and £2.1 million in respect of Residential Care due to a number of factors including a reduction in claim numbers and greater income collected from claimants than forecast.

Employment Services expenditure was £2.5 million under budget due to timing of recruitment of staff and uptake of employer incentives.

These underspends enabled a contribution to the LTCF of £11.7 million which had not been originally budgeted. This will allow benefits to be introduced in July 2014 but contributions to the LTCF to be delayed until January 2015 and then introduced at a reduced rate.

Performance compared to 2012 (Total NRE)

The total of Near Cash and Non-Cash amounts represents the usage of resources by a department.

KEY VARIANCES FROM 2012

	£'000
2012 NRE	164,406
States Contribution to LTCF	11,700
Employment Services	3,326
Income Support	3,229
Other Benefits	(2,622)
Other Variances	1,743
2013 NRE	181,782

Net Revenue Expenditure (NRE) increased by £17.4 million from 2012. The main reason for the increase was the contribution of £11.7 million made to the LTCF in accordance with P.99/2013 and P.140/2013 (Add). More was invested in Employment Services through Back to Work and other employment initiatives funded by the growth bids in the MTFP and through budget carried forward from 2012 of £1.6 million. The increase in Income Support is partly explained by the 2012 figures having been reduced by a recharge to the Health Insurance Fund of Medical Benefit incorrectly charged to Income Support in previous years. Income Support Weekly Benefit did increase by £1.7 million offset by reductions in transitional and special payments.

Other variances included a reduction in Other Benefits as a consequence of Invalid Care Allowance being replaced by Home Carers Allowance paid from the Social Security Fund as part of the Department's CSR savings of £2.8 million. A compensatory saving will be made in the Social Security Fund by changes to Survivor's pensions. This was offset by increases in the States Contribution (Supplementation) to the Social Security Fund of £1.1 million and administration costs which increased by £1.2 million and included additional staff to handle the increased activity caused by the economic downturn and the initiatives of the Back to Work team plus development costs of the LTCF.



Changes from Budget Voted in the Medium Term Financial Plan

RECONCILIATION OF 2013 MEDIUM TERM FINANCIAL PLAN TO FINAL APPROVED BUDGET

	£'000
MTFP 2013	183,354
Carry Forwards	2,853
Allocation of Contingency	101
Transfer to Capital	(926)
Departmental Transfers	(808)
Final Approved Budget	184,574

In 2013 adjustments to the original budget voted in the Medium Term Financial Plan were made totalling a net additional £1,219,145.

This amount includes 2012 Carry Forwards of £2.9 million consisting of £1.6 million to fund Back to Work initiatives to get people into work; £1.2 million for the Long Term Care Scheme and £0.1 million for Discrimination Legislation.

An Allocation of Contingency of £0.1 million was also received for the 2013 pay award.

Service transfers totalling £0.8 million were made to other Departments. These included £0.6 million transferred to the Jersey Tax Office to fund set up costs associated with the LTCF; £0.1 million to Housing as a result of a lower than forecast increases for Income Support and Housing rents from October 2013; and £45,000 to meet the additional costs incurred by the Judicial Greffe following the 2012 transfer of the Employment Tribunal.

£0.9 million was also transferred to Capital within Treasury and Resources on behalf of Education, Sport and Culture for the upgrade and replacement of facilities at Crabbe.

Staff FTE

At the year end the department employed the equivalent of 212.7 full time employees. This is an increase of 27.9 (15.1%) from 2012, and is due to additional staff recruited during the year in accordance with the MTFP to strengthen the Back to Work and Income Support teams as a consequence of the economic climate.

Service Analysis

States Contribution to the Social Security Fund

Actual 2012	Actual 2013	Budget 2013
£61.2 million	£62.2 million	£62.2 million

The States Contribution to the Social Security Fund, also known as Supplementation, was £62.2 million in 2013 – £1 million (1.6%) higher than 2012. This contribution protects pension and benefit entitlement for those earning between the lower earnings threshold and the standard earnings limit and was in line with budget. The amount is governed by a formula and was set for the period of the MTFP thereby bringing certainty to the level of contribution made to the Social Security Fund.

Income Support – Weekly Benefit

Actual 2012	Actual 2013	Budget 2013
£71.3 million	£73.0 million	£81.6 million

Income Support Weekly Benefit expenditure totalled £73.0 million in 2013 which was an increase on 2012 of £1.7 million but an underspend of £8.6 million against the budget of £81.6 million. The underspend arose as a result of lower claim numbers than predicted in all categories of claimants. Average claims were budgeted at being 7,237 but average actual claims during 2013 were only 6,685. The combined effect of the Back to Work Team secured 1,818 job starts and therefore the impact of unemployment and the loss of LVCR was not as severe as anticipated.

There were 309 more claims at the beginning of 2013 than there had been in 2012 and this is reflected in the increased spend for the year. Claims totalled 6,778 at the start of the year but slowly reduced throughout the year to a closing total of 6,629 claims. There was a noticeable change in claim types with most types reducing in number, particularly young single jobseekers and other households with no income but with an increase in those who are in employment. In order to achieve a planned £3 million saving in 2014, most benefit components were maintained at their 2012 levels.



Employment Services

Actual 2012	Actual 2013	Budget 2013
£5.4 million	£8.7 million	£11.2 million

The Strategic Plan's most urgent priority remains to 'Get People into Work' and the 'Back to Work' programme has already been successful in achieving this through investment in a broad range of support schemes to help locally qualified unemployed people improve their employability. Expenditure on Employment Services reached £8.7 million in 2013 and was greater than 2012 by £3.3 million. This was mainly due to an increase in investment in Back to Work initiatives to reduce unemployment by giving assistance to job seekers and expansion of the range of incentives to employers to encourage the employment of those furthest from the labour market.

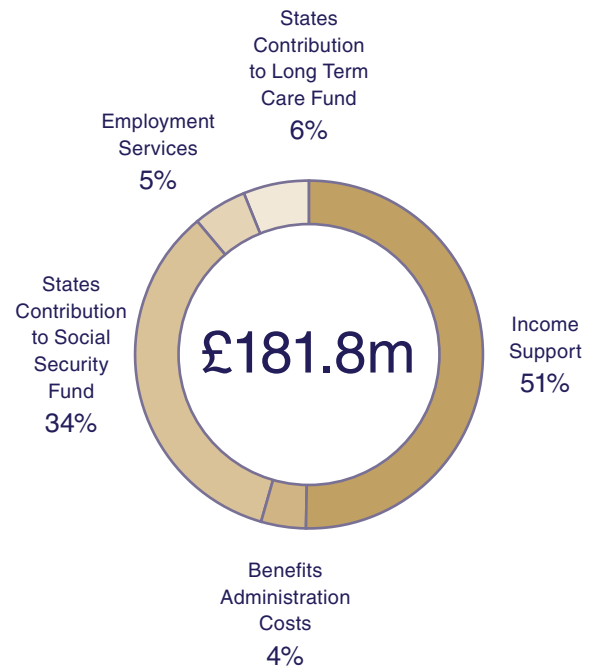
The variance in expenditure against budget is due to timing of recruitment of staff and uptake of employer incentives.

Income Support – Residential Care

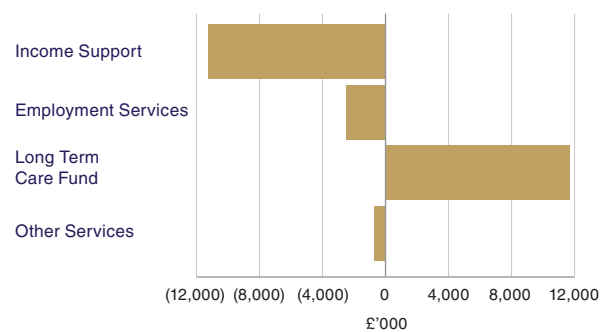
Actual 2012	Actual 2013	Budget 2013
£16.7 million	£16.7 million	£18.8 million

Expenditure overall was very similar to 2012 but was under budget by £2.1 million. Claim numbers in total remained under budget for the whole year; however the mix in category of residents differed. Actual average numbers in care were very similar to 2012 and care rates were increased by 1.5% but this additional cost was offset by more income collected from claims which reduced the level of spend.

Net Revenue Expenditure – Near Cash



Underspend Breakdown





Net Revenue Expenditure – Service Analysis

2013 Medium Term Financial Plan			2013 Final Approved Budget				2012 Actual			2013 Actual		
Near Cash	Non- Cash	Total	Near Cash	Non- Cash	Total		Near Cash	Non- Cash	Total	Near Cash	Non- Cash	Total
£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000
62,200	–	62,200	62,200	–	62,200	States Contribution to Social Security Fund	61,150	–	61,150	62,200	–	62,200
–	–	–	–	–	–	States Contribution to Long Term Care Fund	–	–	–	11,700	–	11,700
Income Support												
81,787	–	81,787	81,638	–	81,638	Weekly Benefit	71,349	–	71,349	72,953	–	72,953
–	–	–	–	–	–	Medical Benefit Recharge	(2,354)	–	(2,354)	–	–	–
1,397	–	1,397	1,397	–	1,397	Special Payments	1,530	–	1,530	1,210	–	1,210
18,775	–	18,775	18,775	–	18,775	Residential Care	16,694	–	16,694	16,722	–	16,722
673	–	673	673	–	673	Winter Fuel	562	–	562	695	–	695
833	–	833	833	–	833	Transitional Relief	1,060	–	1,060	490	–	490
103,465	–	103,465	103,316	–	103,316	Income Support	88,841	–	88,841	92,070	–	92,070
547	–	547	554	–	554	Health and Safety at Work	495	–	495	492	–	492
9,547	–	9,547	11,217	–	11,217	Employment Services	5,367	–	5,367	8,693	–	8,693
2,974	–	2,974	2,974	–	2,974	Other Benefits	5,451	–	5,451	2,829	–	2,829
7,334	–	7,334	8,019	–	8,019	Staff and Administration Costs	6,531	–	6,531	7,750	–	7,750
1,035	–	1,035	109	–	109	Contingency	–	–	–	–	–	–
(3,748)	–	(3,748)	(3,815)	–	(3,815)	Recharge to Social and Health Funds	(3,429)	–	(3,429)	(3,952)	–	(3,952)
183,354	–	183,354	184,574	–	184,574	Net Revenue Expenditure	164,406	–	164,406	181,782	–	181,782



Financial Statements

Income

Actual 2012	Actual 2013	Budget 2013
£3.5 million	£4.0 million	£3.8 million

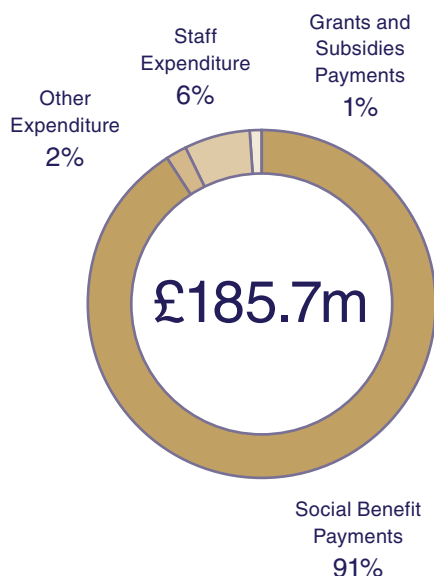
Income represents the charge to the Social Security Fund and the Health Insurance Fund in respect of staff employed by the States to administer the Funds. The increase in staffing numbers recharged to the Funds is reflected in the higher costs from 2012. A small amount of other income is received by the department for Workwise staff assigned to Jersey Employment Trust and from other external organisations for charges levied in respect of agency fees.

MAJOR INCOME STREAMS

	£'000
Staff Costs Charged to Funds	3,905
Other Services and Revenue	47
Total Income	3,952

Near Cash Expenditure

NEAR CASH EXPENDITURE BREAKDOWN



Social Benefit Expenditure

Actual 2012	Actual 2013	Budget 2013
£157.8 million	£168.7 million	£168.5 million

Social Benefit payments totalled £168.7 million, an increase of £10.9 million (6.9%) from 2012 and representing 90.8% of the Departmental spend, £62.2 million of which was the States Grant into the Social Security Fund which is accounted for as income in that Fund. The most significant part of that increase was the £11.7 million grant to the Long Term Care Fund. There was also an increase in the States contribution to the Social Security Fund of £1.1 million, and Income Support weekly benefit was £1.7 million higher, this was offset by reductions in Other Social benefit spend mainly due to Invalid Care Allowance being transferred to the Social Security Fund.

Staff Expenditure

Actual 2012	Actual 2013	Budget 2013
£8.6 million	£10.9 million	£12.4 million

Staff costs amounted to £10.9 million with £3.9 million of this amount recharged to the Social Security Fund and Health Insurance Fund. Costs of staff directly associated with the Tax Funded services totalled £7.0 million representing 3.8% of the Department's expenditure. Tax Funded Staff Expenditure was greater than 2012 by £1.8 million. The increase in spend on the previous year was due to the additional staff recruited to strengthen the Back to Work, Workzone and Income Support teams in accordance with MTFP.



Grants and Subsidies Payments

Actual 2012	Actual 2013	Budget 2013
£2.3 million	£3.0 million	£4.1 million

Grants and Subsidies payments totalled £3.0 million, an increase on the previous year by £0.7 million as a result of the additional employment grants under the Back to Work Schemes.

Expenditure was under budget by £1.2 million largely due to lower than anticipated applications for the grants. A total of £0.6 million employment/ Back to Work grants were made. The largest grant was £1.5 million to Jersey Employment Trust (JET) to support those with disabilities and learning difficulties in gaining work. Grants were made to other organisations including Jersey Advisory and Conciliation Service (JACS) who provide a free employment relations service and to charitable organisations to support the work of JET.

Other Expenditure

Actual 2012	Actual 2013	Budget 2013
(£0.8) million	£3.1 million	£3.3 million

The most significant part of Other Expenditure is Supplies and Service costs of £2.3 million.

After the adjustment in 2012 for the Medical Benefit recharge to the Health Insurance Fund which amounted to £2.4 million, the increase in expenditure year on year is £1.5 million. This is due to increased costs in Supplies and Services as a result of the spend on Back to Work initiatives.

The variance against budget of £0.2 million is mainly in Supplies and Services and a result of lower than anticipated applications for the various training initiatives and projects.

Statement of Financial Position

The increase in trade and other receivables is largely a result of the increase in Residential Care benefits receivables which grew by £0.9 million to £3.2 million at the end of 2013.

Trade and other payables increased by £0.1 million largely due to additional supplier accruals due to increased volumes; offset by a reduction in benefit accruals as a result of Invalid Care Allowance benefit which in 2013 was transferred to the Social Security Fund under the new Home Carers Allowance.

Statement of Comprehensive Net Expenditure

2013 MTFP £'000	2013 Final Approved Budget £'000		2012 Actual £'000	2013 Actual £'000
Revenue				
(3,748)	(3,815)	Sales of Goods and Services	(3,476)	(3,952)
(3,748)	(3,815)	Total Revenue	(3,476)	(3,952)
Expenditure: Near Cash				
168,639	168,490	Social Benefit Payments	157,762	168,715
–	–	Adjustment to Medical Benefit Recharge	(2,354)	–
11,199	12,397	Staff Expenditure	8,587	10,913
1,553	2,717	Supplies and Services	1,057	2,309
183	183	Administrative Expenditure	197	151
119	119	Premises and Maintenance	140	441
215	215	Other Operating Expenditure	131	89
4,149	4,149	Grants and Subsidies Payments	2,285	2,971
–	–	Impairments of Financial Assets	67	135
10	10	Finance Costs	10	10
1,035	109	Contingency	–	–
187,102	188,389	Total Expenditure: Near Cash	167,882	185,734
183,354	184,574	Net Revenue Expenditure	164,406	181,782



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Current Assets			
Trade and Other receivables	7,094	8,018	9,144
Total Current Assets	7,094	8,018	9,144
Total Assets	7,094	8,018	9,144
Current Liabilities			
Trade and Other Payables	(1,228)	(989)	(1,106)
Total Current Liabilities	(1,228)	(989)	(1,106)
Total Assets Less Current Liabilities	5,866	7,029	8,038
Assets Less Liabilities	5,866	7,029	8,038
Taxpayer's Equity			
Accumulated Revenue Reserves	5,866	7,029	8,038
Total Taxpayer's Equity	5,866	7,029	8,038



Key Performance Indicators

Number of people registered Actively Seeking Work

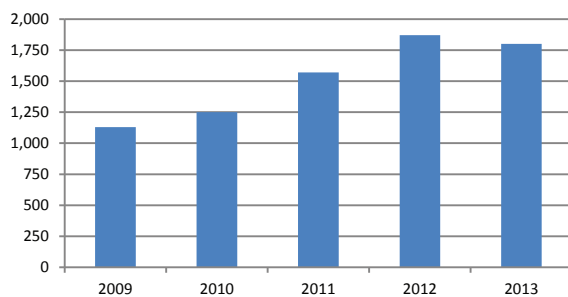
Why it is important?

The most urgent priority identified in the Strategic Plan is to get unemployed Islanders working. Unemployed residents can register as actively seeking work to access income support benefits and a range of services provided by the Social Security Department through its Back to Work teams.

What was achieved

Despite the ongoing weak economic climate and a major loss of jobs in the fulfilment industry (LVCR) during 2012, unemployment levels at the end of 2013 had reduced compared to the year earlier. In 2013, 1,818 job starts were achieved with the support of the Back to Work teams .

NUMBER OF PEOPLE REGISTERED AS ACTIVELY SEEKING WORK (SEASONALLY ADJUSTED)



Number of Income Support claims in payment

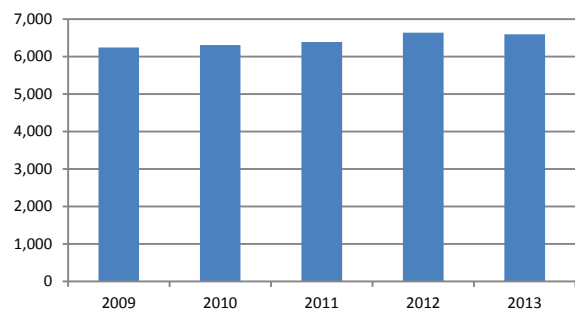
Why it is important?

Income Support provides a financial safety net to local residents with low household income. The value of the benefit takes into account the number of adults and children in the household, their housing and childcare costs and includes additional support for carers and people with disabilities.

What was achieved

The relatively stable level of claims during 2013 is indicative of the success of the Back to Work programme. Within the total number of claims there is a substantial turnover during the year, with approximately 40 claims opening and closing, and 250 family circumstance changes each week, as personal and employment situations change.

NUMBER OF INCOME SUPPORT CLAIMS AS AT YEAR END





Number of Income Support Residential Care Claims

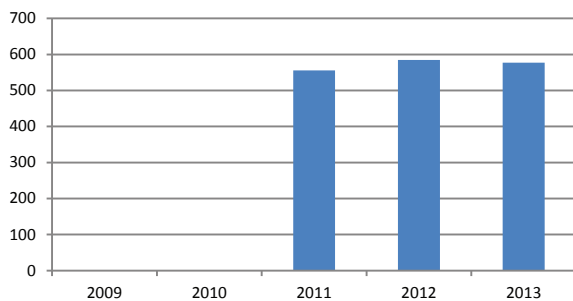
Why it is important?

Care home fees range from £600 per week to over £1,500 per week. Many individuals are unable to afford the full cost of their own care and the Income Support system supports these costs for individuals who have lived in Jersey for at least five years and have substantial care needs.

What was achieved

During 2013, the Department finalised the details of the new long-term care scheme and the States approved the implementation of the scheme from July 2014. Whilst the new scheme is being developed, claims continue to be supported through the current Income Support based system.

NUMBER OF INCOME SUPPORT RESIDENTIAL CARE CLAIMS AS AT YEAR END





Transport and Technical Services Department

Transport and Technical Services has responsibility for minimising the impact of waste on the environment, developing on-Island travel networks that meet the needs of the community and providing well maintained public amenities and infrastructure.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£25,860,860

3.7% decrease
from 2012

£1,510,415

5.5% underspend
against Near Cash Final
Approved Budget



Minister's Overview

At the beginning of the year Transport and Technical Services (TTS) welcomed two new major contractors – LibertyBus who took over running the bus service and Hunts (Jersey) Ltd who took over the scrap metal operation at Bellozanne. Both operators are very customer-focussed and have made some positive changes.

The early part of 2013 was dominated by the weather. TTS plays a key role in keeping the Island moving when there is snow and storm damage, and the extreme weather conditions in March provided a huge extra workload for TTS in terms of snow clearance of main roads, tree clearance and slope subsidence.

Works have progressed on the project to increase drainage capacity in the North of St Helier to reduce the risk of flooding and this should be completed in 2014.

We also continued with our ongoing programme of bringing our roads up to an acceptable standard by completing 2.15 miles of road rebuilding in Gloucester Street, La Hougue Bie and La Rue a Don.

TTS undertook a lot of strategy development work in 2013. This included the Liquid Waste Strategy, Taxi Reform, Road Safety and a review of the Solid Waste Strategy, and these will be completed in 2014.

In line with the Sustainable Transport Policy we are encouraging people to travel less by car. In order to do this we must make other options more attractive. During the year TTS completed various pedestrian improvement projects, which will make walking easier. 2013 also saw the first Jersey Cycle Challenge event being held, which will encourage more people to cycle. We have also worked with our new bus contractor to increase the service frequency on the buses.

I am particularly pleased that at the end of year, we received long awaited planning permission to store asbestos in special pits at La Collette until we find a suitable treatment option. We also started the tendering processes for the shipment of Air Pollution Control Residues and the export, treatment and recovery of incinerator bottom ash. We can now see an end in sight for these legacy issues at La Collette.

2013 was a good year for TTS.

Future Developments

TTS is seeking funds for the much needed replacement of the Sewage Treatment Works and will be presenting the Liquid Waste Strategy to the States requesting the remainder of the £75 million of capital for this important project in 2014.

In the 2014 budget the first tranche of this funding has already been allocated to TTS, totalling £10.1 million. This will enable the further development of plans as well as enabling the replacement and relocation of the Clinical Waste Incinerator, which will in turn free up part of the Bellozanne site.

Due to the need to progress the Liquid Waste Strategy, other infrastructure projects in future years have had to be re-prioritised.

A range of individual capital projects, separately agreed, will be commenced in the coming year, including the new Scrapyard and Household Recycling Centre. These will provide the island with facilities that are fit-for-purpose as well as freeing up additional space needed on the Bellozanne site.

In the coming year the Village Enhancement scheme in St Aubin will be progressed. This scheme looks at improving pedestrian and vehicular traffic interactions in the Parish, which should improve the quality of life for parishioners and support the Sustainable Transport Plan. It is intended that other schemes will be rolled out to the other Parishes in the coming years.

Key Results

Performance against Near Cash Final Approved Budget

Near Cash Net Revenue expenditure is the amount that Accounting Officers are held accountable for.

KEY VARIANCES FROM BUDGET

	£'000
Asbestos disposal	1,234
External electricity sales	(1,085)
Tipping fee income	646
Other Variances	715
Net Underspend	1,510

Overall the Department had an underspend against budget of £1.5 million (5.5%) primarily due to further timing delays on asbestos disposal, originally carried forward from 2011. With planning approval given at the end of the year, for the temporary storage of the asbestos in special pits at La Collette, the Department plans to begin working towards the transfer of stored legacy asbestos to a high specification lined pit in 2014.

Further key variances include shortfalls on income from electricity generated by the EfW plant, offset by better than expected tipping fees. The shortfall on electricity is principally due to the decreasing sale price, driven by European electricity markets and exchange rates. The increase in tipping fees is principally due to spoil from several large one-off projects in 2013 and there is therefore no guarantee that this level of income will continue in future years.

Other variances include an unspent balance of £0.1 million in respect of liquid waste strategy monies carried forward from 2012. Further work on the liquid waste strategy is planned for 2014.

Performance compared to 2012 (Total NRE)

The total of Near Cash and Non-Cash amounts represents the usage of resources by a department.

KEY VARIANCES FROM 2012

	£'000
2012 NRE	50,359
Impairment of assets	(7,628)
Depreciation	813
Tipping fee income	(1,028)
Other Variances	19
2013 NRE	42,535

The Department decreased Net Revenue Expenditure by £7.8 million (15.5%) compared to 2012. This was mainly as a result of Non-Cash amounts, including a lower level of impairments of assets in 2013, and additional depreciation charged in the year.

In addition, tipping fees increased compared to 2012 levels, primarily due to several large projects starting in the year, at odds with the downwards trend on tipping fee income in the past 5 years.



Changes from Budget Voted in the Medium Term Financial Plan

RECONCILIATION OF 2013 MEDIUM TERM FINANCIAL PLAN TO FINAL APPROVED BUDGET

	£'000
MTFP 2013	41,589
Carry Forwards	1,832
Allocation of Contingency	358
Transfer to Capital	(530)
Departmental Transfers	112
Final Approved Budget	43,361

In 2013 adjustments to the original budget voted in the Medium Term Financial Plan totalling £1.8 million were made.

Budgets for the disposal of legacy asbestos waste (£1.2 million), the development of the liquid waste strategy (£0.4 million), and other amounts (£0.2 million) were carried forward from 2012.

Transfers from revenue to capital in the year included just under £0.5 million in relation to Village Enhancement Schemes.

An allocation from contingency totalling £0.4 million was made, relating to the 1% non-consolidated pay award, and 1% consolidated pay award.

Departmental Transfers include amounts relating to the closure of the customer services centre at Cyril Le Marquand House.

Staff FTE

At the year end the department employed the equivalent of 477.2 full time employees. This is an increase of 10.9 (2.3%) from 2012, and is principally due to the filling of posts vacant at the year-end in 2012.

Service Analysis

Operational Services: Waste – Liquid Waste

Actual 2012	Actual 2013	Budget 2013
£6.9 million	£6.7 million	£6.9 million

The underspend of £0.2 million against budget relates mainly to the timing of further work on the Liquid Waste Strategy, which will be finalised in 2014.

The reduction of £0.2 million on 2012 is the result of various small savings.

Operational Services: Waste – Solid Waste

Actual 2012	Actual 2013	Budget 2013
£6.9 million	£6.3 million	£7.2 million

The underspend of £0.9 million against budget relates mainly to an underspend against the asbestos disposal carry forward from 2012 (£1.2 million), and reduced income from sales of electricity (£1.1 million), offset by the increase in tipping fee income (£0.6 million).

The reduction in net expenditure of £0.6 million from 2012 is principally due to the increase in tipping fee income (£1.0 million).

Engineering & Highways

Actual 2012	Actual 2013	Budget 2013
£4.0 million	£4.1 million	£4.3 million

The underspend of £0.2 million against budget is principally a result of staff savings.



Transport

Actual 2012	Actual 2013	Budget 2013
£5.3 million	£5.1 million	£5.1 million

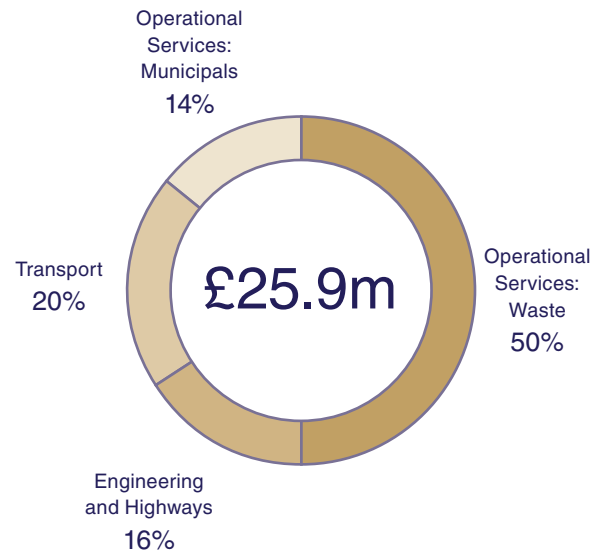
The reduction of £0.2 million on 2012 is principally due to the additional income generated by the Driver and Vehicle Standards licence plate auction in December 2013.

Operational Services: Municipals

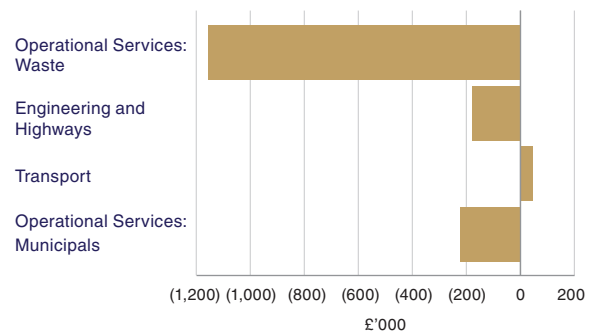
Actual 2012	Actual 2013	Budget 2013
£3.8 million	£3.6 million	£3.9 million

The underspend of £0.3 million against budget, as well as the £0.2 million reduction in net expenditure from 2012, relates to numerous small underspends and overachievement of income across Cleaning, Parks and Gardens and Jersey Harbours in the year.

Net Revenue Expenditure – Near Cash



Underspend Breakdown





Net Revenue Expenditure – Service Analysis

2013 Medium Term Financial Plan			2013 Final Approved Budget				2012 Actual			2013 Actual		
Near Cash £'000	Non- Cash £'000	Total £'000	Near Cash £'000	Non- Cash £'000	Total £'000		Near Cash £'000	Non- Cash £'000	Total £'000	Near Cash £'000	Non- Cash £'000	Total £'000
Operational Services: Waste												
6,614	5,128	11,742	6,931	5,128	12,059	Liquid Waste	6,881	13,055	19,936	6,689	7,188	13,877
5,452	5,098	10,550	7,227	5,098	12,325	Solid Waste	6,917	6,791	13,708	6,313	5,681	11,994
12,066	10,226	22,292	14,158	10,226	24,384	Operational Services: Waste	13,798	19,846	33,644	13,002	12,869	25,871
Operational Services: Municipals												
1,737	–	1,737	1,800	–	1,800	Cleaning	1,659	–	1,659	1,631	–	1,631
2,164	31	2,195	2,226	31	2,257	Parks and Gardens	2,360	37	2,397	2,193	37	2,230
(197)	–	(197)	(168)	–	(168)	Jersey Harbours	(265)	–	(265)	(187)	–	(187)
3,704	31	3,735	3,858	31	3,889	Operational Services: Municipals	3,754	37	3,791	3,637	37	3,674
4,329	5,658	9,987	4,300	5,658	9,958	Engineering and Highways	4,046	3,533	7,579	4,122	3,693	7,815
5,500	75	5,575	5,055	75	5,130	Transport	5,270	75	5,345	5,100	75	5,175
25,599	15,990	41,589	27,371	15,990	43,361	Net Revenue Expenditure	26,868	23,491	50,359	25,861	16,674	42,535

Financial Statements

Income

Actual 2012	Actual 2013	Budget 2013
£19.7 million	£17.4 million	£15.8 million

The surplus of £1.6 million against budget is mostly attributable to:

- Increased recharges to other areas of TTS, States departments and capital schemes (£1.4 million);
- Increased tipping fees (£0.7 million);
- School bus income (£0.3 million); and
- DVS licence plate auction (£0.2 million).

offset by

- Electricity sales less than budget (£1.1 million)

The reduction of £2.3 million on 2012 is mostly attributable to:

- No income on the main bus contract, due to the change in the operation of the bus contract, whereby the operator receives the income from running the service (£3.4 million); and
- A reduction in receipts from electricity sales (£0.5 million)

offset by

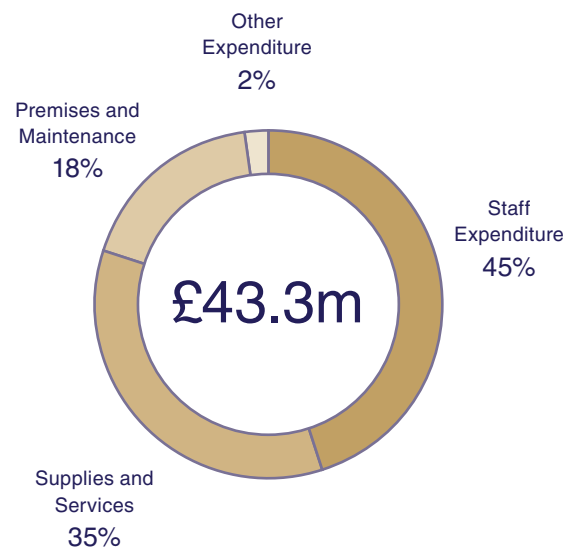
- Increased tipping fees (£1.0 million); and
- Income from the licence plate auction (£0.3 million).

MAJOR INCOME STREAMS

	£'000
Recharge income	10,562
Tipping fees	2,108
External electricity sales	1,215
Other	3,517
Total Income	17,402

Near Cash Expenditure

NEAR CASH EXPENDITURE BREAKDOWN



Staff Expenditure

Actual 2012	Actual 2013	Budget 2013
£19.0 million	£19.4 million	£19.9 million

The underspend of £0.5 million against budget is principally due to vacancies during the year.

The increase of £0.4 million on 2012 relates principally to the 1% non-consolidated and 1% consolidated pay awards in the year.



Supplies and Services

Actual 2012	Actual 2013	Budget 2013
£18.5 million	£15.1 million	£15.2 million

The underspend of £0.1 million against budget is due to bus contract costs (£0.6 million) and internal recharges (£0.3 million) exceeding budget, offset by underspends on asbestos disposal (£1.2 million), the liquid waste strategy (£0.1 million) and various other small differences (£0.1 million underspend).

The reduction of £3.4 million in spend on 2012 is principally due to the change in the operation of the bus contract, whereby the operator incurs the main costs of running the service. This is offset by a reduction in income (as discussed previously).

Premises and Maintenance

Actual 2012	Actual 2013	Budget 2013
£8.0 million	£7.8 million	£7.8 million

The reduction of £0.2 million on 2012 is due to a number of small differences. Reactive maintenance costs were lower than in prior year, however, despite energy efficiency measures being implemented, wet weather and tariff increases contributed to an overall increased electricity cost for the year.

Other Expenditure Lines

Actual 2012	Actual 2013	Budget 2013
£1.0 Million	£0.9 million	£0.3 million

The overspend of £0.6 million against budget is principally due to increased cost of sales on external recharges, which are offset by additional income (discussed previously).

Non Cash Expenditure

Actual 2012	Actual 2013	Budget 2013
£23.5 million	£16.7 million	£16.0 million

The overspend of £0.7 million against budget is mostly due to drainage impairments (£1.1 million), offset by a net reduction in total depreciation, mostly a result of changing useful lives of various assets (net £0.5 million underspend).

The reduction of £6.8 million on 2012 is due to a significantly lower level of impairments compared to prior year (£7.6 million), offset by an increase in depreciation (£0.8 million).

Other Comprehensive Income

A full valuation of Infrastructure Assets, comprising Highways, Drainage and Sea Defences, was undertaken for the year end. This resulted in a reversal of previous impairments totalling £15.2 million booked against the revaluation reserve.

Statement of Financial Position

The increase in the net asset value in the year relates principally to the increased valuation of Infrastructure Assets in the year.



Statement of Comprehensive Net Expenditure

2013 MTFP £'000	2013 Final Approved Budget £'000		2012 Actual £'000	2013 Actual £'000
Revenue				
(862)	(862)	Duties, Fees, Fines and Penalties	(835)	(820)
(14,830)	(14,830)	Sales of Goods and Services	(18,414)	(16,026)
(1)	(1)	Investment Income	(2)	(2)
(156)	(156)	Other Income	(442)	(554)
(15,849)	(15,849)	Total Revenue	(19,693)	(17,402)
Expenditure: Near Cash				
19,489	19,907	Staff Expenditure	19,049	19,371
13,396	15,200	Supplies and Services	18,495	15,143
259	259	Administrative Expenditure	273	261
8,219	7,769	Premises and Maintenance	8,046	7,838
40	40	Other Operating Expenditure	610	593
1	1	Impairments of Financial Assets	49	23
44	44	Finance Costs	39	34
41,448	43,220	Total Expenditure: Near Cash	46,561	43,263
25,599	27,371	Net Revenue Expenditure: Near Cash	26,868	25,861
Non Cash Amounts				
15,990	15,990	Depreciation and Amortisation	14,720	15,533
–	–	Impairments of Property, Plant and Equipment	8,770	1,142
–	–	Loss/(Gain) on Disposal of Non-Current Assets	1	(1)
15,990	15,990	Total Non Cash Amounts	23,491	16,674
41,589	43,361	Net Revenue Expenditure	50,359	42,535
Other Comprehensive Expenditure/(Income)				
–	–	Revaluation of Property, Plant and Equipment	44,882	(15,197)
–	–	Total Other Comprehensive Expenditure/(Income)	44,882	(15,197)
41,589	43,361	Total Comprehensive Expenditure	95,241	27,338



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	1,037,554	979,129	989,576
Intangible Assets	537	696	590
Trade and Other Receivables	9	7	7
Total Non-Current Assets	1,038,100	979,832	990,173
Current Assets			
Inventories	728	1,017	1,908
Trade and Other receivables	1,043	945	1,382
Cash and Cash Equivalents	1	1	11
Total Current Assets	1,772	1,963	3,301
Total Assets	1,039,872	981,795	993,474
Current Liabilities			
Trade and Other Payables	(9,740)	(9,233)	(7,174)
Provisions for liabilities and charges	–	(1,287)	(1,047)
Total Current Liabilities	(9,740)	(10,520)	(8,221)
Total Assets Less Current Liabilities	1,030,132	971,275	985,253
Non-Current Liabilities			
Provisions for liabilities and charges	(4,160)	(2,080)	(2,080)
Total Non-Current Liabilities	(4,160)	(2,080)	(2,080)
Assets Less Liabilities	1,025,972	969,195	983,173
Taxpayer's Equity			
Accumulated Revenue Reserves	807,043	795,148	793,929
Revaluation Reserve	218,929	174,047	189,244
Total Taxpayer's Equity	1,025,972	969,195	983,173



Key Performance Indicators

Solid Waste produced including recycling rates

Why is it important?

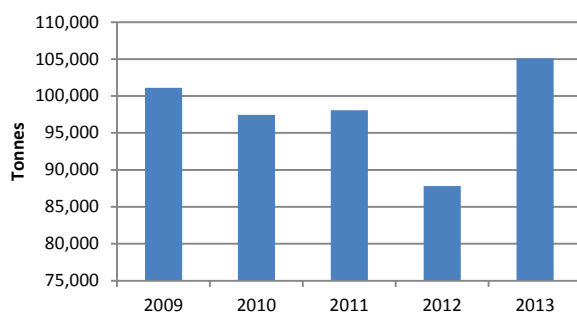
Waste is a misuse of resources. We must not only reduce the amount we produce, but we must also make the most out of that which is generated. This can be achieved through recycling and composting and energy recovery.

What was achieved?

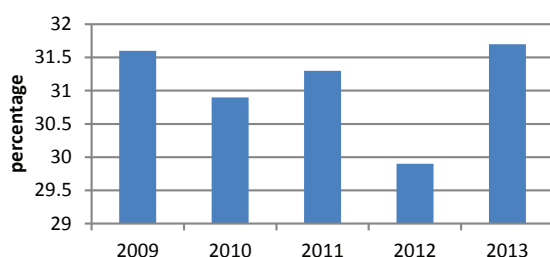
There was a dip in the amount of waste generated in 2012, probably due to the dip in the economy. In 2013, the economy picked up slightly and there was also a significant increase in green waste largely due to damage done to trees and foliage in the snow and storms. This resulted in a 20% increase in solid waste from the previous year.

Recycling followed a similar trend. The volume of green waste received in 2013 was 15,789 tonnes as compared to 9,395 tonnes in 2012, which represents a massive 68% increase.

SOLID WASTE GENERATED BY THE ISLAND



RECYCLING RATE



Liquid Waste volume treated and quality of effluent

Why is it important?

The Sewage Treatment Works at Bellozanne treats the Island's sewage which is pumped there through the drainage system. Once treated the effluent is tested to ensure that risks to public health have been eliminated and the chemical content is within set limits.

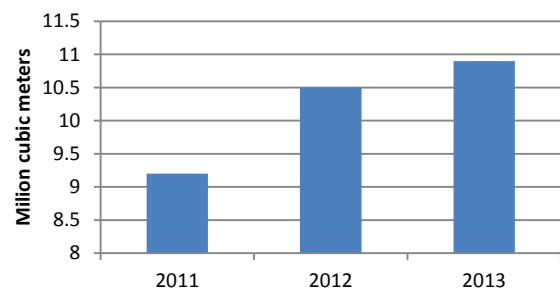
What was achieved?

10.9 million cubic meters of sewage was treated in 2013. This was a 4% increase on the previous year and continues the upward trend. The increase is as a rise in population and heavy rainfall events.

The treated effluent passed the requirements set by the Waste Regulator with regard to suspended solids, chemical oxygen demand and biochemical oxygen demand but failed to meet the total nitrogen standard (this does not represent a risk to health).

TTS is seeking funds to build a new sewage treatment works which will address both the increasing liquid waste and the effluent quality issue.

WASTE WATER RECEIVED AT SEWAGE TREATMENT WORKS





Travel –the volume of traffic

Why is it important?

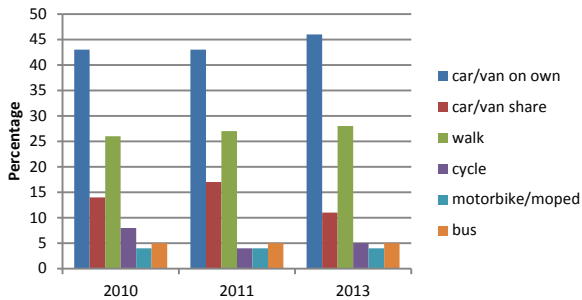
Congestion has a negative impact on our economy and quality of life.

What was achieved?

Traffic congestion is not currently measured in Jersey; however the information obtained from the Census and the Jersey Annual Social Surveys on the ways people travel to work, gives a year on year indication on the level of car usage on the roads as shown in the diagram.

There was a slight increase in people travelling by car on their own and a decrease in those car sharing, with the more sustainable modes of travel staying about the same.

TRAVEL TO WORK MODES



Public feedback on the cleanliness of municipal areas

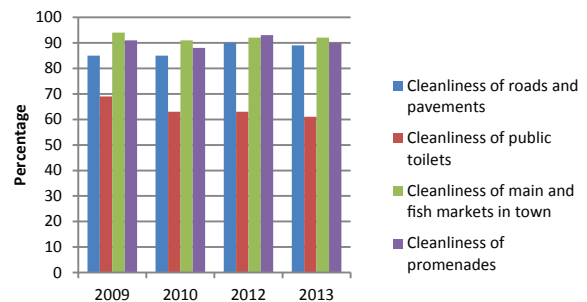
Why is it important?

It is important that public places are provided and maintained to an acceptable standard, so that they are well used and appreciated.

What was achieved?

In order to find out what the public think of the cleaning services, TTS asks questions in the Jersey annual Social Survey. The chart shows the percentage of people who rated the cleanliness of the specified areas as either good or very good. It can be seen that the results are fairly consistent with previous years.

POSITIVE FEEDBACK ON CLEANLINESS





Highway resurfacing

Why is it important?

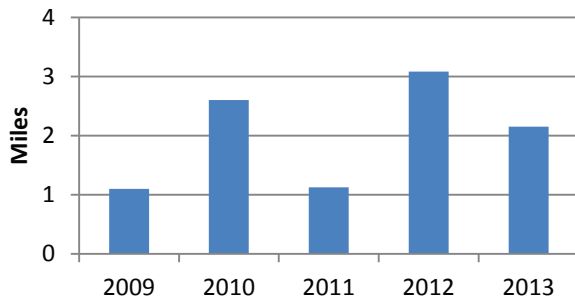
Highways are an integral part of the Island's transport infrastructure and it is important to not let them slip into a state of disrepair.

What was achieved?

TTS resurfaced 2.15 miles (6 miles width) of the 165.5 mile road network, a 30% reduction on the previous year. Therefore at that rate the average timespan for resurfacing is 77.2 years.

The main projects were La route de la Hougue Bie, Gloucester Street and Rue a Don.

MILES OF ROAD RESURFACED







Treasury and Resources Department

Treasury and Resources looks after Jersey's finances, assets and investments, ensuring the protection and good use of public funds

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£32,359,356

7.1% increase
from 2012

£3,598,853

10.0% underspend
against Near Cash Final
Approved Budget



Minister's Overview

The Treasury and Resources Department has made significant progress in 2013 towards its objectives of improving longer term financial planning and securing a financially sustainable future.

The Department's achievements for 2013 include:

- Approval by the States Assembly of the 2014 Budget, which delivered a cut in the marginal rate of tax, benefiting 40,000 low and middle income taxpayers, putting money back into the economy, improving health services and providing more and better housing for islanders.
- Progress made on the Taxes Transformation Programme. The Taxes Office introduced online submission of personal tax returns (for taxpayers using agents) from January and online payments from February 2013. Other projects involving internal data processing and ITIS (Income Tax Instalment System) improvement were also completed.
- Progress with an effective backlog maintenance programme which focused on improving the States property portfolio. JPH carried out £4.25 million of backlog maintenance across the States property portfolio, including £2.8 million on Health and Social Services properties.
- Establishment of the Pensions Technical Working Group which began the redesign of the Public Employees Contributory Retirement Scheme (PECRS) to place it on a sustainable footing for the next twenty years.
- Successful oversight of States owned and partly owned utilities and companies including improving the management, governance and performance of SOJDC.

Future Developments

The Department will continue to work collaboratively across the States to identify risks and issues and address urgent pressures as they arise. Fiscal policy will remain focused on protecting jobs and promoting the economy.

In addition to business as usual, the Department will focus on developments in 2014 set out below.

- Progressing the project to update, modernise and put the States pension schemes on a sustainable footing.
- Monitoring the delivery of the Medium Term Financial Plan and Comprehensive Spending Review. Producing a Long Term Revenue Plan and continuing to monitor Fiscal Strategy, where necessary recommending adjustments and working on options for delivering savings in future years.
- Continuing the roll-out of the Procurement Transformation Plan, including the introduction of an improved 'Procure to Pay' system.
- Supporting all States' Departments to review and update their Business Continuity plans.
- Strengthening the regulatory framework through a programme of revisions to the Finance Law, Financial Directions and other operating procedures.
- Continuing to advance a number of capital projects within JPH as agreed in the Capital programme, including the delivery of a replacement St Martin's School together with several extensions to existing primary schools. JPH will also continue to develop plans for the Future Hospital project.
- Continuing to implement the multi-year Taxes Transformation Programme; activities planned for 2014 include further work to support the Social Security Department in the collection of Long term Care contributions, and the introduction of online filing for all taxpayers on or before January 2015. Introduction of Self-Assessment for Business Tax is also being planned.



Key Results

Performance against Near Cash Final Approved Budget

Near Cash Net Revenue expenditure is the amount that Accounting Officers are held accountable for.

KEY VARIANCES FROM BUDGET

	£'000
Taxes Office	1,031
Jersey Property Holdings	1,028
States Treasury and Procurement	1,019
Other Variances	522
Net Underspend	3,600

The Treasury and Resources Department underspent balance at the end of 2013 was £3.6 million. £2.4 million related to additional non-recurring allocations made in advance for the full cost of projects which are planned to take place over a number of years. These include Procure to Pay, Taxes Transformation Programme and Long Term Care Project.

Taxes Office was underspent by £1.0 million. The majority of this underspend was due to the work on the Taxes Transformation Programme which is planned to continue across the financial year end.

Jersey Property Holdings (JPH) was underspent against budget by £1.0 million. This was a result of a number of factors, including delays to starting the Move on Café project refurbishment work while the lease agreements were finalised (£0.3 million). The remaining £0.7 million related to overachievement against budgeted income, delays in work to be funded from carry forwards, staff underspends due to restructuring during the year and a small maintenance contingency held back in case of emergencies.

States Treasury and Procurement was underspent by £1.0 million as a result of additional funding being allocated in advance during 2012 and 2013 to provide for a project to introduce a web-based 'Procure to Pay' system over the next three years.

The remaining underspend of £0.5 million includes £0.4 million of funds ring fenced from the PECRS Pre-1987 Debt Repayment budget to provide a reserve for volatile costs in future years and a £0.1 million underspend on Pre-1967 Pension Scheme payments.

Performance compared to 2012 (Total NRE)

The total of Near Cash and Non-Cash amounts represents the usage of resources by a department.

KEY VARIANCES FROM 2012

	£'000
2012 NRE	40,801
Jersey Property Holdings	10,011
Pensions	1,046
Taxes Office	639
Other Variances	(188)
2013 NRE	52,309

Jersey Property Holdings had an increase in expenditure of £10.0 million from 2012. £9.0 million of this related to increased non cash depreciation charges resulting from a revaluation of land and buildings in 2012, leading to higher charges in 2013. The near cash increase of £0.8 million from 2012 was a combination of one off grant income in 2012 for capital projects not repeated in 2013, together with increased premises and maintenance expenditure.

The PECRS Pre-1987 payments increased from 2012 by £1.0 million due mostly to additional funding agreed as per MTFP for the early repayment of the debt and inflation.

The Taxes Office increase in expenditure from 2012 related to the introduction of the Long Term Care Project in 2013, an increase in expenditure associated with Tax Information Exchange Agreements and an increase in depreciation in connection with the internally developed ITAX system.

Other variances represent a combination of a reduction in spend within the States Treasury Department and increased expenditure within Insurance and Corporate Procurement.



Changes from Budget Voted in the Medium Term Financial Plan

RECONCILIATION OF 2013 MEDIUM TERM FINANCIAL PLAN TO FINAL APPROVED BUDGET

	£'000
MTFP 2013	41,142
Carry Forwards	4,362
Allocation of Contingency	2,939
Allocation of Additional Funding	35
Transfer to Capital	(1,945)
Departmental Transfers	566
Final Approved Budget	47,099

In 2013 adjustments to the original budget voted in the Medium Term Financial Plan totalling £6.0 million were made.

£4.4 million was carried forward from 2012, primarily to continue multi-year projects, such as Procure to Pay, Taxes Transformation and Long Term Care. Funding was also applied to support backlog maintenance projects, interim assets valuations and to increase PECRS Pre-1987 Debt Repayment budget.

£2.9 million was allocated from Contingency to complete the transfer of restructuring provision budget for Procure to Pay and Taxes Transformation projects, 2013 pay awards and to meet the costs incurred in respect of the Historic Child Abuse Enquiry.

Allocation of additional funding of £35,000 was processed for Low Value Consignment Relief (LVCR).

£1.9 million was transferred from revenue to capital for various projects within Jersey Property Holdings and Taxes Office to ensure correct accounting treatment under Accounting Standards.

In 2013 a net amount of £0.6 million was transferred into the Treasury and Resources from other States of Jersey Departments. £0.6 million was transferred from the Social Security Department to the Taxes Office for Long Term Care project and £0.2 million was transferred from Non-Ministerial Departments to Taxes Office to fund legal fees and other costs in respect of appeals against notices issued in relation to Tax Information requests from other jurisdictions. Transfers of £0.2 million from the Treasury and Resources Department were in relation to changes within heads of revenue expenditure and transfer to the Health Department services for Energy Reduction Programme costs.

Staff FTE

At the year end the department employed the equivalent of 244.4 full time employees. This is an increase of 9.5 (4.0%) from 2012, and was mainly due to a combination of new posts and vacancies recruited to in 2013 across Treasury, Corporate Procurement, Taxes and Jersey Property Holdings.



Service Analysis

Jersey Property Holdings

Actual 2012	Actual 2013	Budget 2013
£7.8 million	£8.6 million	£9.6 million

Jersey Property Holdings actual net revenue position increased by £0.8 million between 2012 and 2013 as follows:

Income reduced in 2013 by £0.3 million compared with 2012, due to the receipt of a one off special grant provided by Victoria college funds in 2012. Recurring income is slightly up on 2012 due primarily to rental increases.

Premises maintenance costs increased by £1.1 million due to more maintenance activities carried out to improve the States Buildings portfolio. The maintenance costs were offset by a reduction in supplies and services of £0.4 million.

States Treasury

Actual 2012	Actual 2013	Budget 2013
£6.9 million	£6.3 million	£6.3 million

The Treasury 2013 spend was in line with budget. In fact savings on staff costs due to posts being vacant during the year was offset against higher than budgeted expenditure incurred within non staff costs on funding of projects identified during the year and hired services provided by external accountancy companies.

The £0.6 million decrease in expenditure from 2012 was mainly due to the CSR savings in 2013 and one-off legal fees paid in 2012 in respect of Low Value Consignment Relief (LVCR).

Taxes Office

Actual 2012	Actual 2013	Budget 2013
£5.9 million	£6.4 million	£7.4 million

The Taxes Office was underspent against budget by £1.0 million mainly due to an underspend within the Taxes Transformation Programme budget, as the budget is intended to meet expenditure that will be incurred over a multi-year programme.

Other Services

Actual 2012	Actual 2013	Budget 2013
£9.6 million	£11.0 million	£12.7 million

Other Services include Corporate Procurement, Insurances and Fees and Pensions (Pre-1987 Debt repayment and Pre-1967 pension payments).

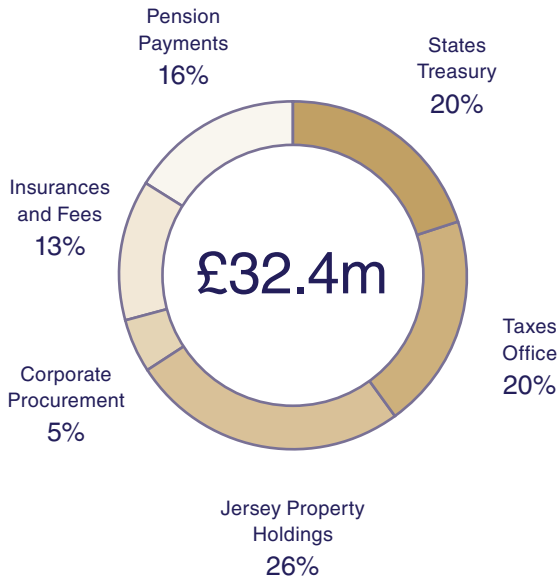
Additional expenditure of £1.8 million was incurred in 2013 on insurance fees and expenses in relation to the Historic Child Abuse Enquiry for which additional funding was made available from Contingency.

The PECRS Pre-1987 Debt repayment was higher in 2013 due to the additional funding of £1.0 million agreed in MTFP for early repayment of the debt but lower than budget by £0.4 million as a result of a contingency retained which will be used to meet future debts. Pensions Pre-1967 debt repayments were below the budget by £0.1 million and this was a result of decrease in number of Pre-1967 pensioners.

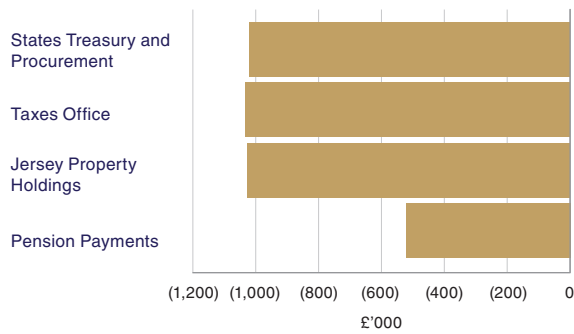
Expenditure incurred on the 'Procure to Pay' project was £0.3 million higher than in 2012 as work in the areas has increased. However, spend was £1.1 million less than budget as a result of funding having been allocated in full whilst expenditure is planned to span more than one year.



Net Revenue Expenditure – Near Cash



Underspend Breakdown





Net Revenue Expenditure – Service Analysis

2013 Medium Term Financial Plan			2013 Final Approved Budget				2012 Actual (Restated)			2013 Actual		
Near Cash	Non- Cash	Total	Near Cash	Non- Cash	Total		Near Cash	Non- Cash	Total	Near Cash	Non- Cash	Total
£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000
5,737	–	5,737	6,277	–	6,277	States Treasury	6,871	–	6,871	6,325	–	6,325
6,143	931	7,074	7,437	931	8,368	Taxes Office	5,926	674	6,600	6,406	833	7,239
9,751	10,209	19,960	9,600	10,209	19,809	Jersey Property Holdings	7,754	9,924	17,678	8,572	19,117	27,689
464	–	464	2,701	–	2,701	Corporate Procurement	1,512	–	1,512	1,634	–	1,634
2,335	–	2,335	4,146	–	4,146	Insurances and Fees	3,910	–	3,910	4,146	–	4,146
						Pensions						
4,993	–	4,993	5,219	–	5,219	Pre 1987 Debt repayment	3,779	–	3,779	4,837	–	4,837
579	–	579	579	–	579	Pre 1967 Pension Payments	451	–	451	439	–	439
30,002	11,140	41,142	35,959	11,140	47,099	Net Revenue Expenditure	30,203	10,598	40,801	32,359	19,950	52,309



Financial Statements

Income

Actual 2012	Actual 2013	Budget 2013
£9.4 million	£10.0 million	£7.0 million

The Treasury and Resources Department's income in 2013 included £6.2 million within Jersey Property Holdings. This related to external leases and internal recharges for rent and facilities management, as well as professional fees charged.

Jersey Property Holdings income exceeded the budget by £0.6 million due to more work undertaken by the Capital Delivery Projects Section in respect of the Capital Delivery programme. 2013 income was lower from 2012 by £0.3 million due to decrease in recharges to departments for less work undertaken in 2013 at their request.

Unbudgeted insurance recharges of £1.6 million were mainly to the Health and Social Services Department matching insurance premiums expenditure related to public health. The recharges increased from 2012 by £0.6 million due to full year effect in 2013 on costs of a Medical Malpractice insurance, which commenced in July 2012.

Recharges to Funds and other departments of £1.3 million were on budget in line with services provided and costs incurred in 2013 by the Treasury and Resources Department.

Other departmental income was over budget by £0.3 million and better than in 2012 by £0.8 million.

Other income was over budget mainly due to the additional income from internal Taxes Office recharges of costs to the Taxes Transformation Programme.

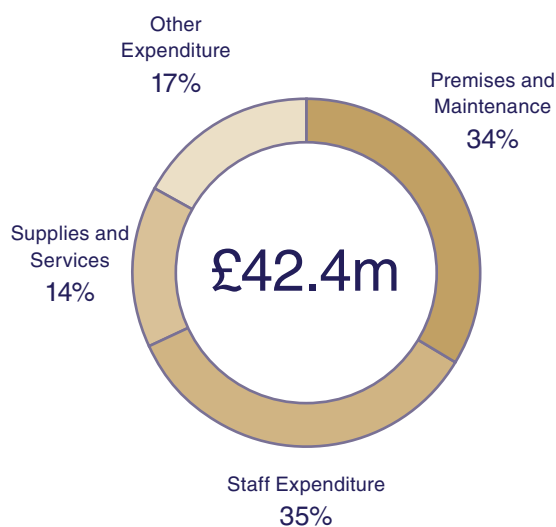
The recharges were over budget due to higher expenditure incurred in 2013.

MAJOR INCOME STREAMS

	£'000
Property rentals and facilities charges	6,155
Insurance Recharges	1,630
Recharges to Funds	1,259
Other	968
Total Income	10,012

Near Cash Expenditure

NEAR CASH EXPENDITURE BREAKDOWN





Staff Expenditure

Actual 2012	Actual 2013	Budget 2013
£14.4 million	£14.7 million	£15.9 million

2013 staff expenditure was only £0.3 million higher than in 2012. This increase from 2012 reflects 2013 pay awards.

Increased number of FTEs from 2012 had no impact on staff expenditure. A majority of lower grade posts vacant in 2012 were filled in 2013 against a lower number of higher grade posts vacant only in 2013.

The underspend of £1.2 million was due to vacant posts during the year and also changes in management structure within the Department.

Premises and Maintenance

Actual 2012	Actual 2013	Budget 2013
£12.9 million	£14.4 million	£13.8 million

£9.7 million of premises and maintenance expenditure was incurred by Jersey Property Holdings as mandatory, cyclical, reactive maintenance and maintenance projects performed across the States portfolio. JPH had underspend of £1.1 million against budget due to some projects commencing later than anticipated. This variance also reflected a contingency sum held back for emergency work.

JPH premises and maintenance costs were higher by £1.2 million compared to 2012 primarily. This was due to increased maintenance project work carried out in 2013 and an overall uplift in supplier rates influenced by market and RPI increases.

£3.7 million of premises costs were insurance costs incurred in 2013. They were over budget by £1.6 million and were offset against recharges to Health for the same amount against no budget.

Supplies and Services

Actual 2012	Actual 2013	Budget 2013
£6.9 million	£6.2 million	£5.3 million

Supplies and Services decreased from 2012 by £0.7 million but were higher than budget by £0.9 million.

The decrease in expenditure from 2012 was mainly due to one-off legal fees of £0.8 million paid in 2012 in respect of Low Value Consignment Relief (LVCR) and one-off IFRS valuation costs of £0.2 million incurred in 2012; partly offset by the increase in spend on computer software of £0.3 million for the Procure to Pay Project.

The Treasury and Resources Department spent more than budgeted in 2013 by £1.4 million on professional and consultant fees, actuarial fees and hired services. The majority of this related to Jersey Property Holdings professional fees, a review of PECRS, expenses relating to the forthcoming bond issue and ad hoc unfunded pressures identified during the year. This overspend was partly offset by the £0.5 million unspent on Procure to Pay computer software 2013 costs against the total budget of the project.

Other Expenditure

Actual 2012	Actual 2013	Budget 2013
£5.4 million	£7.1 million	£8.1 million

Other expenditure increased from 2012 by £1.7 million but was lower than budget by £0.9 million.

£1.0 million of the increase relates to an additional payment for the PECRS Pre-1987 Debt repayments approved in the MTFP. The remaining £0.7 million increase was related primarily to other operating expenditure such as ex-gratia payments in relation to the Historic Child Abuse Enquiry.

The underspend of £0.9 million was mostly due to lower costs of administrative expenses on Taxes Transformation Programme and lower than budget PECRS Pre-1987 Debt repayments.



Non Cash Expenditure

Actual 2012	Actual 2013	Budget 2013
£10.6	£19.9	£11.1
million	million	million

The majority of variances were in JPH. Non cash expenditure increased from 2012 by £9.3 million and was over budget by £8.8 million.

In 2012 a full revaluation of the JPH property portfolio has been carried out in line with accounting standards. This revaluation increased the value of the portfolio by £131 million, as well as affecting the useful economic lives of the assets, both of which resulted in higher depreciation charges.

The 2013 depreciation budget of £10.2 million was based on asset values before the valuation, leading to the budget being lower than actuals.

Other Comprehensive Income

In 2013 an annual revaluation of Jersey Property Holdings Infrastructure Land only was undertaken resulting in a revaluation increase of £4.4 million.

Statement of Financial Position

The biggest movements in the Statement of Financial Position over the last three years have been largely due to the results of revaluation processes and other movements in property, plant and equipment.

The £0.5 million reduction in assets classified as held for sale relates to the lower than estimated number of Jersey Property Holdings properties transferring to flying freehold. In accordance with Financial Accounting Standards on the treatment of asset classification, JPH has carried out a reclassification exercise returning the classification of some of these properties back to operational Land and Buildings status, where sales are not considered probable in 2014.

JPH trade payables decreased from 2012 due to the efficiencies made by the Maintenance Support Desk in building working relationships with its suppliers resulting in invoices being received in a timely manner.

There was a lower accrual of insurance in 2013.



Statement of Comprehensive Net Expenditure

2013 MTFP £'000	2013 Final Approved Budget £'000		2012 Actual (Restated) £'000	2013 Actual £'000
Revenue				
(6,849)	(6,849)	Sales of Goods and Services	(8,650)	(9,402)
(214)	(214)	Other Income	(778)	(610)
(7,063)	(7,063)	Total Revenue	(9,428)	(10,012)
Expenditure: Near Cash				
14,552	15,890	Staff Expenditure	14,429	14,678
3,009	5,323	Supplies and Services	6,888	6,176
437	847	Administrative Expenditure	339	482
13,752	13,772	Premises and Maintenance	12,924	14,374
180	1,829	Other Operating Expenditure	1,100	1,696
–	–	Grants and Subsidies Payments	96	50
113	113	Impairments of Financial Assets	37	34
5,022	5,248	Finance Costs	3,818	4,881
37,065	43,022	Total Expenditure: Near Cash	39,631	42,371
30,002	35,959	Net Revenue Expenditure: Near Cash	30,203	32,359
Non Cash Amounts				
11,140	11,140	Depreciation and Amortisation	10,974	20,110
–	–	Reversal of Impairments of Property, Plant and Equipment	(276)	–
–	–	Asset Donations	–	(160)
–	–	Gain on Disposal of Non-Current Assets	(100)	–
11,140	11,140	Total Non Cash Amounts	10,598	19,950
41,142	47,099	Net Revenue Expenditure	40,801	52,309
Other Comprehensive Income				
–	–	Revaluation of Property, Plant and Equipment	(131,191)	(4,380)
–	–	Gains on Revaluation of Other AFS Investments	(5)	(1)
–	–	Reclassification adjustments for gains	(13)	–
–	–	Total Other Comprehensive Income	(131,209)	(4,381)
41,142	47,099	Total Comprehensive Expenditure/(Income)	(90,408)	47,928



Statement of Financial Position

	2011 Actual (Restated) £'000	2012 Actual (Restated) £'000	2013 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	1,038,108	1,170,242	1,163,822
Intangible Assets	3,237	2,987	2,778
Other Available for Sale investments	298	303	303
Total Non-Current Assets	1,041,643	1,173,532	1,166,903
Current Assets			
Non-Current Assets classified as held for sale	786	538	22
Trade and Other receivables	1,395	989	1,104
Cash and Cash Equivalents	106	124	138
Total Current Assets	2,287	1,651	1,264
Total Assets	1,043,930	1,175,183	1,168,167
Current Liabilities			
Trade and Other Payables	(7,400)	(9,446)	(8,246)
Total Current Liabilities	(7,400)	(9,446)	(8,246)
Total Assets Less Current Liabilities	1,036,530	1,165,737	1,159,921
Non-Current Liabilities			
Provisions for liabilities and charges	(247)	(106)	–
Total Non-Current Liabilities	(247)	(106)	–
Assets Less Liabilities	1,036,283	1,165,631	1,159,921
Taxpayer's Equity			
Accumulated Revenue Reserves	946,875	945,206	935,497
Revaluation Reserve	89,110	220,122	224,121
Investment Reserve	298	303	303
Total Taxpayer's Equity	1,036,283	1,165,631	1,159,921



Key Performance Indicators

Jersey Property Holdings External Property Income

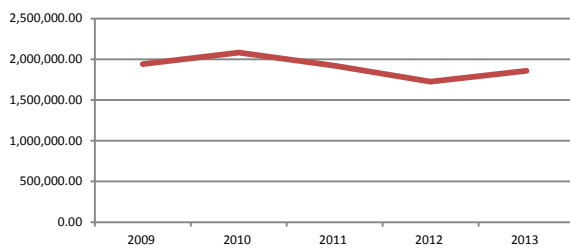
Why is it important?

Jersey Property Holdings seeks to obtain an appropriate return from properties within the Public portfolio that are leased or licenced for a mix of commercial and community uses. External property income provides an external income stream to the States of Jersey which helps fund the cost of managing and safely maintaining the property portfolio.

What was achieved?

External property income has remained steady at around the £2 million mark despite the disposal of 115 properties since the start of 2009. Jersey Property Holdings (JPH) performs regular rent reviews across the property portfolio in order to ensure that the portfolio is utilised in the most cost effective manner.

JERSEY PROPERTY HOLDINGS EXTERNAL PROPERTY INCOME



Tax Debt write offs as a percentage of revenue, Jersey to UK Comparison 2010 to 2013, Income Tax and GST/VAT

Why is it important?

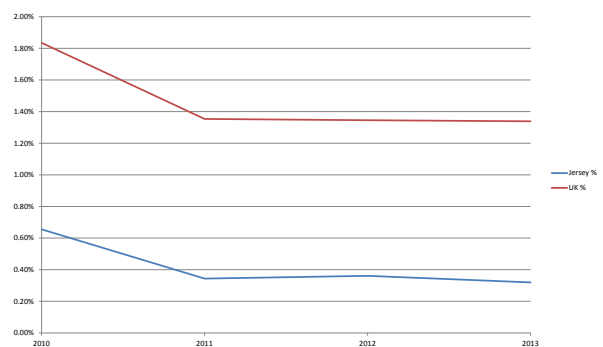
The measure reports on write-offs of tax debts, compared to previous years and to a comparable UK measure. It is an indicator of how effectively the Taxes Office collects debts due.

What was achieved?

The lowest % write-offs vs revenue in the last four years, and less than a quarter of the UK equivalent measure.

There has however been a significant increase in bad debt provisions in the current year, primarily due to the economic downturn. It is therefore expected that bad debt write offs will increase in future years.

TAX DEBT WRITE OFFS AS A PERCENTAGE OF REVENUE, JERSEY TO UK COMPARISON, 2010 TO 2013, INCOME TAX AND GST/VAT





Pensions

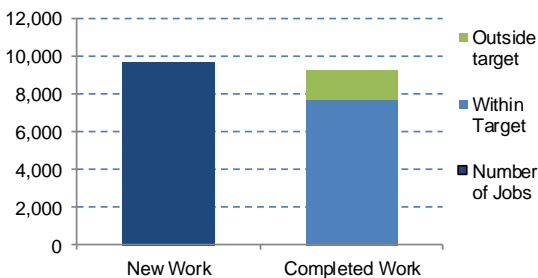
The chart shows the actual casework volumes during the year and also the volumes completed within the targets set in the Administration Agreement between the COM and the Administrator. During the last year 83% of tasks were completed within the targets set.

Why is it important?

Around 1 in 3 households in Jersey households have some reliance on a public sector pension scheme. The Public Employees Contributory Retirement Scheme provides pensions to almost 14,000 current and former public sector employees for the States of Jersey and 24 Admitted Bodies. A wide range of professionals are covered by the Scheme for instance – engineers, police officers, fire fighters, custom and immigration officials, hospital consultants, nurses, doctors, allied health professionals, IT and accounting staff, lawyers, statisticians and many others. It is important for scheme members, employers and the Island that an efficient, accurate and professional pension administration service is provided.

What was achieved?

During the last year the Dedicated Pensions Unit reduced the level of outstanding work and completed 83% of pension administration tasks within the targets set.



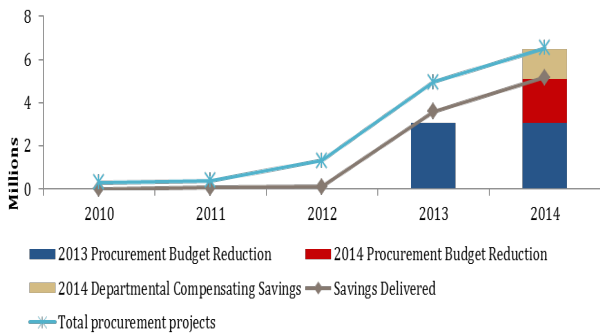
Procurement Savings

Why is it important?

The level of savings achieved is one indication that goods and services procured by the States of Jersey are delivering value for money to Taxpayers.

What was achieved?

£5.1 million of procurement savings have been removed from Departmental budgets. In addition to this sum a further £1.4 million savings were achieved from procurement initiatives, however budgets could not be reduced because the saving could not be fairly distributed to Departments. The balance of £1.4 million has been achieved by reducing base budgets by 1.1% in the light of lower inflation than budget for 2013.



- £6.5 million* removed from Departmental budgets by 2014 against £100 million baseline (originally £150 million)
- £5.1 million budget cut from procurement savings
- £1.4 million (1.1%) budget cut from Departments by reducing annual inflation allocation (currently set at 2.5% - actual inflation rate of 1.4%)
- £1.4 million procurement savings achieved but could not be budget cut



Cash flow management

Why is it important?

Management of cash is an important element of the role of the Treasury of the States of Jersey; cash plays a dual role, both on a strategic level as an investment asset class, but also as the means of funding the day to day operational needs of the States of Jersey.

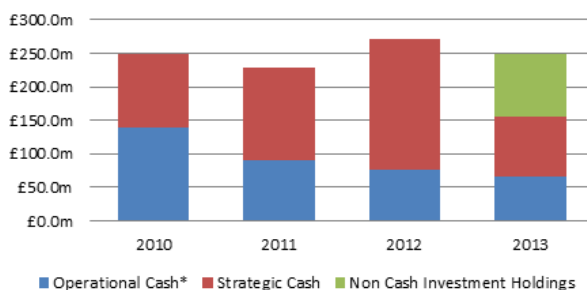
Liquidity of this cash comes at the cost of returns which could otherwise be generated by placing cash on deposit. By improving forecasting and cash management, returns can be improved through investing cash strategically on a longer term basis or further enhanced through investment in other non-cash asset classes.

What was achieved?

The Consolidated Fund effectively represents the States current account were it a household, the holdings of the fund are illustrated in the chart below.

Improved cash management allows a higher proportion of the fund to be invested strategically on longer term basis within the Common Investment Fund, coloured red and reduces the proportion of the fund maintained in more liquid 'operational' cash, coloured blue. Further improvements have facilitated the placement of funds not expected to be required in the short term in a balanced portfolio of non-cash assets where further increases in return can be achieved.

CONSOLIDATED FUND HOLDINGS



Range of investment assets: Common Investment Fund

Why is it important?

One of the driving principles of the establishment of the Common Investment Fund was to allow participants to cost effectively access investment assets they would be unable to access individually. A greater range of asset classes allows Participants achieve a greater degree of diversification across a greater opportunity set.

What was achieved?

By the end of 2010 the Common Investment Fund had been successfully established, along with 10 investment pools, through which Participants were free to pursue their individual investment strategies. In the time since inception this range of asset classes has been expanded to include property, absolute return bond and passive equity pools, the diversification options across heavily accessed asset classes was expanded with allocations to global equity split across four managers rather than two. In addition mandates were modified to improve their strategic fit with the underlying strategies of participants an example of which was the combination of the long and short term corporate bond pools which allowed managers greater freedom to manage duration within a more carefully controlled framework. Work on the available asset classes of the CIF continues however proliferation of asset classes remains carefully controlled to ensure appropriate economies of scale keep costs low.

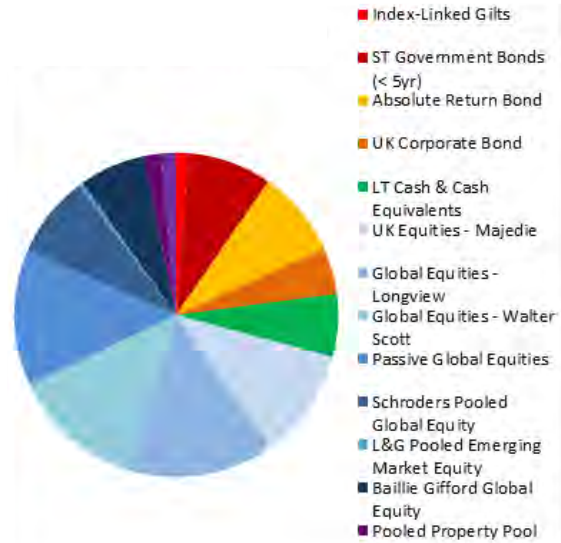
The chart overleaf illustrates the changes made to the asset classes available through the CIF:



CIF POOLS: 31/12/2010



CIF POOLS: 31/12/2013



Investment Performance: Common Investment Fund

Why is it important?

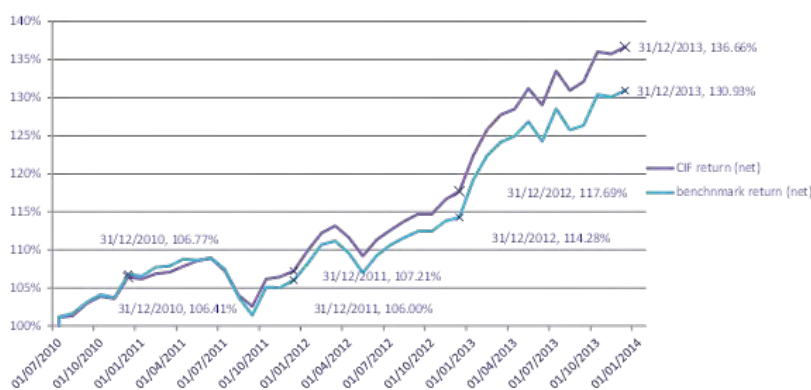
Investment performance is the factor which will ultimately decide whether Funds participating in the Common Investment Fund fulfil their strategic objectives. Investment performance is generated from the performance of the underlying markets and how successfully the CIF managers have harnessed these markets. Actions of Treasury may influence this performance and how successfully underlying strategies are implemented. Key activities of the Treasury which can enhance investment returns include, Investment Manager selection, systematic rebalancing, efficient administration as well as ongoing risk management.

What was achieved?

During the year the CIF as a whole generated returns of £251 million, a rate of return, net of fees, of 15.9%; this represented both positive market conditions and good performance by the underlying investment managers. The graph below illustrates the overall performance of the CIF by indexing its rate of return back to its inception and showing these returns relative to the benchmarked returns of the market.

Put simply, the graph illustrates the additional return earned by the CIF over that of the market. If applied to the current asset position of the CIF, the level of outperformance generated over three and a half years would equal additional revenue of £135.9 million.

CUMULATIVE NET RETURN OF CIF (%)





Non Ministerial States Funded Bodies

The Non-Ministerial Departments are those that are necessarily independent of, or peripheral to, executive government.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£20,916,501

3.0% increase
from 2012

£1,985,400

8.7% underspend
against Near Cash Final
Approved Budget



Overview

Non Ministerial Departments include the Departments of the Judiciary as well as the Departments of the Official Analyst, The Office of the Lieutenant Governor, Probation and Aftercare Service and the Data Protection Commissioner. Nonetheless, all these Departments pay strict heed to the Financial Directions, and, subject to proportionality, are adherent to the business planning and performance management regimes established by the States.

A special States meeting took place in September 2013 and was attended by HRH, The Earl of Wessex, to mark the 350th anniversary of the gifting of the Island Royal Mace in 1663 from King Charles II in recognition of the Island's loyalty to the Crown during the Civil War before he became King.

Future Developments

The Freedom of Information (Jersey) Law 2011 is likely to create a need for increased resources from 2014 for some of the Non-Ministerial Departments, in particular Data Protection and the Law Officers' Department.

The centenary anniversary of World War 1 will begin in 2014 and will be led by Bailiff's Chambers. World War 1 had an enormous effect on Jersey, as approximately 20% of the population served in the forces. An Officer Working Group has been set up to identify initiatives which meet local expectations.

2014 will also be the 350th anniversary of Sir George de Carteret being rewarded by King Charles II with the gift of land in the New World which he named New Jersey. It is expected that celebrations recognising this anniversary will take place during the year and again will be led by the Bailiff's Chambers.



Key Results

Performance against Near Cash Final Approved Budget

Near Cash Net Revenue expenditure is the amount that Accounting Officers are held accountable for.

KEY VARIANCES FROM BUDGET

	£'000
Projects spanning 2014	954
Comptroller and Auditor General	560
Court and Case Costs	200
Office of Lieutenant Governor	118
Other Variances	151
Net Underspend	1,983

Overall, the Non-Ministerial departments were underspent against a final approved near cash budget by £2.0 million.

A project commenced in 2013 to form a Justice IT System, and is expected to require significant funding from 2015. Judicial Greffe, Viscount Department and Probation and After Care have achieved savings of £0.6 million during 2012 and 2013 to fund the project. In addition to this, the Law Officers' Department, Official Analyst and Data Protection also have projects spanning more than one financial year (£0.2 million).

The Comptroller and Auditor General commenced employment in February 2013 and had many tasks to undertake, including reviewing arrangements, establishing a new team, and setting up a new website, that would then enable the backlog of reviews to be addressed. The recruitment of the full team was not finalised until November 2013, resulting in an underspend (£0.6 million).

Court and Case Costs were underspent by £0.2 million due to the volatile nature of expenditure. It is difficult to predict costs accurately in advance, and for this purpose, the Smoothing Reserve exists.

Performance compared to 2012 (Total NRE)

The total of Near Cash and Non-Cash amounts represents the usage of resources by Departments.

KEY VARIANCES FROM 2012

	£'000
2012 NRE	20,423
Staff Costs	539
Reduction in recovered Costs and Fines	502
Court and Case Costs	(456)
Other Variances	22
2013 NRE	21,030

Overall, expenditure increased by £0.6 million.

There was an increase in staff costs (£0.5 million), mostly due to posts that were vacant in 2012 and subsequently filled in 2013.

In addition to increased expenditure on staff, less income was received in 2013 due to a reduction in recovered Court and Case Costs (£0.3 million) and fine income (£0.2 million), this was offset by a reduction in Court and Case Costs expenditure (£0.5 million).



Changes from Budget Voted in the Medium Term Financial Plan

RECONCILIATION OF 2013 MEDIUM TERM FINANCIAL PLAN TO FINAL APPROVED BUDGET

	£'000
MTFP 2013	21,811
Carry Forwards	1,153
Allocation of Contingency	244
Allocation of Additional Funding	30
Transfer to Capital	(28)
Departmental Transfers	(175)
Final Approved Budget	23,035

In 2013 adjustments to the original budget voted in the Medium Term Financial Plan totalling £1.2 million were made. This includes £1.2 million carried forward from the 2012 Departments' underspend, allocations from Contingency of £0.2 million, primarily for costs associated with the 2013 pay award, but also the re-establishment of a Cadet and Military Officer post and a grant to the Iron Duke.

A transfer from revenue to capital was made to comply with Accounting Standards on capital expenditure relating to the purchase of intangible assets.

Departmental transfers of £0.2 million were made including, a transfer to Treasury and Resources relating to Court and Case Costs, offset by transfers from Social Security to Judicial Greffe (Jersey Employment Tribunal), and from Home Affairs to Office of the Lieutenant Governor (Cadet Support Officer).

Staff FTE

At the year end the Departments employed the equivalent of 186.9 full time employees. This is an increase of 3.6 (2.0%) from 2012, and is due to the recruitment of vacant posts across the Departments.



Service Analysis

Law Officers' Department

Actual 2012	Actual 2013	Budget 2013
£6.9 million	£7.7 million	£7.9 million

The Department was £0.2 million underspent on its operational final approved budget to enable a fund to be created for the refurbishment of Morier House and other cost pressures that it will be facing in 2014. The Department had a breakeven position against budget on Court and Case Costs.

Operational Expenditure increased by £0.5 million compared to 2012, mainly due to an increase in legal advice expenditure (£0.4 million) and Child and Family Matters (£0.1 million), partly offset by various reduced costs in other areas.

Court and Case Costs increased by £0.3 million compared to 2012 due to the volatile nature of both the recovered costs and expenditure.

Probation and After Care Service

Actual 2012	Actual 2013	Budget 2013
£2.1 million	£1.9 million	£2.3 million

The underspend of £0.2 million against the Final Approved Budget on operating costs was due to various savings across the Department to fund an upgrade of software in 2015.

Court and Case costs were underspent by £0.2 million, again due to the volatile nature of the expenditure.

Expenditure has remained broadly consistent with that of 2012 on operating costs, whilst Court and Case costs decreased by £0.1 million.

Judicial Greffe

Actual 2012	Actual 2013	Budget 2013
£6.7 million	£6.2 million	£6.3 million

The £0.1 million underspend against the Final Approved Budget was mainly due to general underspends across the Department.

Expenditure decreased by £0.5 million compared to 2013 mainly due to the reduction of Court and Case Costs.



Comptroller & Auditor General

Actual 2012	Actual 2013	Budget 2013
£0.6 million	£0.6 million	£1.2 million

The £0.6 million underspend against the Final Approved Budget was due to a one month vacancy for the post of the Comptroller and Auditor General in January and a new team being appointed through the course of the year. This Team includes a deputy, a professional assistant and affiliates and was only finalised during the latter part of the year.

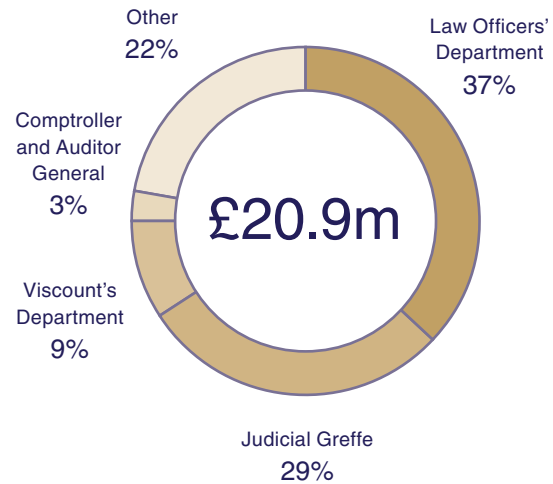
The expenditure for 2012 reflects a 5 month vacancy for the Comptroller and Auditor General post.

Other Services

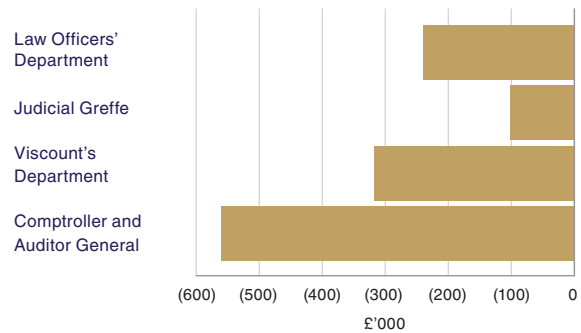
Actual 2012	Actual 2013	Budget 2013
£4.2 million	£4.6 million	£5.4 million

The remaining underspend of £0.8 million against the Final Approved Budget on the other areas across the Non-Ministerial Departments mostly relates to long term projects spanning more than one financial year and other minor variances. Expenditure in 2013 increased by £0.4 million mostly due to a net increase in Court and Case Costs (£0.2 million), increased expenditure in the Viscount's Department (£0.1 million) and other minor variances across the Departments.

Net Revenue Expenditure – Near Cash



Underspend Breakdown



Net Revenue Expenditure – Service Analysis

2013 Medium Term Financial Plan			2013 Final Approved Budget				2012 Actual			2013 Actual		
Near Cash £'000	Non- Cash £'000	Total £'000	Near Cash £'000	Non- Cash £'000	Total £'000		Near Cash £'000	Non- Cash £'000	Total £'000	Near Cash £'000	Non- Cash £'000	Total £'000
Bailiff's Chambers												
1,130	-	1,130	1,175	-	1,175	Court and Assembly	1,094	-	1,094	1,117	-	1,117
163	-	163	187	-	187	Ceremonial and Civic Head	361	-	361	186	-	186
302	-	302	418	-	418	Court and Case Costs	358	-	358	418	-	418
1,595	-	1,595	1,780	-	1,780	Bailiff's Chambers	1,813	-	1,813	1,721	-	1,721
Law Officers' Department												
1,918	-	1,918	2,055	-	2,055	Criminal Prosecution	1,868	-	1,868	1,837	-	1,837
1,845	-	1,845	1,845	-	1,845	Legal Advice	1,496	-	1,496	1,915	-	1,915
463	-	463	464	-	464	Property Services	464	-	464	449	-	449
440	-	440	331	-	331	Child and Family Matters	336	-	336	422	-	422
331	-	331	472	-	472	Civil Proceedings	290	-	290	308	-	308
472	-	472	125	-	125	Interjurisdictional Assistance	448	-	448	438	-	438
125	-	125	440	-	440	Duties of the Attorney General	124	-	124	123	-	123
2,057	9	2,066	2,156	9	2,165	Court and Case Costs	1,825	-	1,825	2,156	-	2,156
7,651	9	7,660	7,888	9	7,897	Law Officers' Department	6,851	-	6,851	7,648	-	7,648
Judicial Greffe												
1,530	19	1,549	1,623	19	1,642	Judicial Greffe – General	1,553	19	1,572	1,580	19	1,599
1,015	-	1,015	1,026	-	1,026	Magistrate's Court	964	-	964	981	-	981
4,095	-	4,095	3,614	-	3,614	Court and Case Costs	4,118	-	4,118	3,600	-	3,600
6,640	19	6,659	6,263	19	6,282	Judicial Greffe	6,635	19	6,654	6,161	19	6,180
Viscount's Department												
1,095	30	1,125	1,440	30	1,470	Duties of the Viscount	834	20	854	1,122	21	1,143
273	-	273	295	-	295	Court and Case Costs	122	-	122	295	-	295
1,368	30	1,398	1,735	30	1,765	Viscount's Department	956	20	976	1,417	21	1,438
610	46	656	628	46	674	Official Analyst	573	44	617	545	42	587
Office of the Lieutenant Governor												
688	4	692	824	4	828	Duties of the Lieutenant Governor	682	4	686	706	4	710
-	-	-	16	-	16	Court and Case Costs	30	-	30	16	-	16
688	4	692	840	4	844	Office of the Lieutenant Governor	712	4	716	722	4	726
26	-	26	26	-	26	Office of the Dean of Jersey	25	-	25	24	-	24
223	-	223	267	-	267	Data Protection Commission	141	-	141	139	-	139
Probation												
207	2	209	210	2	212	Community Service by Offenders	181	2	183	187	2	189
1,686	25	1,711	1,831	25	1,856	Information and Supervision Service	1,696	25	1,721	1,667	25	1,692
231	-	231	231	-	231	Court and Case Costs	166	-	166	45	-	45
2,124	27	2,151	2,272	27	2,299	Probation	2,043	27	2,070	1,899	27	1,926
751	-	751	1,201	-	1,201	Comptroller and Auditor General	560	-	560	641	-	641
21,676	135	21,811	22,900	135	23,035	Net Revenue Expenditure	20,309	114	20,423	20,917	113	21,030



Financial Statements

Income

Actual 2012	Actual 2013	Budget 2013
£2.9 million	£2.4 million	£4.6 million

The underachievement of income against final approved budget was due to no call being made on the Criminal Offences Confiscation Fund (COCF) relating to Court and Case Costs (£2.1 million available) and other minor variances.

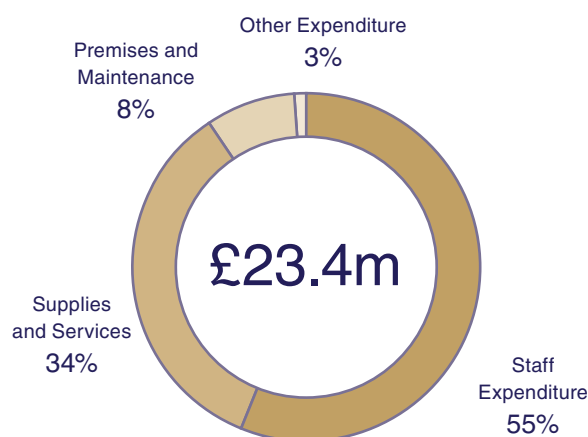
In 2012 £0.5 million of income was received by Judicial Greffe, due to a transfer from the Criminal Offences Confiscation Fund (COCF) relating to Court and Case Costs, whereas in 2013 there was no call on COCF.

MAJOR INCOME STREAMS

	£'000
Recovered Court and Case Costs	1,070
Staff recharges	240
Viscount's fines	229
Licence/Enforcement fees	141
Other	765
Total Income	2,445

Near Cash Expenditure

NEAR CASH EXPENDITURE BREAKDOWN



Staff Expenditure

Actual 2012	Actual 2013	Budget 2013
£12.2 million	£12.8 million	£13.4 million

Staff expenditure against final approved budget was underspent by £0.6 million due to vacant posts mostly in Law Officers' Department (£0.2 million), Viscount's Department (£0.2 million), Probation (£0.1 million) and Office of the Lieutenant Governor (£0.1 million). These underspends were planned in order to fund various longer term projects.

Staff costs increased by £0.6 million compared to 2012, mostly due to the pay award and the recruitment of vacant posts.



Supplies and Services

Actual 2012	Actual 2013	Budget 2013
£8.3 million	£7.9 million	£11.7 million

Supplies and Services were underspent against a final approved budget by £3.8 million due to less Counsel work and Legal Costs being contracted in Court and Case Costs (£2.4 million), less work than budgeted due to a new Comptroller and Auditor General having to recruit a new team (£0.6 million), and savings on equipment and computer purchase to fund long term projects (£0.4 million).

Premises and Maintenance

Actual 2012	Actual 2013	Budget 2013
£1.7 million	£1.8 million	£1.8 million

Premises and Maintenance expenditure were in line against final approved budget at year end. Expenditure compared to 2012 increased slightly mostly due to rental and facilities management fees and an increase in the cost of utilities.

Other Expenditure Lines

Actual 2012	Actual 2013	Budget 2013
£1.0 million	£0.9 million	£0.6 million

Other expenditure was slightly overspent against final approved budget due various minor variances across the Departments.

Non Cash Expenditure

Actual 2012	Actual 2013	Budget 2013
£0.1 million	£0.1 million	£0.1 million

Depreciation costs stood in line with final approved budget at year end, and 2012 due to no changes in the fixed assets held by the Departments.



Statement of Comprehensive Net Expenditure

2013 MTFP £'000	2013 Final Approved Budget £'000		2012 Actual £'000	2013 Actual £'000
Revenue				
(688)	(688)	Duties, Fees, Fines and Penalties	(814)	(654)
(900)	(900)	Sales of Goods and Services	(615)	(629)
(1)	(1)	Investment Income	(1)	(1)
(3,056)	(3,056)	Other Income	(1,488)	(1,161)
(4,645)	(4,645)	Total Revenue	(2,918)	(2,445)
Expenditure: Near Cash				
13,077	13,432	Staff Expenditure	12,231	12,770
10,933	11,666	Supplies and Services	8,284	7,941
427	459	Administrative Expenditure	803	662
1,684	1,758	Premises and Maintenance	1,683	1,763
92	92	Other Operating Expenditure	62	7
100	130	Grants and Subsidies Payments	157	213
–	–	Impairments of Financial Assets	–	1
8	8	Finance Costs	7	5
26,321	27,545	Total Expenditure: Near Cash	23,227	23,362
21,676	22,900	Net Revenue Expenditure: Near Cash	20,309	20,917
Non Cash Amounts				
135	135	Depreciation and Amortisation	114	113
135	135	Total Non Cash Amounts	114	113
21,811	23,035	Net Revenue Expenditure	20,423	21,030
21,811	23,035	Total Comprehensive Expenditure	20,423	21,030



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	192	194	147
Intangible Assets	203	298	272
Total Non-Current Assets	395	492	419
Current Assets			
Inventories	11	20	14
Trade and Other receivables	600	626	467
Cash and Cash Equivalents	2	2	2
Total Current Assets	613	648	483
Total Assets	1,008	1,140	902
Current Liabilities			
Trade and Other Payables	(1,792)	(1,572)	(1,384)
Total Current Liabilities	(1,792)	(1,572)	(1,384)
Assets Less Liabilities	(784)	(432)	(482)
Taxpayer's Equity			
Accumulated Revenue Reserves	(784)	(432)	(482)
Total Taxpayer's Equity	(784)	(432)	(482)



Key Performance Indicators

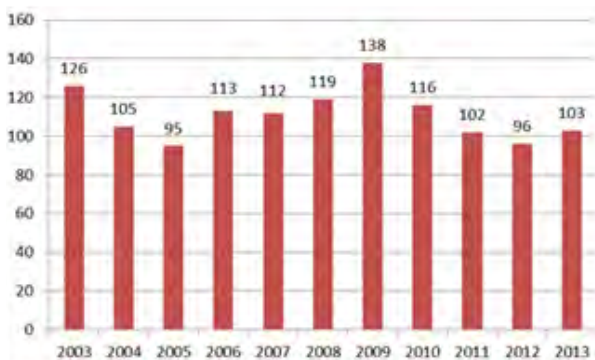
To bring criminal cases to a successful conclusion in the Royal Court in 2014

Why it is important:

The Royal Court deals with those offenders charged with the more serious offences including drug trafficking offences, fraud and the most serious types of physical and sexual offences including offences committed in respect of children. The successful outcome of cases such as these is a key factor in maintaining Jersey as a safe place for its citizens. That these cases are brought to a satisfactory conclusion reflects the resources expended on the investigation and prosecution by all States' Departments.

What was achieved

In 2009, the number of cases finalised in the Royal Court reached a peak at 138. There was a significant drop to 102 in 2011 and a further fall to 96 in 2012. The figure for 2013 was 103. This figure needs to be considered in the context of falling crime figures and shows a continuing and robust commitment to the investigation and prosecution of major crime.



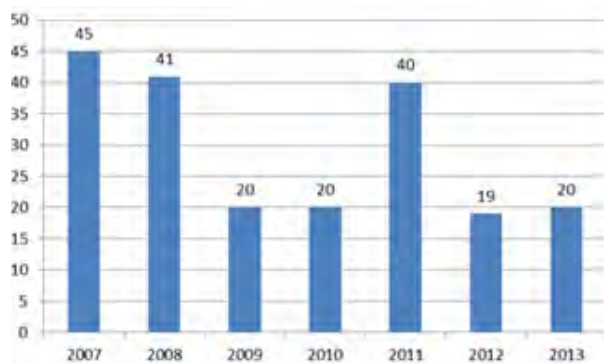
To ensure that new legislation receives Royal Assent as quickly as possible

Why it is important:

It is of fundamental importance to the achievement of the States of Jersey's policy objectives that new legislation which is necessary to achieve those objectives can be brought into force speedily. Hence it is a requirement, as a part of this process, that the Royal Assent Memorandum in respect of each Law, in the recently agreed new form, is prepared and dispatched to the Ministry of Justice with the minimum of delay.

What was achieved

In the Year, 20 items of principal legislation were adopted by the States. On average, these Laws, with their Royal Assent memoranda, were dispatched within 7.4 days (or 6.3 days if the two Budget Laws are excluded - these come into force immediately under the Acte operatoire process) from the date on which they were adopted by the Assembly. The table above provides the full picture.





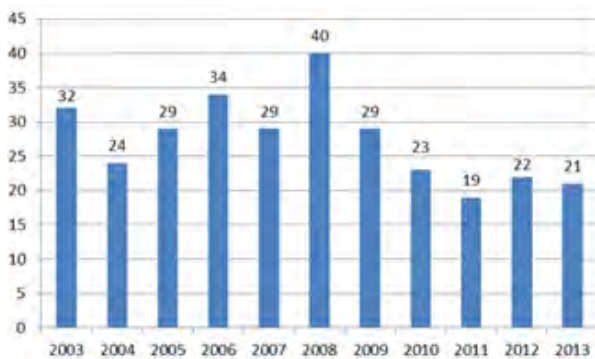
Number of Children’s Care Cases

Why it is important:

This figure relates to the number of care and related public law proceedings ongoing in the year. It is important because care proceedings enable the Minister for Health and Social Services to protect vulnerable children in the Island by acquiring parental responsibility for those children. All care proceedings are undertaken in the Royal Court and depending on their complexity and the number of contested hearings, can take several months to conclude. It should be noted that the number of cases does not equate to the number of children involved as one case will include all the children in the family concerned.

What was achieved:

In 2008 there was a peak in the number of cases. This reflected a decision to issue proceedings in relation to a number of historical cases where there had been ongoing involvement with the family for some time. The figure for 2012 was 22 and the 2013 figure was 21. This figure needs to be considered in the context of a greater use of a pre-proceedings process designed to encourage parents to improve their standard of parenting in order to avoid the need for care proceedings.



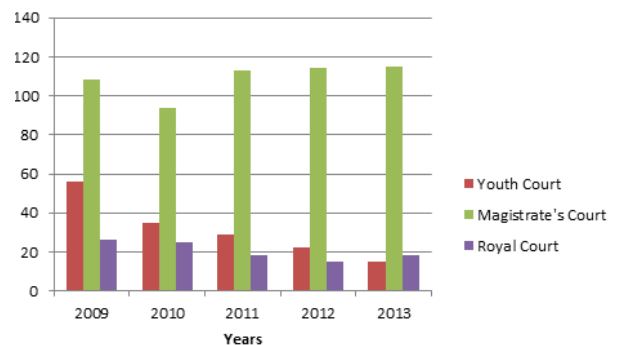
New Probation Orders

Why it is important:

Probation Orders are important because they are made instead of a sentence or a punishment. They provide an opportunity for people to work with a Probation Officer to change behaviours, attitudes and circumstances which have led to the offending, e.g alcohol dependence, anger management, poor thinking skills. The Probation Order is a contract between the Probationer, the supervising Probation officer and the Court.

What was achieved:

The failure to comply with the Order can result in the Probationer being resentenced e.g by the imposition of a custodial sentence. Around two thirds of people placed on probation do not commit an offence within the following two years.







States Assembly

The States Assembly is the highest decision-making authority of the Island and makes decisions about new laws or major policy changes. The States Greffe provides an independent administrative support service to the States Assembly and its members, whether they are serving in scrutiny, the executive or in their capacity as private members.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£4,953,884

3.3% increase
from 2012

£307,127

5.8% underspend
against Near Cash Final
Approved Budget



Overview

The 2011–2014 Assembly is comprised of ten Senators (elected on an island-wide basis), twenty-nine Deputies (elected to represent a parish or an electoral district within a parish), and twelve Connétables (head of each Parish).

The Clerk of the Assembly is known as the Greffier of the States.

Future Developments

Under current proposals the number of Senators will be reduced to eight after the elections to be held in October 2014. In addition the States have agreed to hold a second referendum on the reform of the States Assembly in October 2014 and this could impact on the budget of the States Assembly and the work of scrutiny if, for example, there was a decision to reduce the number of States members further in the future.

Key Results

Performance against Near Cash Final Approved Budget

Near Cash Net Revenue expenditure is the amount that Accounting Officers are held accountable for.

KEY VARIANCES FROM BUDGET

	£'000
Scrutiny	172
Assembly support and facilities	113
Other Variances	22
Net Underspend	307

Overall, the Department was underspent against a final approved cash budget by £0.3 million.

Scrutiny was £0.2 million underspent against the final approved budget mostly due to less work than budgeted being undertaken by the panels.

Assembly support and facilities were £0.1 million underspent compared to a final approved near cash budget due to delays in completion of work in the States Chamber as a result of time constraints when the work could be undertaken and other small variances across the service.

Performance compared to 2012 (Total NRE)

The total of Near Cash and Non-Cash amounts represents the usage of resources by a department.

KEY VARIANCES FROM 2012

	£'000
2012 NRE	4,805
Staff costs	44
Supplies and Services	42
Administrative Expenses	34
Other Variances	30
2013 NRE	4,955

Net Revenue Expenditure did not change significantly from 2012.

Changes from Budget Voted in the Medium Term Financial Plan

RECONCILIATION OF 2013 MEDIUM TERM FINANCIAL PLAN TO FINAL APPROVED BUDGET

	£'000
MTFP 2013	5,037
Carry Forwards	208
Allocation of Contingency	26
Final Approved Budget	5,271

In 2013 adjustments to the original budget voted in the Medium Term Financial Plan totalling £0.2 million were made. This amount represents a departmental underspend carried forward from 2012, and a transfer from the Central Contingency Fund associated with costs relating to the 2013 pay award.

Staff FTE

At the year end the department employed the equivalent of 27.1 full time employees. This is an increase of 0.6 (2.3%) from 2012, and is due to a change in staff working arrangements.



Service Analysis

Members Remuneration

Actual 2012	Actual 2013	Budget 2013
£2.4 million	£2.4 million	£2.4 million

Expenditure did not change significantly from 2012 and was in line with budget.

Scrutiny

Actual 2012	Actual 2013	Budget 2013
£1.1 million	£1.1 million	£1.2 million

Scrutiny was £0.2 million underspent against the final approved budget mostly due to less work than budgeted being undertaken by the panels.

Expenditure did not change significantly from 2012.

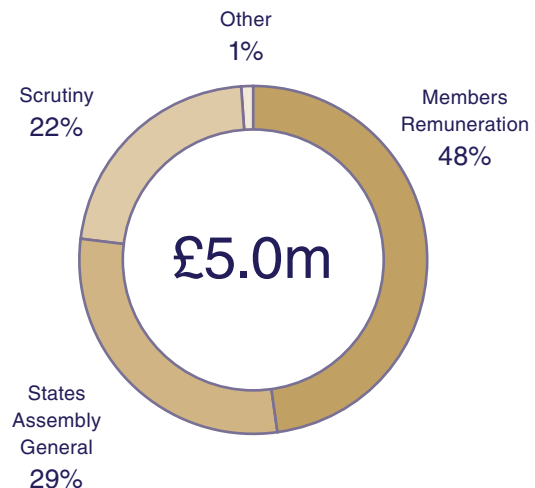
Assembly General

Actual 2012	Actual 2013	Budget 2013
£1.4 million	£1.4 million	£1.6 million

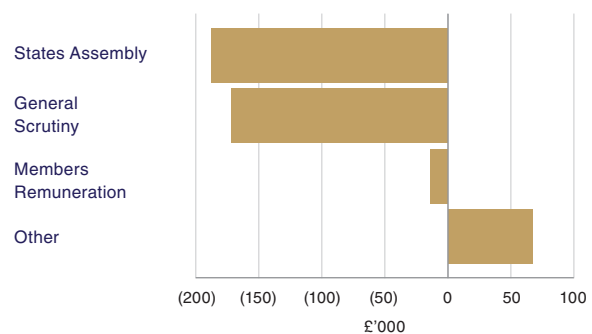
Assembly General was underspent by £0.2 million against the final near cash approved budget due to delays in completion of work in the States Chamber as a result of time constraints when the work could be undertaken and other small variances across the service.

Expenditure did not change significantly from 2012.

Net Revenue Expenditure – Near Cash



Underspend Breakdown



Net Revenue Expenditure – Service Analysis

2013 Medium Term Financial Plan			2013 Final Approved Budget				2012 Actual			2013 Actual		
Near Cash £'000	Non- Cash £'000	Total £'000	Near Cash £'000	Non- Cash £'000	Total £'000		Near Cash £'000	Non- Cash £'000	Total £'000	Near Cash £'000	Non- Cash £'000	Total £'000
States Assembly General												
55	–	55	54	–	54	States Messenger	51	–	51	54	–	54
106	–	106	108	–	108	Inter-Parliamentary Relations	83	–	83	90	–	90
169	–	169	175	–	175	States Assembly Information	165	–	165	176	–	176
18	–	18	19	–	19	Complaints Panel	17	–	17	28	–	28
334	–	334	346	–	346	Clerks Secretariat	334	–	334	335	–	335
720	10	730	748	10	758	Assembly Support and Facilities	613	10	623	635	1	636
–	–	–	158	–	158	Electoral Commission	91	–	91	102	–	102
1,402	10	1,412	1,608	10	1,618	States Assembly General	1,354	10	1,364	1,420	1	1,421
1,219	–	1,219	1,247	–	1,247	Scrutiny	1,072	–	1,072	1,075	–	1,075
2,406	–	2,406	2,406	–	2,406	Members Remuneration	2,369	–	2,369	2,392	–	2,392
–	–	–	–	–	–	Historical Child Abuse	–	–	–	67	–	67
5,027	10	5,037	5,261	10	5,271	Net Revenue Expenditure	4,795	10	4,805	4,954	1	4,955



Financial Statements

Income

Actual 2012	Actual 2013	Budget 2013
£0.1 million	£0.1 million	£0.1 million

The income for the Department remains fairly static each year as it consists mostly of recharges to other departments for office overheads.

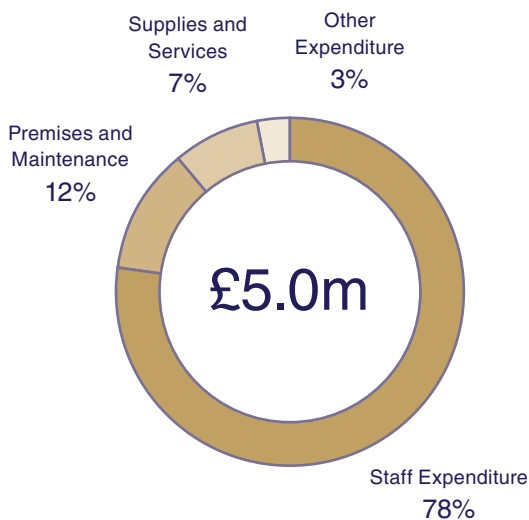
Staff expenditure

Actual 2012	Actual 2013	Budget 2013
£3.9 million	£3.9 million	£3.9 million

Staff Expenditure was slightly underspent against budget and slightly higher than 2012, due to the pay award in 2013.

Near Cash Expenditure

NEAR CASH EXPENDITURE BREAKDOWN



Non Staff Expenditure

Actual 2012	Actual 2013	Budget 2013
£1.0 million	£1.1 million	£1.4 million

The £0.3 million net underspend against budget was mainly due to less work than budgeted being undertaken by Scrutiny. There were also lower than expected Hansard costs and various other minor underspends across the Department. Expenditure increased slightly in 2013 compared to 2012 mostly due to the Department absorbing the initial costs of establishing the Committee of Inquiry into Historical Abuse.



Statement of Comprehensive Net Expenditure

2013 MTFP £'000	2013 Final Approved Budget £'000		2012 Actual £'000	2013 Actual £'000
Revenue				
(90)	(90)	Sales of Goods and Services	(105)	(84)
(90)	(90)	Total Revenue	(105)	(84)
Expenditure: Near Cash				
3,916	3,945	Staff Expenditure	3,880	3,925
426	580	Supplies and Services	337	379
134	149	Administrative Expenditure	120	153
641	677	Premises and Maintenance	563	581
5,117	5,351	Total Expenditure: Near Cash	4,900	5,038
5,027	5,261	Net Revenue Expenditure: Near Cash	4,795	4,954
Non Cash Amounts				
10	10	Depreciation and Amortisation	10	1
10	10	Total Non Cash Amounts	10	1
5,037	5,271	Net Revenue Expenditure	4,805	4,955



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	10	1	–
Total Non-Current Assets	10	1	–
Current Assets			
Trade and Other receivables	1	3	–
Total Current Assets	1	3	–
Total Assets	11	4	–
Current Liabilities			
Trade and Other Payables	(48)	(94)	(56)
Total Current Liabilities	(48)	(94)	(56)
Assets Less Liabilities	(37)	(90)	(56)
Taxpayer's Equity			
Accumulated Revenue Reserves	(37)	(90)	(56)
Total Taxpayer's Equity	(37)	(90)	(56)



General Revenue Income

General Revenue Income is made up of Consolidated Fund income covered by the Annual Budget Statement, and includes taxes, duties and investment returns.

Summary Snapshot

NET GENERAL REVENUE INCOME

£636,687,690

1.4% increase
from 2012

£9,316,310

1.4% less
than the Budget



Key Results

Performance against Budget

KEY VARIANCES FROM BUDGET

	£'000
2013 Budget GRI	(646,004)
Stamp Duty	7,159
Net Income Tax	3,305
Other Income	(3,548)
Other Variances	2,401
2013 GRI	(636,687)

A slower than expected economic recovery resulted in a lower average property transaction value than forecast culminating in £7.2 million less Stamp Duty than budgeted. Stamp Duty income is particularly sensitive to small volume but high value property transactions and these have been less frequent during 2013 than in previous years.

Net Income Tax was £3.3 million or 0.7% less than the 2013 budget. This was mainly due to a £20 million underachievement in Personal Tax, an £18 million overachievement in Business Tax and an increase in bad debt provisions of £1.9 million.

The primary reason for the shortfall in Personal Tax is the impact of changes to distribution rules and an economic environment that was worse than predicted at the time of the MTFP. The Business Tax performance is largely attributable to £10 million exceptional revenue plus an increase in revenues from large finance sector taxpayers. The increase in the Bad Debt provision is attributable to the economic downturn.

Other Income is £3.5 million or 17.3% higher than budgeted, primarily as a result of an additional Jersey Post dividend which was agreed with Jersey Post after the budget was set. Dividends received from utilities including Jersey Telecom were also higher than budgeted based on cash flow performance.

Performance compared to 2012

KEY VARIANCES FROM 2012

	£'000
2012 GRI	(627,733)
Net Income Tax	(21,200)
Other Income	6,833
Stamp Duty	3,802
Other Variances	1,611
2013 GRI	(636,687)

Net Income Tax was £21.2 million higher than 2012 primarily as a result of a £10 million exceptional Business Tax payment and increased revenue from Business tax payers.

Other Income was £6.8 million lower than 2012 mainly due to a £4.2 million exceptional Jersey Post dividend received in 2012.

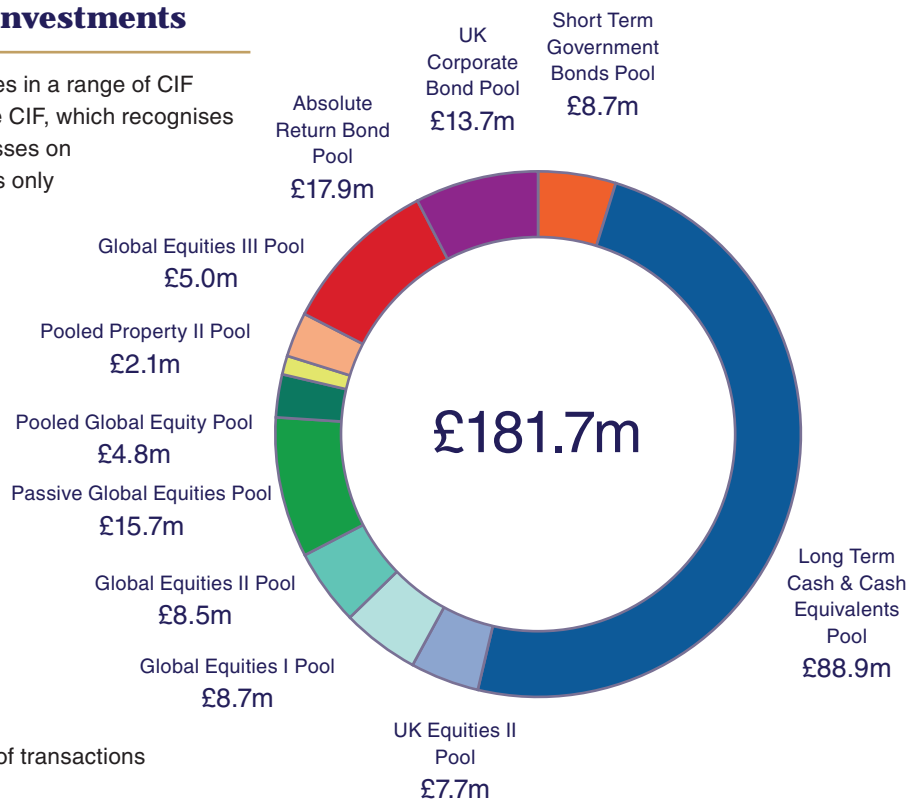
Stamp Duty was £3.8 million lower than 2012 due to the impact of the Probate cap and a reduction in the average property transaction values.

Other variances included a £2.0 million reduction in Goods and Services Tax following an increase in bad debt provisions and a notable fall in GST from the construction sector.



Performance of CIF Investments

The Consolidated Fund participates in a range of CIF pools. Investments are held by the CIF, which recognises income, expenditure and gains/losses on Investments. The Fund recognises only gains or losses on the units held in the CIF.

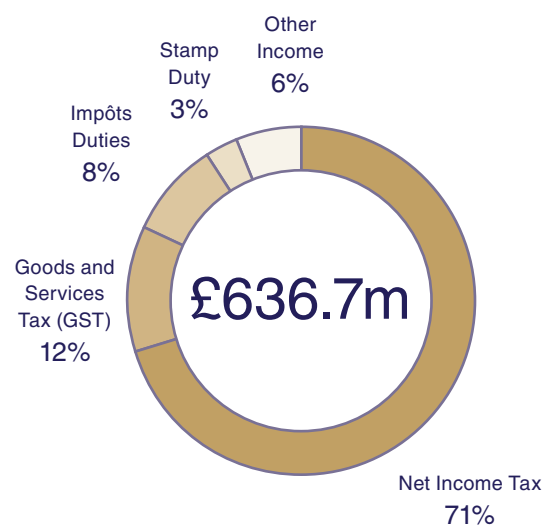


The table below shows the share of transactions in the CIF attributable to the Fund.

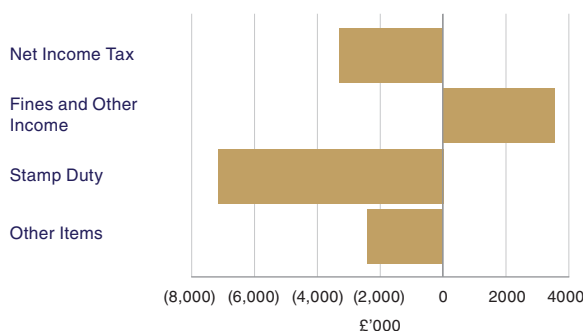
CIF AMOUNTS ATTRIBUTABLE TO THE CONSOLIDATED FUND

	2012 £'000	2013 £'000
Income	2,511	1,912
Expenditure	(158)	(217)
Gains/(Losses) on Investments	554	(290)
Total Gains recognised	2,907	1,405

Net Revenue Income by Area



Variance Breakdown





Net General Revenue Income – Service Analysis

2013 Budget £'000	2013 Updated Forecast Nov 2013 £'000		2012 Actual £'000	2013		
				Income £'000	Expenditure £'000	Actual £'000
Income Tax						
(375,367)	(355,527)	Individuals	(351,121)	(356,666)	3,478	(353,188)
(79,598)	(95,700)	Companies	(79,339)	(98,482)	10	(98,472)
(454,965)	(451,227)	Net Income Tax	(430,460)	(455,148)	3,488	(451,660)
(79,761)	(78,683)	Goods and Services Tax (GST)	(79,559)	(79,326)	1,723	(77,603)
Impôts Duties						
(4,161)	(4,399)	Spirits	(4,091)	(4,510)	–	(4,510)
(7,256)	(7,329)	Wines	(6,783)	(7,231)	–	(7,231)
(1,040)	(842)	Cider	(927)	(986)	–	(986)
(5,738)	(5,375)	Beer	(5,047)	(5,087)	–	(5,087)
(14,004)	(14,024)	Tobacco	(15,825)	(15,048)	–	(15,048)
(21,135)	(20,623)	Motor Fuel	(20,396)	(20,385)	–	(20,385)
(150)	(175)	Goods Imported	(328)	(234)	–	(234)
(1,050)	(880)	Vehicle Emissions Duty	(839)	(839)	–	(839)
(54,534)	(53,647)	Impôts Duties	(54,236)	(54,320)	–	(54,320)
Stamp Duty						
(22,978)	(15,467)	Stamp Duty	(19,473)	(16,409)	–	(16,409)
(1,551)	(900)	Land Transactions Tax	(1,699)	(961)	–	(961)
(24,529)	(16,367)	Stamp Duty	(21,172)	(17,370)	–	(17,370)
(11,670)	(11,670)	Island Rate	(11,380)	(11,641)	–	(11,641)
Fines and Other Income						
(6,735)	(9,609)	Net Investment Income	(4,166)	(3,841)	499	(3,342)
(4,546)	(4,774)	Dividends and Returns	(18,442)	(11,126)	–	(11,126)
(3,700)	(3,700)	Annual Return Fees via the Jersey Financial Services Commission	(3,685)	(3,792)	–	(3,792)
(2,450)	(2,507)	Returns from States Trading Operations	(1,671)	(2,468)	–	(2,468)
(1,500)	(1,950)	EUSD Retention Tax	(1,464)	(1,940)	1	(1,939)
(1,071)	(723)	Income Tax Penalties	(1,035)	(1,268)	518	(750)
(543)	(436)	Miscellaneous Income	(463)	(676)	–	(676)
(20,545)	(23,699)	Fines and Other Income	(30,926)	(25,111)	1,018	(24,093)
(646,004)	(635,293)	Net General Revenue Income	(627,733)	(642,916)	6,229	(636,687)



Financial Statements

Statement of Comprehensive Net Expenditure

	2012 Actual £'000	2013 Actual £'000
Revenue		
Taxation Revenue	(513,542)	(534,474)
Duties, Fees, Fines and Penalties	(88,538)	(84,928)
Investment Income	(22,258)	(13,855)
Other Income	(8,139)	(9,659)
Total Revenue	(632,477)	(642,916)
Expenditure: Near Cash		
Other Operating Expenditure	65	80
Impairments of Financial Assets	4,050	5,716
Finance Costs	556	567
Foreign Exchange Loss/(Gain)	73	(134)
Total Expenditure: Near Cash	4,744	6,229
Net Revenue Income	(627,733)	(636,687)
Other Comprehensive Income		
Loss/(Gain) on Revaluation of Strategic Investments	8,100	(25,000)
Reclassification adjustments for Loss	9,500	–
Total Other Comprehensive Income	17,600	(25,000)
Total Comprehensive Income	(610,133)	(661,687)



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Loans & Advances	3,200	2,157	3,209
Strategic Investments	346,400	308,800	333,800
Investments held at Fair Value through Profit or Loss	138,453	195,798	181,731
Total Non-Current Assets	488,053	506,755	518,740
Current Assets			
Loans & Advances	974	993	435
Trade and Other receivables	74,602	75,080	71,942
Cash and Cash Equivalents	91,516	76,987	67,745
Total Current Assets	167,092	153,060	140,122
Total Assets	655,145	659,815	658,862
Current Liabilities			
Trade and Other Payables	(63,215)	(69,962)	(76,655)
Total Current Liabilities	(63,215)	(69,962)	(76,655)
Assets Less Liabilities	591,930	589,853	582,207
Taxpayer's Equity			
Accumulated Revenue Reserves	354,593	370,116	337,470
Investment Reserve	237,337	219,737	244,737
Total Taxpayer's Equity	591,930	589,853	582,207

Other Consolidated Fund Items

The statements in this section relate to Consolidated Fund items not recorded in other pages in this Annex. These are assets, liabilities, income and expenditure that fall outside of the scope of the budget approval process, for

example Defined Benefit scheme pension liabilities, past service liabilities, finance lease liabilities and consolidation adjustments such as amounts due from other funds.

Statement of Comprehensive Net Expenditure

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

	2012 Actual £'000	2013 Actual £'000
Revenue		
Sales of Goods and Services	(1,552)	(1,651)
Investment Income/(Expense)	(384)	214
Total Revenue	(1,936)	(1,437)
Expenditure: Near Cash		
Staff Expenditure	(402)	(303)
Finance Costs	10,425	8,893
Total Expenditure: Near Cash	10,023	8,590
Net Revenue Expenditure: Near Cash	8,087	7,153
Non Cash Amounts		
Movement in Pension Liability	(50,844)	(11,999)
Total Non Cash Amounts	(50,844)	(11,999)
Net Revenue Expenditure	(42,757)	(4,846)
Other Comprehensive Expenditure		
Actuarial Loss in respect of Defined Benefit Pension Schemes	452	1,089
Total Other Comprehensive Expenditure	452	1,089
Total Comprehensive Income	(42,305)	(3,757)



Statement of Financial Position

STATEMENT OF FINANCIAL POSITION

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Derivative Financial Instruments expiring after more than one year	201	230	–
Total Non-Current Assets	201	230	–
Current Assets			
Derivative Financial Instruments expiring within one year	98	263	174
Trade and Other receivables	1,155	3,053	2,676
Total Current Assets	1,253	3,316	2,850
Total Assets	1,454	3,546	2,850
Current Liabilities			
Trade and Other Payables	(7,735)	(7,916)	(10,081)
Balance due to Other States Funds	(54,358)	(69,753)	(81,691)
Finance Lease Obligations	(742)	(871)	(930)
Total Current Liabilities	(62,835)	(78,540)	(92,702)
Total Assets Less Current Liabilities	(61,381)	(74,994)	(89,852)
Non-Current Liabilities			
Finance Lease Obligations	(7,528)	(6,658)	(5,728)
PECRS Pre-1987 Past Service Liability	(229,998)	(228,396)	(218,856)
Provision for JTSF Past Service Liability	(135,100)	(97,747)	(101,057)
Defined Benefit Pension Schemes Net Liability	(11,493)	(9,282)	(10,488)
Total Non-Current Liabilities	(384,119)	(342,083)	(336,129)
Assets Less Liabilities	(445,500)	(417,077)	(425,981)
Taxpayer's Equity			
Accumulated Revenue Reserves	(445,500)	(417,077)	(425,981)
Total Taxpayer's Equity	(445,500)	(417,077)	(425,981)



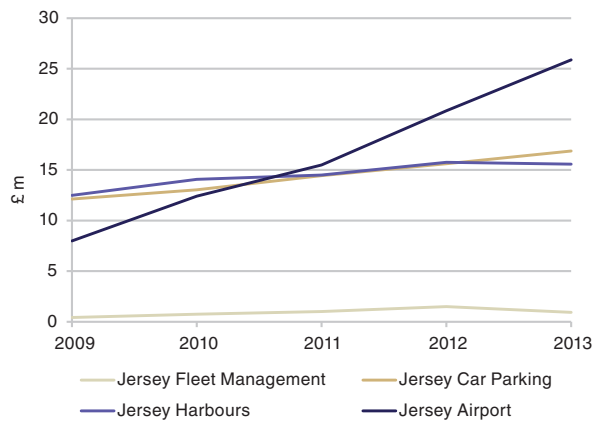
Trading Operations

These are distinct Areas of Operation designated as Trading Operations by the States

Summary Snapshot

TRADING FUND BALANCES

£59.3 million







Ports of Jersey (Jersey Airport and Jersey Harbours)

The Ports of Jersey encompasses the Jersey Airport and Jersey Harbours Trading Operations and is consequently a vital strategic asset and an absolute necessity for the well-being of the Island's economy.

To this end the Ports of Jersey's goal is to ensure we are valued as an essential service provider to the Island whose success is measured by our business performance, customer experience and the quality of our people.



Minister's Overview

I am pleased to present the 2013 financial results for the trading year for Jersey Airport and Jersey Harbours.

2013 has been a busy and challenging year and the results in this report reflect the ever-increasing pressure the two gateways to the island are under to manage their income and expenditure in a difficult and changing trading environment.

A year on year decline in passenger and aircraft numbers for the Airport were offset by volumes at the Harbour which were better than 2012. The net result for the combined ports is an uplift of passenger throughput of 0.2% when compared to 2012; which I find an encouraging result.

Over the last year much has been achieved. We are seeing a greater level of cooperation and efficiencies as a result of the 2012 integration of the Airport and the Harbours. For the first time we have established a rolling programme of corporate and operational aims and goals for the integrated business. The Ports have completed their work on long term forecasting of the traffic volumes and the long term capital requirements which support the business case for incorporation. Furthermore the preparation of commercial projects and opportunities in anticipation of an incorporated business presents an exciting future for the Island and the Ports. It is highly encouraging to see that these activities, aims and goals underpin the ethos of transforming the business.

The incorporation programme remains on track and 2014 will be an important year in determining the future direction of the Airport and Harbours with the States Assembly debate planned for July. The target date for incorporation is 1st January 2015.

These pages present two integrated departments that are undergoing an exciting business transformation process, yet recognise that the environment in which they operate, both economically and operationally, is a continuous challenge.

Future Developments

The outlook and focus for 2014 is on the incorporation programme of Jersey Airport and Jersey Harbours into the Ports of Jersey Limited, which was approved in principle by the States Assembly in September 2012.

The result of the States Assembly debate, planned for July 2014, on the incorporation of the Airport and Harbours will determine the pace and business activity towards the latter part of the year and onwards into 2015. A successful result will trigger the finalisation of several key incorporation work streams and the completion of a thorough staff engagement plan over the Transfer of Public Sector Employees (TOPSE) to the incorporated company. Throughout the above activities the Airport and Harbours will continue to conduct daily business as usual in the operational delivery of services.

As the programme for the incorporation of both Jersey Airport and Jersey Harbours continues, 2014 will remain a year of tremendous positive change and activity. 2014 is expected to be a year of modest recovery and growth, however the challenges in respect of maintaining income and controlling costs are expected to continue. With this in mind the commercial and property teams will continue to work both independently and through engaging with our business partners to ensure that the Airport and Harbours maximise all commercial opportunities to improve revenue whilst delighting the customer.

We also have a planned capital programme in the 2014 financial year, which will see the completion of the West berth Roll-On-Roll-Off ramp and link span in Elizabeth Harbour as well as the enabling works at Elizabeth Harbour for new warehousing. At the Airport, 2014 will also be marked by the construction of a combined Airport cargo centre and Airport engineering facility.

Aside from the corporate challenges, the Airport and Harbours staff will continue to ensure that the islands strategic gateways remain open, safe and secure in the delivery of the service.



Key Performance

Jersey Airport passenger numbers and aircraft movements

Why it is important:

Income associated principally with passengers traveling to and from Jersey Airport constitutes approximately 66.9% of the department's revenue.

Consequently maintaining and growing passenger numbers is essential to improving profitability and funding future capital requirements of the business.

What was achieved:

The economic state, whilst improving, led to a second year of declining passenger numbers which fell by 1.0%

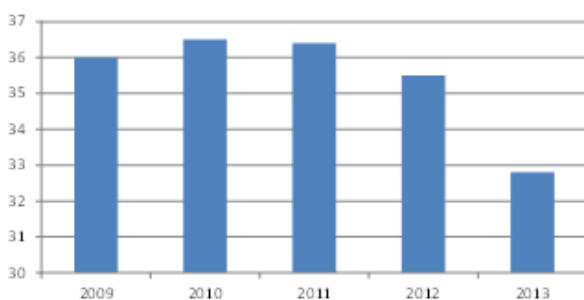
In addition, aircraft numbers also decreased by 8.2% due to airline carriers' business models and operations continuing to favour the use of larger aircrafts.

This situation continues to be managed by working with existing business partners and exploring new opportunities to return to a position where by passenger numbers increase annually.

JERSEY AIRPORT PASSENGER NUMBERS



AIRTRAFIC MOVEMENTS ('000S)



Jersey Harbours commercial port statistics

Why it is important:

Commercial Port activity constitutes 49.7% of Jersey Harbours total income which is principally driven by passenger & car numbers, as well as the volume of freight imports.

What was achieved:

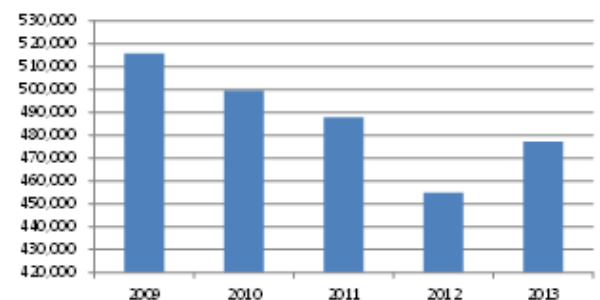
Passenger and car numbers at Jersey Harbours increased by 2.5% and 4.5% respectively. Similarly, freight tonnage passing through the port also increased by 4.7%.

This was reflective of both the improving economic state, and business partners being appropriately incentivised to increase volume on passenger routes operating to and from the island.

JERSEY HARBOURS PASSENGER AND CAR NUMBERS



FREIGHT TONNAGE







Jersey Airport

Summary Snapshot

NET REVENUE INCOME – NEAR CASH

£7,884,512

4.0% increase
from 2012

£844,396

12.0% underspend
against Near Cash Final
Approved Budget

TRADING FUND BALANCE

£25,881,893

24.2% increase
from 2012



Key Results

Performance against Near Cash Final Approved Budget

Near Cash Net Revenue expenditure is the amount that Accounting Officers are held accountable for.

KEY VARIANCES FROM BUDGET

	£'000
Income	(770)
Staff Costs	949
Premises & Maintenance	445
Other Variances	220
Net Underspend	844

Income from sales of goods and services underachieved due to the passenger and aircraft movements falling slightly below 2012 actuals. Property income is slightly down due to rechargeable costs being lower than expected.

Staff costs are below budget due to a number of vacancies not being filled, the restructuring of Air Traffic Control/Air Traffic Engineering coming to fruition and through active management reducing overtime. A significant portion of the variance is due to a contingency held in staff costs to assist with restructuring, the need for which did not materialise.

Premises and Maintenance costs are under budget due to a contingency held for restructuring not being required to the extent anticipated.

Other Variances are mainly due to the contingency for stock write-offs not being required.

Performance compared to 2012 (Total NRE)

The total of Near Cash and Non-Cash amounts represents the usage of resources by a department.

KEY VARIANCES FROM 2012

	£'000
2012 NRE	19,187
2012 Revaluation Impairment	(19,670)
Depreciation	(1,099)
Other Variances	(270)
2013 NRI	(1,852)

Net Revenue Expenditure improved from a net expenditure position of £19.2 million in 2012 to a net income of £1.9 million in 2013. This is mostly due to changes in Non-Cash amounts.

The large change year on year is due to 2012 revaluation adjustments in the Jersey Airport service area, which saw the carrying value of infrastructure assets impaired by £19.7 million.

In addition to the above impairment, depreciation has also reduced in 2013 as a result of both the lower carrying value of assets, and the useful economic lives of some assets being extended as part of the revaluation process conducted in 2012.

Other Variances occurred as a consequence of reduced near cash income in 2013 which was offset by a lower cost base in both the Communication Services and Jersey Airport Service Areas.



Changes from Budget Voted in the Medium Term Financial Plan

RECONCILIATION OF 2013 MEDIUM TERM FINANCIAL PLAN TO FINAL APPROVED BUDGET

	£'000
MTFP 2013	(531)
Removal of Below Ground Works Grant	694
Final Approved Budget	163

In 2013 adjustments to the original budget, as voted in the Medium Term Financial Plan, totalling £693,900 were made. This amount represents the 2013 portion of the below ground works grant income received for completing capital work on the runway. Previously the total grant value of £14.6 million was being amortised over the life of the runway asset however a recent change in accounting policy meant that capital grants are no longer spread over the life of the asset. Figures have been restated retrospectively, and the income is no longer recognised in 2013 or future years.

Staff FTE

At the year end the department employed the equivalent of 170.9 full time employees. This is a decrease of 2.7 (1.5%) from 2012, and is due to a reduction in corporate functions staff following the integration of Jersey Airport with Jersey Harbours in 2012.

Service Analysis

Jersey Airport (Net Revenue Income)

Actual 2012	Actual 2013	Budget 2013
(£7.5) million	(£7.9) million	(£7.1) million

Jersey Airport's 2013 Near Cash Net Revenue Income represented an increase of £0.4 million (4.2%) over 2012.

The increase was due to a reduction in costs following large 'one-off' projects in 2012, compensating for a drop in revenue received from aeronautical charges.

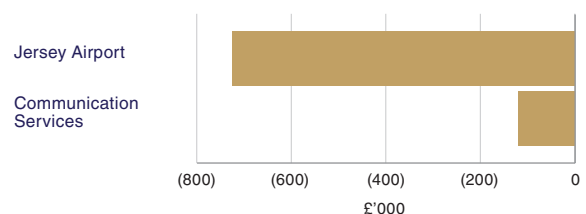
Similarly, Near Cash Net Revenue Income was also £0.8 greater than Final Approved budget in 2013. Despite income underachieving against expectation, this was more than offset by savings in staff and maintenance costs and not requiring restructuring contingencies to the extent anticipated.

Communication Services (Net Revenue Income)

Communication Services continues to provide radio communication goods and services to other States of Jersey departments and external customers. Both income and expenditure reduced in 2013 resulting in a Net Revenue Income consistent with 2012, at a more or less breakeven position.

Communication Services Near Cash Net Revenue Income was £119,000 favourable against 2013 Final Approved Budget. The majority of this variance is due to costs associated with rechargeable work being lower because fewer reactive maintenance jobs occurred than anticipated.

Underspend Breakdown



Net Revenue Expenditure – Service Analysis

2013 Medium Term Financial Plan			2013 Final Approved Budget				2012 Actual (Restated)			2013 Actual		
Near Cash	Non- Cash	Total	Near Cash	Non- Cash	Total		Near Cash	Non- Cash	Total	Near Cash	Non- Cash	Total
£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000
(7,801)	7,144	(657)	(7,107)	7,144	37	Jersey Airport	(7,519)	26,640	19,121	(7,831)	5,960	(1,871)
65	61	126	65	61	126	Communication Services	(65)	131	66	(54)	73	19
(7,736)	7,205	(531)	(7,042)	7,205	163	Net Revenue (Income)/Expenditure	(7,584)	26,771	19,187	(7,885)	6,033	(1,852)

Financial Statements

Income

Actual 2012	Actual 2013	Budget 2013
£28.8 million	£28.1 million	£28.9 million

Income was £0.8 million less than budgeted and £0.7 million less than 2012.

The year on year reduction in income is predominantly due to a fall in aviation income which is £0.8 million lower than 2012. Returns from Communication Services were also reduced due to large 'one-off' projects in the prior year not being repeated in 2013.

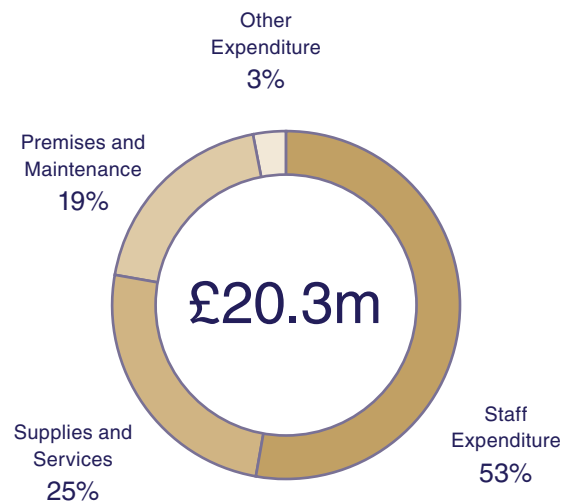
These reductions in income were compensated for by continued strong returns from retail concessions and improved interest returns on the Airport Trading Fund balance.

MAJOR INCOME STREAMS

	£'000
Aeronautical	11,078
Channel Islands Control Zone	6,353
Commercial	7,757
Property	1,404
Communication Services	1,246
Other	307
Total Income	28,145

Near Cash Expenditure

NEAR CASH EXPENDITURE BREAKDOWN



Staff Costs

Actual 2012	Actual 2013	Budget 2013
£10.8 million	£10.7 million	£11.7 million

Staff costs are £1.0 million less than budget and £0.1 million less than 2012.

Underspend against budget was mainly due to a large contingency for restructuring not being required. There were also a number of other contributing factors such as vacancies which were either delayed or not appointed to as well as savings from the restructuring of Air Traffic Control and Air Traffic Engineering coming to fruition.

The reduction in Staff Costs from 2012 is due to savings following the integration of Jersey Airport and Jersey Harbours. These savings were, however, partially offset by an increase in staff costs in engineering services and the need to appropriately resource the Ports of Jersey incorporation project.



Supplies and Services

Actual 2012	Actual 2013	Budget 2013
£5.1 million	£5.1 million	£5.1 million

2013 Supplies and Services costs were consistent with both budget and 2012 actuals.

The containment of 2013 actuals within budget was despite absorbing incorporation costs which were not included in the Final Approved Budget.

Similarly, the negligible variance from 2012 follows an increase in the Supplies and Services cost base due to a number of factors, which included maintenance and development of critical air traffic control equipment, compliance costs associated with aeronautical regulations, and the commencement of the project to incorporate the Ports of Jersey.

These cost increases were offset by non-recurring Supplies and Services expenses in relation to specific projects in 2012.

Premises and Maintenance

Actual 2012	Actual 2013	Budget 2013
£4.4 million	£3.8 million	£4.3 million

Premises and Maintenance costs were £0.5 million lower than budget and £0.6 million less than 2012.

Underspend on Premises and Maintenance was mainly due to a contingency held for restructuring not being required to the extent anticipated.

Year on year Premises and Maintenance costs reduced significantly as a consequence of the non-recurring work undertaken to remove the top two floors of the 1937 Arrivals Building being completed in 2012. This saving was partially offset by additional airfield maintenance.

Other Expenditure Lines

Actual 2012	Actual 2013	Budget 2013
£0.9 million	£0.6 million	£0.8 million

Other Expenditure was £0.2 million lower than budget and £0.3 million less than 2012.

This favourable variance against budget was mainly due to the contingency for Airfield Equipment stock write-offs not being required.

Other expenditure in 2013 was reasonably consistent with 2012 with the following exceptions.

Other Operating costs decreased by £0.2 million due to a reduction in costs associated with work by Communication Services; and Finance costs fell by £0.1 million following a reduction in interest charges as a result of the full repayment of the Finance Lease in connection to the Alpha Taxiway in 2012.

Non Cash Expenditure

Actual 2012	Actual 2013	Budget 2013
£26.8 million	£6.0 million	£7.2 million

Non Cash Expenditure was £1.2 million lower than budget and £20.8 million lower than 2012.

The year on year reduction in Non Cash Expenditure is almost entirely due to impairments in 2012 following the re-valuation of Jersey Airport assets.

Depreciation charges have also reduced in 2013 due to the combined effect of the impairments referenced above and the Useful Economic Lives for some Airport assets being increased. This change in accounting policy also accounts for the favourable variance against budget.



Statement of Comprehensive Net Expenditure

2013 MTFP £'000	2013 Final Approved Budget £'000		2012 Actual (Restated) £'000	2013 Actual £'000
Revenue				
(6)	(6)	Duties, Fees, Fines and Penalties	(2)	(2)
(28,706)	(28,706)	Sales of Goods and Services	(28,540)	(27,754)
(85)	(85)	Investment Income	(144)	(240)
(812)	(118)	Other Income	(111)	(149)
(29,609)	(28,915)	Total Revenue	(28,797)	(28,145)
Expenditure: Near Cash				
11,665	11,665	Staff Expenditure	10,846	10,716
5,054	5,054	Supplies and Services	5,050	5,069
192	192	Administrative Expenditure	220	219
4,292	4,292	Premises and Maintenance	4,407	3,847
211	211	Other Operating Expenditure	180	(15)
–	–	Impairments of Financial Assets	(1)	7
459	459	Finance Costs	511	417
21,873	21,873	Total Expenditure: Near Cash	21,213	20,260
(7,736)	(7,042)	Net Revenue Income: Near Cash	(7,584)	(7,885)
Non Cash Amounts				
7,205	7,205	Depreciation and Amortisation	7,113	6,014
–	–	Impairments of Property, Plant and Equipment	19,670	–
–	–	(Gain)/Loss on Disposal of Non-Current Assets	(12)	19
7,205	7,205	Total Non Cash Amounts	26,771	6,033
(531)	163	Net Revenue Expenditure/(Income)	19,187	(1,852)
Other Comprehensive Income				
–	–	Revaluation of Property, Plant and Equipment	(21,683)	–
–	–	Total Other Comprehensive Income	(21,683)	–
(531)	163	Total Comprehensive (Income)/Expenditure	(2,496)	(1,852)



Statement of Financial Position

	2011 Actual (Restated) £'000	2012 Actual (Restated) £'000	2013 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	138,048	132,859	128,582
Total Non-Current Assets	138,048	132,859	128,582
Current Assets			
Inventories	346	350	346
Trade and Other receivables	2,065	2,193	2,345
Balance due from the Consolidated Fund	15,083	19,997	24,767
Cash and Cash Equivalents	10	25	24
Total Current Assets	17,504	22,565	27,482
Total Assets	155,552	155,424	156,064
Current Liabilities			
Trade and Other Payables	(2,010)	(1,720)	(1,600)
Finance Lease Obligations	(2,333)	(1,094)	(1,152)
Total Current Liabilities	(4,343)	(2,814)	(2,752)
Total Assets Less Current Liabilities	151,209	152,610	153,312
Non-Current Liabilities			
Finance Lease Obligations	(3,458)	(2,364)	(1,212)
Total Non-Current Liabilities	(3,458)	(2,364)	(1,212)
Assets Less Liabilities	147,751	150,246	152,100
Taxpayer's Equity			
Accumulated Revenue Reserves	140,907	121,720	123,572
Revaluation Reserve	6,844	28,526	28,528
Total Taxpayer's Equity	147,751	150,246	152,100



Trading Fund Balance

	Trading Fund Balance £'000
Balance Brought forward	20,846
Net Revenue Income – Near Cash	7,885
Capital Expenditure	(1,755)
Finance Lease Capital Payments	(1,094)
Trading Fund Balance 31 December 2013	25,882
Comprising:	
Net Current Assets	24,730
Add Back: Finance Lease Current Liabilities	1,152
Trading Fund Balance 31 December 2013	25,882
Less: Unspent Capital Approvals	(18,246)
Available Trading Fund Balance 31 December 2013	7,636





Jersey Harbours

Summary Snapshot

NET REVENUE INCOME – NEAR CASH

£3,676,564

13.9% increase
from 2012

£309,564

9.2% underspend
against Near Cash Final
Approved Budget

TRADING FUND BALANCE

£15,575,852

1.2% decrease
from 2012



Key Results

Performance against Near Cash Final Approved Budget

Near Cash Net Revenue expenditure is the amount that Accounting Officers are held accountable for.

KEY VARIANCES FROM BUDGET

	£'000
Income	134
Premises & Maintenance	425
Impairments	(522)
Finance Costs	210
Other Variances	62
Net Underspend	309

Despite slight improvements on 2012 regarding passenger movements and heavy fuel imports, harbour dues relating to freight have not achieved budget. However, income is up on budget overall due to Marine Leisure experiencing higher occupancy rates than expected.

Premises and Maintenance costs are under budget mainly due to lower than expected spend on engineering costs associated with Commercial and Passenger Ports and Outlying Harbours.

Impairment costs reflect bad debt write-offs in relation to the unforeseen demise of Huelin Renouf.

Finance Costs are underspent due to the actual annual costs associated with the PECRS Pre-1987 debt repayment being lower than originally budgeted.

Staff FTE

At the year end the department employed the equivalent of 71.5 full time employees. This is an increase of 4.9 (7.3%) from 2012, and is mainly due to operational vacancies being filled with in the Port of Jersey.

Performance compared to 2012 (Total NRE)

The total of Near Cash and Non-Cash amounts represents the usage of resources by a department.

KEY VARIANCES FROM 2012

	£'000
2012 NRE	1,691
Income	(622)
Bad Debt Provision	344
Depreciation and Impairments	(478)
Other Variances	(171)
2013 NRE	764

Net Revenue Expenditure reduced from £1.7 million in 2012 to £0.8 million in 2013.

Income improved during 2013 across all three service areas. Both the Port of Jersey and Jersey Coastguard received additional income from Harbour Dues on Heavy Fuel, whereas income for the Marine Leisure Service Area improved due to tariff increases and as a result of occupancy rates being higher than expected.

Non-Cash charges were also reduced in comparison to the prior year due to a £2.3 million impairment on assets following the 2012 asset revaluation. This was offset by an increase in depreciation costs which meant net non-cash costs year on year reduced overall by £0.5 million.

Furthermore, significant debt write-offs in connection with Huelin Renouf increased the Bad Debt costs in 2013 by £0.3 million.

Service Analysis

Port of Jersey (Net Revenue Income)

Actual 2012	Actual 2013	Budget 2013
(£2.1) million	(£2.6) million	(£2.4) million

Ports of Jersey generated a Net Revenue Income £0.2 million greater than Final Approved Budget in 2013.

This favourable variance was mainly due to under budget Engineering costs following lower than expected spend on engineering costs associated with Commercial and Passenger Ports.

2013 also saw an increase of Net Revenue Income over 2012 of £0.5 million due to additional receipts in relation to Heavy Fuel imports and Passenger dues.

Jersey Coastguard (Net Revenue Expenditure)

Actual 2012	Actual 2013	Budget 2013
(£0.1) million	(£0.2) million	£0.1 million

In 2013 Jersey Coastguard's saw Net Revenue Expenditure of £0.2 million compared to budgeted Net Revenue Income of 0.1 million, a £0.3 million variance. Despite a slight increase in passenger and fuel movements over 2012 actual, the budgeted income allocation to Coastguard for 2013, which represents the cost of providing the Coastguard service, was too generous leaving a shortfall. However, this was offset somewhat by underspends on staff costs and administration costs.

2013 also saw an increase of Net Revenue Expenditure over 2012 actual of £38,000 also due to additional dues received on Heavy Fuel imports.

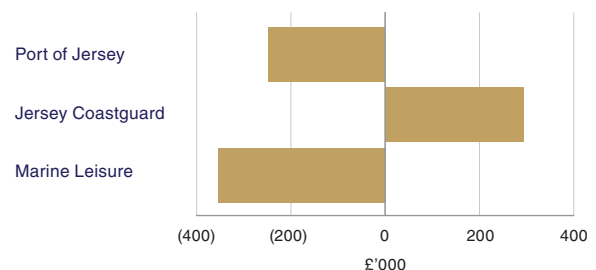
Marine Leisure (Net Revenue Income)

Actual 2012	Actual 2013	Budget 2013
(£1.2) million	(£1.2) million	(£0.9) million

Marine Leisure Net Revenue Income was £0.3 million better than budgeted for 2013. This was primarily due to better occupancy rates than expected as a consequence of delays to work which would have reduced capacity.

2013 saw a small decrease of Net Revenue Income over 2012 actual due to increased maintenance costs offsetting an increase in income following tariff increases.

Underspend Breakdown



Net Revenue Expenditure – Service Analysis

2013 Medium Term Financial Plan			2013 Final Approved Budget				2012 Actual			2013 Actual		
Near Cash	Non- Cash	Total	Near Cash	Non- Cash	Total		Near Cash	Non- Cash	Total	Near Cash	Non- Cash	Total
£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000
(2,394)	2,200	(194)	(2,394)	2,200	(194)	Port of Jersey	(2,122)	2,326	204	(2,641)	2,493	(148)
(118)	99	(19)	(118)	99	(19)	Jersey Coastguard	135	404	539	175	90	265
(855)	1,319	464	(855)	1,319	464	Marine Leisure	(1,240)	2,188	948	(1,210)	1,857	647
(3,367)	3,618	251	(3,367)	3,618	251	Net Revenue (Income)/Expenditure	(3,227)	4,918	1,691	(3,676)	4,440	764



Financial Statements

Income

Actual 2012	Actual 2013	Budget 2013
£14.4 million	£15.0 million	£14.9 million

Income is £0.1 million higher than final approved budget in 2013. Freight Harbours Dues and Rental Income fell short of the 2013 budget. However, these were more than offset by more Marine Leisure income, due to higher than expected occupancy rates and better than expected notional interest due to increased returns during the year.

Income was also £0.6 million higher than 2012 following increased receipts from Harbour dues relating to fuel imports and passengers, as well as increased income from mooring and berth charges.

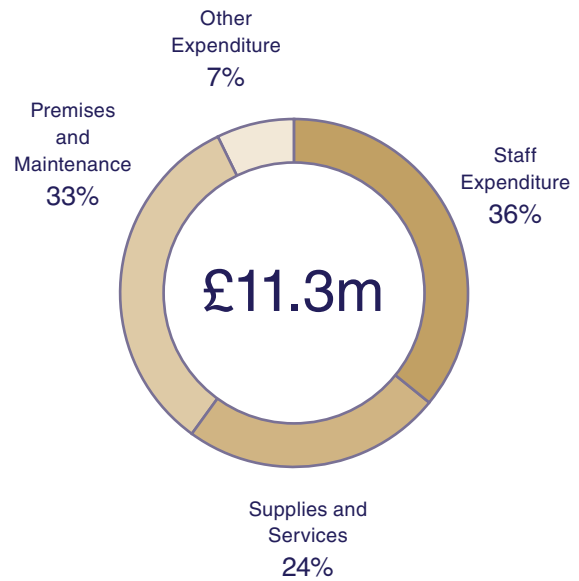
In addition, interest received on the Jersey Harbours Trading Fund and sundry finance charges increased during 2013 when compared to the previous financial year, for the same reasons noted above.

MAJOR INCOME STREAMS

	£'000
Harbour Dues	7,508
Marina / Mooring Income	3,380
Property Rentals	2,331
Other	1,797
Total Income	15,016

Near Cash Expenditure

NEAR CASH EXPENDITURE BREAKDOWN





Staff Costs

Actual 2012	Actual 2013	Budget 2013
£3.9 million	£4.1 million	£4.1 million

Staff costs matched the 2013 budget but increased year on year mainly due to operational vacancies being filled with in the Port of Jersey.

Other Expenditure Lines

Actual 2012	Actual 2013	Budget 2013
£0.5 million	£0.8 million	£0.5 million

Both the overspend against budget and the increase in costs from 2012 in Other Expenditure was primarily due to significant bad debt provision in relation to Huelin Renouf.

Supplies & Services

Actual 2012	Actual 2013	Budget 2013
£3.2 million	£2.8 million	£2.8 million

Supplies and Services expenditure matched the 2013 budget.

Year on Year the £0.4 million decrease in costs is due mainly to the 2012 St Aubin's Dredging project not being repeated in 2013. This saving was offset by additional costs in connection to both incorporation and managing the loss of Huelin Renouf as a major customer.

Non Cash Expenditure

Actual 2012	Actual 2013	Budget 2013
£4.9 million	£4.4 million	£3.6 million

Non-Cash charges were also reduced in comparison to the prior year due to a £2.3 million impairment on assets following the 2012 asset revaluation not being repeated in 2013. This was offset by an increase in depreciation costs which meant net non-cash costs year on year reduced by £0.5 million.

Premises & Maintenance

Actual 2012	Actual 2013	Budget 2013
£3.6 million	£3.7 million	£4.1 million

The underspend of £0.4 million in Premises and Maintenance costs was due to less spend than anticipated on engineering costs associated with Commercial and Passenger Ports and Outlying Harbours.

The increase in costs from 2012 is a result of increased recharges from TTS and one-off building maintenance costs in connection with Victoria Pier Properties.



Statement of Comprehensive Net Expenditure

2013 MTFP £'000	2013 Final Approved Budget £'000		2012 Actual £'000	2013 Actual £'000
Revenue				
(25)	(25)	Duties, Fees, Fines and Penalties	(25)	(57)
(14,735)	(14,735)	Sales of Goods and Services	(14,176)	(14,755)
(83)	(83)	Investment Income	(131)	(170)
(39)	(39)	Other Income	(62)	(34)
(14,882)	(14,882)	Total Revenue	(14,394)	(15,016)
Expenditure: Near Cash				
4,104	4,104	Staff Expenditure	3,916	4,083
2,805	2,805	Supplies and Services	3,210	2,752
111	111	Administrative Expenditure	82	76
4,144	4,144	Premises and Maintenance	3,578	3,719
54	54	Other Operating Expenditure	13	15
22	22	Grants and Subsidies Payments	8	8
–	–	Impairments of Financial Assets	177	522
275	275	Finance Costs	65	65
–	–	Financial Return	118	100
11,515	11,515	Total Expenditure: Near Cash	11,167	11,340
(3,367)	(3,367)	Net Revenue Income: Near Cash	(3,227)	(3,676)
Non Cash Amounts				
3,618	3,618	Depreciation and Amortisation	2,584	4,440
–	–	Impairments of Property, Plant and Equipment	2,334	–
3,618	3,618	Total Non Cash Amounts	4,918	4,440
251	251	Net Revenue Expenditure	1,691	764
Other Comprehensive Income				
–	–	Revaluation of Property, Plant and Equipment	(129,837)	–
–	–	Total Other Comprehensive Income	(129,837)	–
251	251	Total Comprehensive Expenditure/(Income)	(128,146)	764



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	93,967	220,872	220,310
Intangible Assets	70	55	39
Total Non-Current Assets	94,037	220,927	220,349
Current Assets			
Trade and Other receivables	1,124	1,307	1,814
Balance due from the Consolidated Fund	14,630	15,779	15,375
Cash and Cash Equivalents	–	76	66
Total Current Assets	15,754	17,162	17,255
Total Assets	109,791	238,089	237,604
Current Liabilities			
Trade and Other Payables	(1,248)	(1,401)	(1,679)
Total Current Liabilities	(1,248)	(1,401)	(1,679)
Assets less Liabilities	108,543	236,688	235,925
Taxpayer's Equity			
Accumulated Revenue Reserves	105,956	104,264	103,501
Revaluation Reserve	2,587	132,424	132,424
Total Taxpayer's Equity	108,543	236,688	235,925



Trading Fund Balance

	Trading Fund Balance £'000
Balance Brought forward	15,762
Net Revenue Income – Near Cash	3,676
Capital Expenditure	(3,862)
Trading Fund Balance 31 December 2013	15,576
Comprising:	
Net Current Assets	15,576
Trading Fund Balance 31 December 2013	15,576
Less: Unspent Capital Approvals	(13,171)
Available Trading Fund Balance 31 December 2013	2,405





Jersey Car Parking

Jersey Car Parking is responsible for the provision and management of public parking facilities (including Public Car Parks, On-Street Parking, Enforcement and Charging Policy).

Summary Snapshot

NET REVENUE INCOME – NEAR CASH

£1,269,666

2.9% decrease
from 2012

£24,666

2.0% underspend
against Near Cash Final
Approved Budget

TRADING FUND BALANCE

£16,866,251

8.0% increase
from 2012



Minister's Overview

A new parking payment system (Advanced Number Plate Recognition – ANPR) was introduced in Sand Street Car Park as a trial at the end of 2012. The Car Parks Team provided a huge amount of customer support over the first couple of months, so in reality it only commenced normal operation in 2013. Public acceptability is a very important aspect when it comes to deciding whether a system of this kind can be rolled out to other car parks, so in the second half of the year public feedback was sought which indicated that the vast majority of people were happy with the system.

The siting of the new Police Station in the open air area of Green Street Car Park was agreed by the States in 2013. The impact of this decision on the overall capacity of the car park is only a slight reduction, however, as an extension to one of the floors will be built. Work will not start on this until 2014.

A review of the parking offering in and around Town was undertaken during the year as a joint initiative between TTS and the Department of the Environment. It showed that despite any spaces that might be lost at Green Street there was still plenty of spare capacity at Pier Road.

To support town traders, and stimulate the local economy, TTS agreed to allow free parking on Thursdays during August and September, after 3pm, in Sand Street Car Park. This proved to be a popular initiative.

Future Developments

Following on from the ANPR trial, TTS will be reviewing parking payment methods over the coming year to decide on a suitable system to roll out to other car parks.

The popular Esplanade Car Park will be taken over for development in 2014, however, a temporary car park will be made available across the road at the Waterfront as a temporary replacement.

Longer term, the replacement public car park in the Esplanade will be underground and planning permission has been sought by the States of Jersey Development Company.

It is intended that designs will be progressed for shopper parking within the Ann Court residential development during the coming year, although construction is unlikely to start until 2015.

TTS has identified the need for more shopper parking in the north of town and will be actively looking for possible sites.

The Pier Road Multi-storey Car Park will be undergoing a £0.5 million refurbishment in 2014.

2014 will be a very busy year for the Car Parks section both in terms of managing the change in parking stock and the potential change in parking payment methods.

Following the review of the operation of the car park trading fund by the Public Accounts Committee, TTS will consider the recommendations of the PAC in conjunction with the Treasury. The car parks model is being updated and will inform those discussions.

Key Results

Performance against Near Cash Final Approved Budget

Near Cash Net Revenue expenditure is the amount that Accounting Officers are held accountable for.

KEY VARIANCES FROM BUDGET

	£'000
Underachievement of income	(393)
Supplies and services	171
Premises costs and maintenance	168
Other Variances	79
Net Underspend	25

Overall JCP had a small underspend against budget of £24,666.

The underachievement of income of £0.4 million is from a combination of shortfalls in income from fines, ticket sales and notional interest on intercompany balances. There is some speculation whether the reduction in fine income is due to the impact of ANPR, or a general increase in vigilance by the public as individuals monitor their spend more closely.

This was offset by savings on Supplies and Services (£0.2 million) and Premises and Maintenance (£0.2 million).

Performance compared to 2012 (Total NRE)

The total of Near Cash and Non-Cash amounts represents the usage of resources by a department.

KEY VARIANCES FROM 2012

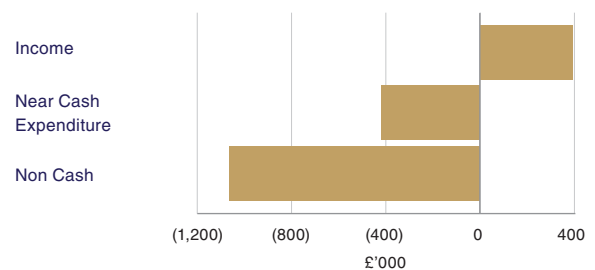
	£'000
2012 NRE	639
Reduction in depreciation expense	(1,062)
Other Variances	25
2013 NRI	(398)

Overall there was a reduction in costs of £1.0 million compared to 2012. This is mostly attributable to a reduction in depreciation, due to the extension of the remaining useful lives of the existing multi storey car-parks.

Staff FTE

At the year end the department employed the equivalent of 20.0 full time employees. This represents no change from 2012.

Underspend Breakdown





Financial Statements

Income

Actual 2012	Actual 2013	Budget 2013
£6.4 million	£6.2 million	£6.6 million

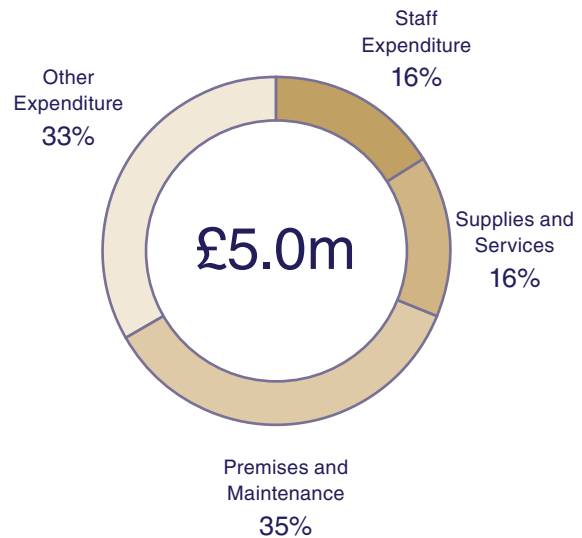
The main income stream for JCP is from parking charges of £5.6 million, made up of sales of parking cards (PayCards and UniTickets) of £4.5 million, season tickets £0.8 million and parking and site rental £0.3 million. Car parking charges increased on 1 February 2013 in line with the September 2012 RPI(Y) index of 3.1%.

The next major stream is from parking fines, at £0.5 million, a reduction of 13.3% compared to 2012.

MAJOR INCOME STREAMS

	£'000
Parking Charges	5,624
Fines	491
Interest	80
Other	52
Total Income	6,247

Near Cash Expenditure



Staff Expenditure

Actual 2012	Actual 2013	Budget 2013
£0.8 million	£0.8 million	£0.8 million

Staff costs were in line with budget and the prior year.



Premises and Maintenance

Actual 2012	Actual 2013	Budget 2013
£1.7 million	£1.8 million	£1.9 million

The major cost in this area is the rental charge paid to the States of Jersey Development Company in respect of the Esplanade Car Park. Other expenditure includes operating costs such as electricity, routine maintenance and monitoring and minor upgrade and improvement works.

Non Cash Expenditure

Actual 2012	Actual 2013	Budget 2013
£1.9 million	£0.9 million	£1.9 million

The £1.0 million underspend against budget, and prior year, is due to the review and adjustment of the remaining useful lives of the multi-storey car parks in 2013.

Financial Return

Actual 2012	Actual 2013	Budget 2013
£1.6 million	£1.6 million	£1.6 million

The Financial Return was agreed in the MTFP, and was paid in line with both 2012 and the budget.

Other Expenditure Lines

Actual 2012	Actual 2013	Budget 2013
£1.0 million	£0.8 Million	£1.1 million

Other expenditure lines consist mainly of supplies and services (£0.8 million). The variance from both 2012 and budget is primarily due to a reduction on commissions payable on paycard sales, due to the impact of ANPR.



Statement of Comprehensive Net Expenditure

2013 MTFP £'000	2013 Final Approved Budget £'000		2012 Actual £'000	2013 Actual £'000
Revenue				
(529)	(529)	Duties, Fees, Fines and Penalties	(566)	(491)
(5,919)	(5,919)	Sales of Goods and Services	(5,655)	(5,624)
(145)	(145)	Investment Income	(126)	(80)
(47)	(47)	Other Income	(57)	(52)
(6,640)	(6,640)	Total Revenue	(6,404)	(6,247)
Expenditure: Near Cash				
807	807	Staff Expenditure	782	791
941	941	Supplies and Services	886	770
20	20	Administrative Expenditure	29	24
1,933	1,933	Premises and Maintenance	1,741	1,765
–	–	Other Operating Expenditure	28	–
63	63	Impairments of Financial Assets	49	12
79	79	Finance Costs	29	63
1,552	1,552	Financial Return	1,552	1,552
5,395	5,395	Total Expenditure: Near Cash	5,096	4,977
(1,245)	(1,245)	Net Revenue Income: Near Cash	(1,308)	(1,270)
Non Cash Amounts				
1,934	1,934	Depreciation and Amortisation	1,934	872
–	–	Impairments of Property, Plant and Equipment	13	–
1,934	1,934	Total Non Cash Amounts	1,947	872
689	689	Net Revenue Expenditure/(Income)	639	(398)
Other Comprehensive Income				
–	–	Revaluation of Property, Plant and Equipment	(486)	–
–	–	Total Other Comprehensive Income	(486)	–
689	689	Total Comprehensive Expenditure/(Income)	153	(398)



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	42,738	41,406	40,550
Total Non-Current Assets	42,738	41,406	40,550
Current Assets			
Trade and Other receivables	434	417	409
Balance due from the Consolidated Fund	14,357	15,741	16,837
Cash and Cash Equivalents	–	–	32
Total Current Assets	14,791	16,158	17,278
Total Assets	57,529	57,564	57,828
Current Liabilities			
Trade and Other Payables	(358)	(546)	(412)
Total Current Liabilities	(358)	(546)	(412)
Assets Less Liabilities	57,171	57,018	57,416
Taxpayer's Equity			
Accumulated Revenue Reserves	40,976	40,337	40,735
Revaluation Reserve	16,195	16,681	16,681
Total Taxpayer's Equity	57,171	57,018	57,416



Trading Fund Balance

	Trading Fund Balance £'000
Balance Brought forward	15,612
Net Revenue Income – Near Cash	1,270
Capital Expenditure	(16)
Trading Fund Balance 31 December 2013	16,866
Comprising:	
Net Current Assets	16,866
Trading Fund Balance 31 December 2013	16,866
Less: Unspent Capital Approvals	(11,055)
Available Trading Fund Balance 31 December 2013	5,811



Jersey Fleet Management

Jersey Fleet Management is responsible for the management and maintenance of fleet vehicles on behalf of the States of Jersey.

Summary Snapshot

NET REVENUE INCOME – NEAR CASH

£953,363

10.5% increase
from 2012

£231,937

19.6% underachievement
against Near Cash Final Approved
Budget

TRADING FUND BALANCE

£929,759

37.9% decrease
from 2012



Minister's Overview

Over the last two years there has been significant change in Jersey Fleet Management (JFM). Following the decision that the management, procurement and maintenance of all States vehicles should be the responsibility of JFM, more States departments are now using the fleet management services of JFM. This, of course, has increased the workload and the organisation has had to respond and adapt.

Also in 2013, JFM took over the administration of motor fleet insurance claims for all departments. Whilst this is also additional workload for the section, it complements the corporate fleet management responsibility and will assist in obtaining 'value for money' improvements in the future.

There have been several staff changes over the year, initially these were temporarily met by reallocation of staff to different functions, but by the end of 2013 a permanent organisational restructure was approved and staff were recruited to these posts.

The new States corporate lease-hire contract came into effect in January 2013. The new leased fleet includes 10 electric cars as well as the general fleet of 140 vehicles bettering the new 110g/km maximum Carbon Dioxide emission requirement (95% of the new fleet will better 100g/km of CO₂). The financial impact of the new contract was well within current inflation levels.

Future Developments

To a large extent 2014 will be a year for JFM to consolidate and fine tune its policies and procedures after two years of significant change and expansion of its responsibilities and workload. The required management reorganisation and resulting staff recruitment will be completed during the first quarter of 2014.

This will enable all areas of the business to concentrate on service and efficiency improvements to ensure JFM continues to develop and offer high quality, value for money services to its clients.



Key Results

Performance against Near Cash Final Approved Budget

Near Cash Net Revenue expenditure is the amount that Accounting Officers are held accountable for.

KEY VARIANCES FROM BUDGET

	£'000
Annual plant rental	(174)
Other Variances	(58)
Net Overspend	(232)

Overall JFM underachieved against its net income budget by £0.2 million, primarily due to lower levels of plant rental income than budgeted. This is principally due to constraints on the budgets of other departments.

Performance compared to 2012 (Total NRI)

The total of Near Cash and Non-Cash amounts represents the usage of resources by a department.

KEY VARIANCES FROM 2012

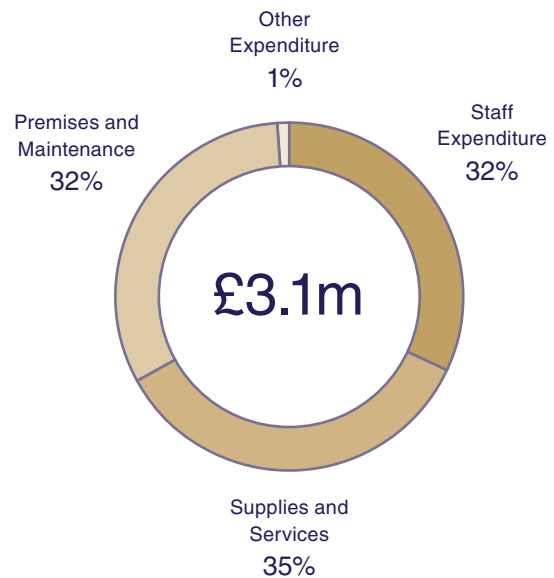
	£'000
2012 NRI	(137)
Own vehicle lease income	130
Plant and vehicle depreciation	(105)
Other Variances	54
2013 NRI	(58)

Overall there was an increase in net costs of £78,847 compared to 2012. This is mostly attributable to increases in own vehicle lease income (£129,628), as more departments replace their existing fleet and lease vehicles from JFM, offset by increased depreciation costs (£104,892) due to the larger fleet.

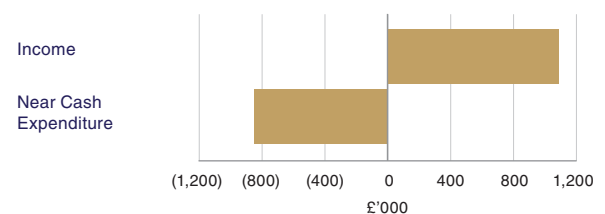
Staff FTE

At the year end the department employed the equivalent of 26.0 full time employees. This represents no change from 2012.

Net Revenue Expenditure – Near Cash



Overspend Breakdown





Financial Statements

Income

Actual 2012	Actual 2013	Budget 2013
£3.8 million	£4.0 million	£5.1 million

The main income for JFM is from charges to other departments for the leasing and maintenance of plant and vehicles, both those owned by JFM and those leased from a third party supplier.

The shortfall in income of £1.1 million against budget is due to a reduction in annual plant rental income as a result of CSR proposals in TTS; and the decision not to apply a different accounting treatment of maintenance on JFM owned vehicles, matched by savings in Premises and Maintenance, which had previously been budgeted in 2013.

Income increased by £0.2 million compared to 2012 due to an increase in own vehicle lease income, as more departments lease JFM vehicles; and an increase in non-JFM owned fleet vehicles leased through JFM.

Major Income Streams

	£'000
Vehicle and plant hire	2,671
Vehicle maintenance	723
Fuel sales	535
Other	89
Total Income	4,018

Near Cash Expenditure

Staff Expenditure

Actual 2012	Actual 2013	Budget 2013
£1.0 million	£1.0 million	£1.1 million

The underspend of £0.1 million against budget is principally due to vacancies during the year.

Supplies and Services

Actual 2012	Actual 2013	Budget 2013
£1.0 million	£1.1 million	£1.0 million

Premises and Maintenance

Actual 2012	Actual 2013	Budget 2013
£0.9 million	£1.0 million	£1.8 million

When the budget was set for the MTFP, internal maintenance work on JFM's own assets was included as both income and expenditure. During the year it was decided not to adopt this proposed treatment, which has resulted in a variance to budget in the year, offset by a reduction in income. The adopted approach is in line with previous years.



Non Cash Expenditure

Actual 2012	Actual 2013	Budget 2013
£0.7 million	£0.9 million	£0.9 million

The increase of £0.2 million from 2012 is due to increased depreciation due to more vehicles being owned and lower gains on assets disposed in the year.

Statement of Financial Position

2013 saw the investment in a large number of new vehicles, which resulted in an increase in the Net Book Value of Non-Current Assets of £1,626,585 (36.4%). These new vehicles are a combination of replacements for existing JFM stock and new acquisitions as JFM takes on fleet responsibilities for more Departments.



Statement of Comprehensive Net Expenditure

2013 MTFP £'000	2013 Final Approved Budget £'000		2012 Actual £'000	2013 Actual £'000
Revenue				
(5,088)	(5,088)	Sales of Goods and Services	(3,761)	(4,009)
(14)	(14)	Investment Income	(13)	(4)
–	–	Other Income	(4)	(5)
(5,102)	(5,102)	Total Revenue	(3,778)	(4,018)
Expenditure: Near Cash				
1,068	1,068	Staff Expenditure	995	994
1,028	1,028	Supplies and Services	1,014	1,069
1	1	Administrative Expenditure	3	8
1,820	1,820	Premises and Maintenance	890	985
–	–	Other Operating Expenditure	–	(4)
–	–	Finance Costs	13	13
3,917	3,917	Total Expenditure: Near Cash	2,915	3,065
(1,185)	(1,185)	Net Revenue Income: Near Cash	(863)	(953)
Non Cash Amounts				
975	975	Depreciation and Amortisation	808	913
(80)	(80)	Gain on Disposal of Non-Current Assets	(82)	(18)
895	895	Total Non Cash Amounts	726	895
(290)	(290)	Net Revenue Income	(137)	(58)



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	3,802	4,454	6,085
Intangible Assets	19	14	9
Total Non-Current Assets	3,821	4,468	6,094
Current Assets			
Inventories	33	50	58
Trade and Other receivables	106	173	167
Balance due from the Consolidated Fund	1,006	1,497	825
Total Current Assets	1,145	1,720	1,050
Total Assets	4,966	6,188	7,144
Current Liabilities			
Trade and Other Payables	(137)	(222)	(121)
Total Current Liabilities	(137)	(222)	(121)
Assets Less Liabilities	4,829	5,966	7,023
Taxpayer's Equity			
Accumulated Revenue Reserves	4,829	5,966	7,023
Total Taxpayer's Equity	4,829	5,966	7,023



Trading Fund Balance

	Trading Fund Balance £'000
Balance Brought forward	1,498
Net Revenue Income – Near Cash	58
Additional States Funding	1,000
Capital Expenditure	(2,669)
Depreciation and Other Non-Cash Items	895
Proceeds on Sale of Assets	147
Trading Fund Balance 31 December 2013	929
Comprising:	
Net Current Assets	929
Trading Fund Balance 31 December 2013	929
Less: Unspent Capital Approvals	(1,129)
Available Trading Fund Balance 31 December 2013	(200)

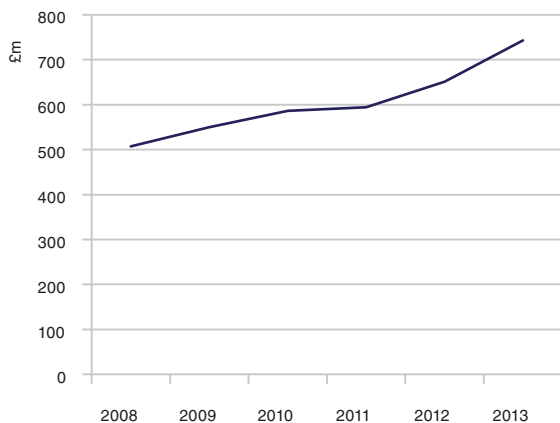


Special Funds Named in the Public Finances (Jersey) Law 2005

In addition to the Consolidated Fund, the Public Finances (Jersey) Law 2005 names four Special Funds, which relate to the operation of the States of Jersey in general.

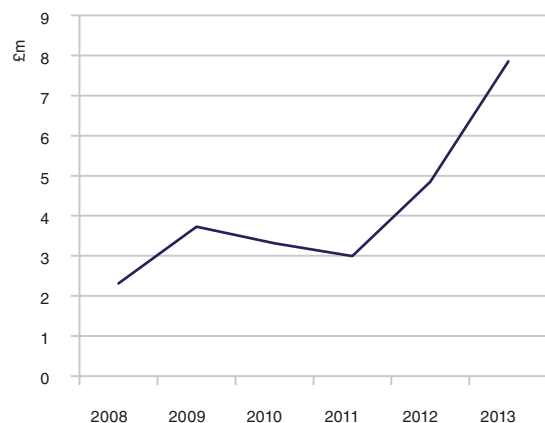
STRATEGIC RESERVE

£743.1 million



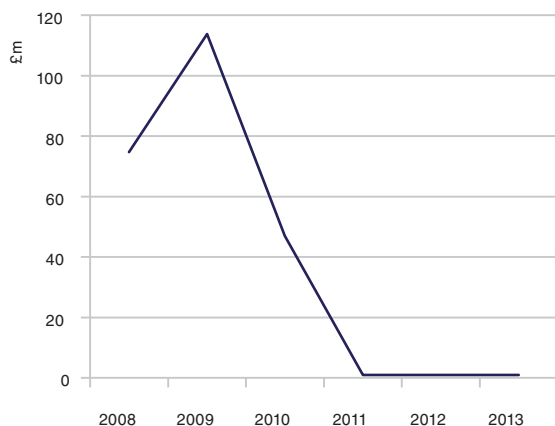
CURRENCY FUND

£7.8 million



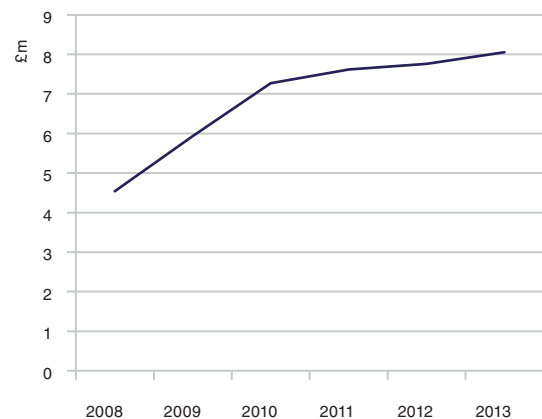
STABILISATION FUND

£1.1 million



INSURANCE FUND

£8.1 million







Strategic Reserve

Established under the Public Finances (Jersey) Law 2005, as a permanent reserve. The policy for the reserve was agreed by the States under P.133/2006, stating that it is to be used only in exceptional circumstances to insulate the Island's economy from severe structural decline (such as the sudden collapse of a major island industry) or from major natural disaster. The States have subsequently approved P84/2009 which proposed that this policy is varied to enable the Strategic Reserve to be used, if necessary, for the purposes of providing funding of up to £100 million for a Bank Depositors Compensation Scheme and P122/2013 which agreed to the drawdown of approximately £297 million to fund the new hospital scheme over a period of years.

Summary Snapshot

TOTAL FUND POSITION

£743,128,200

14.1% increase

from 2012

NET REVENUE INCOME

£91,911,798

61.6% increase

from 2012



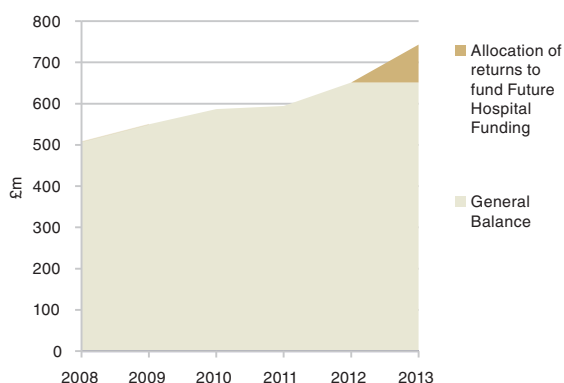
Changes in Net Asset Value from 2012

	£'000
2012 Net Asset Value	651,216
Net Revenue Income	91,912
2013 Net Asset Value	743,128

The Net Asset Value (NAV) increased from £651.2 million to £743.1 million over 2013, an increase of £91.9 million (14.1%).

The increase in the NAV is mostly attributable to net income from the Fund's investments held within the Common Investment Fund. As agreed in the 2014 Budget Statement (P122/2013), investments returns will be used to fund new hospital services as part of the proposals agreed by the States on 23rd October 2012 in adopting the proposition "Health and Social Services: a new way forward" (P.82/2012). Further work is being undertaken within Treasury on definitions of Capital and Investment Income, and their treatment within the Strategic Reserve. The earmarking of £91.9 million of investment returns in 2013 for the Future Hospital may change as a consequence of this work.

The Fund's Net Asset Value over time is illustrated below:



Performance compared to 2012 (Total NRI)

KEY VARIANCES FROM 2012

	£'000
2012 NRI	(56,863)
Investment Income	(35,056)
Supplies and Services	7
2013 NRI	(91,912)

The Strategic Reserve continues to pursue its investment strategy through investment in the States of Jersey Common Investment Fund. The Fund's portfolio includes a balance of return seeking assets, such as equity and capital preservation assets, such as gilts. The year end holdings are illustrated in the next section.

The entire investment portfolio of the Strategic Reserve is invested through the Common Investment Fund which performed exceedingly well over the year, reflecting both improving market conditions and strong investment manager performance. The Fund produced investment income of just over £91.9 million, a net return of 14.1%. This represented both high returns in the markets but also good investment manager performance with overall returns exceeding benchmark performance by 2%.

Returns were not evenly split between asset classes, with the majority of the Funds income generated by its equity holdings. Of the £91.9 million total return, £90.9 million was generated by equity, with the majority of the remaining £1.0 million generated by corporate bonds. A small negative return was generated by the Funds gilt holdings which were in line with the market benchmark.



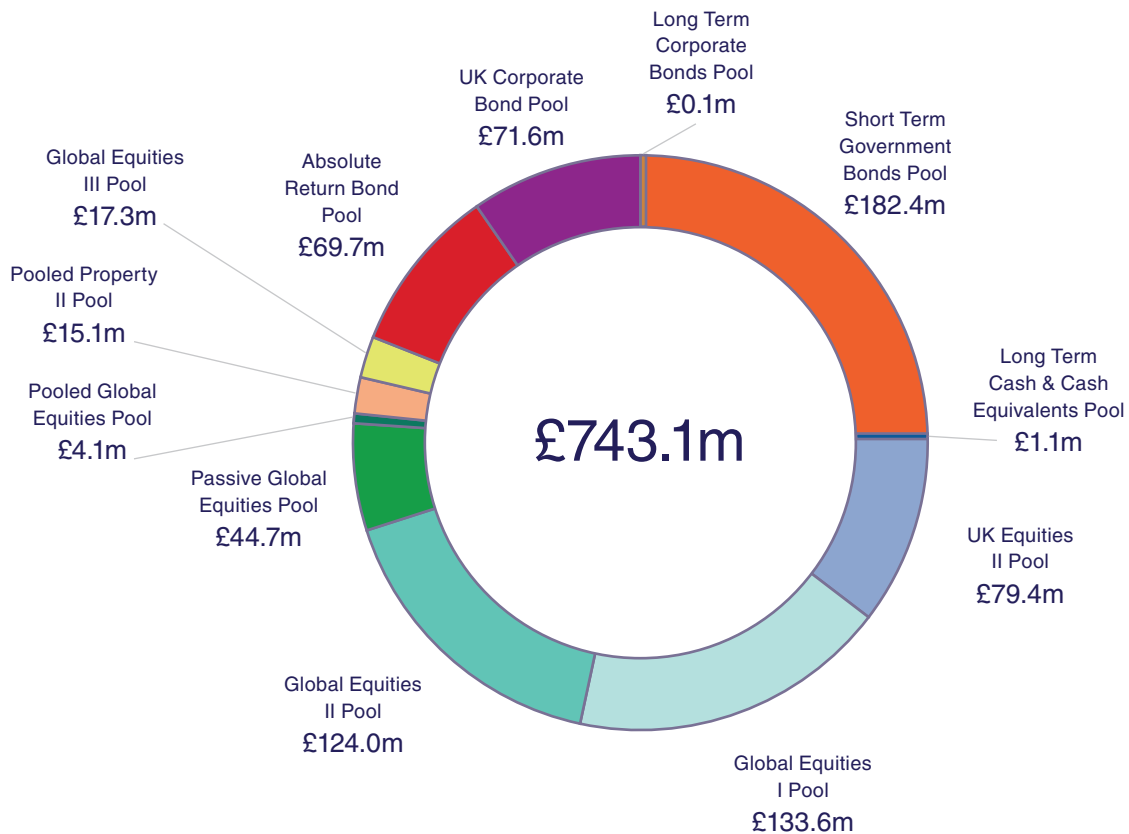
Performance of CIF Investments

The Strategic Reserve participates in a range of CIF pools. Investments are held by the CIF, which recognises income, expenditure and gains/losses on Investments. The Fund recognises only gains or losses on the units held in the CIF.

The table below shows the share of transactions in the CIF attributable to the Fund.

CIF AMOUNTS ATTRIBUTABLE TO THE STRATEGIC RESERVE

	2012 £'000	2013 £'000
Income	22,230	19,640
Expenditure	(3,530)	(4,280)
Gains on Investments	38,226	76,539
Total Gains recognised	56,926	91,899



Statement of Comprehensive Net Expenditure

	2012 Actual £'000	2013 Actual £'000
Revenue		
Investment Income	(56,925)	(91,981)
Total Revenue	(56,925)	(91,981)
Expenditure: Near Cash		
Supplies and Services	62	69
Total Expenditure: Near Cash	62	69
Net Revenue Income	(56,863)	(91,912)



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Investments held at Fair Value through Profit or Loss	594,369	651,295	743,068
Total Non-Current Assets	594,369	651,295	743,068
Current Assets			
Trade and Other receivables	17	16	16
Cash and Cash Equivalents	–	–	1
Balance due from the Consolidated Fund	–	–	52
Total Current Assets	17	16	69
Total Assets	594,386	651,311	743,137
Current Liabilities			
Trade and Other Payables	(11)	(8)	(9)
Balance due to the Consolidated Fund	(21)	(87)	–
Total Current Liabilities	(32)	(95)	(9)
Assets Less Liabilities	594,354	651,216	743,128
Taxpayer's Equity			
Accumulated Revenue Reserves	594,354	651,216	651,216
Returns Ring-fenced for Hospital	–	–	91,912
Total Taxpayer's Equity	594,354	651,216	743,128





Stabilisation Fund

Established under the Public Finances (Jersey) Law 2005, the purpose of this Fund is to provide a reserve which can be used to make Jersey's fiscal policy more countercyclical in order to create a more stable economic environment. The Fund receives cash allocations in more buoyant economic conditions and makes payments at times of anticipated economic downturn.

Summary Snapshot

FUND POSITION

£1,059,088**0.9% increase**

from 2012

NET REVENUE INCOME

£9,166**79.0% decrease**

from 2012



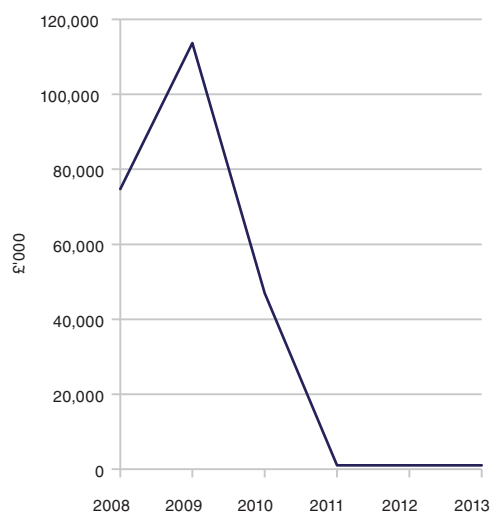
Changes in Net Asset Value from 2012

	£'000
2012 Net Asset Value	1,050
Net Revenue Income	9
2013 Net Asset Value	1,059

The Net Asset Value (NAV) increased from £1.0 million to £1.1 million during 2013.

The increase in the NAV reflects net income from investments held within Common Investment Fund.

The Stabilisation Fund remains mostly drawn down reflecting our position in the economic cycle. No capital withdrawals or contributions were made into or out of the fund during the year. The yield of the fund remains low reflecting historically low interest rates. The Fund's Net Asset Value over time is illustrated below:



Performance compared to 2012 (Total NRI)

KEY VARIANCES FROM 2012

	£'000
2012 NRI	(44)
Investment Income	35
2013 NRI	(9)

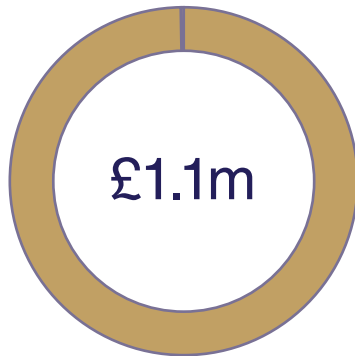
Gains on CIF Investments in the Statement of Comprehensive Net Expenditure were £34,615 lower than in 2012 (a decrease of 79.1%).

The fall in income reflects the stable low balance of the Fund and the returns currently earned on cash in an environment of historically low interest rates.

The returns of the prior year were generated in quarter one of 2012 when the Fund saw a temporary rise in holdings. The balance of the Fund remained stable over 2013 although the assets yielded a similar rate of return meaning the overall return was lower.

Performance of CIF Investments

The Fund participates only in the CIF Long Term Cash Pool due to the low level of holdings. Investments are held by the CIF, which recognises income, expenditure and gains/losses on Investments. The Fund recognises only gains or losses on the units held in the CIF.



Long Term Cash & Cash
Equivalents Pool
1.1m

The table below shows the share of transactions in the CIF attributable to the Fund.

CIF AMOUNTS ATTRIBUTABLE TO THE STABILISATION FUND

	2012 £'000	2013 £'000
Income	47	11
Expenditure	(2)	(1)
Gains/(Losses) on Investments	(1)	(1)
Total Gains recognised	44	9

Statement of Comprehensive Net Expenditure

	2012 Actual £'000	2013 Actual £'000
Revenue		
Investment Income	(44)	(9)
Total Revenue	(44)	(9)
Net Revenue Income	(44)	(9)



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Investments held at Fair Value through Profit or Loss	1,006	1,049	1,058
Total Non-Current Assets	1,006	1,049	1,058
Current Assets			
Cash and Cash Equivalents	72	1	1
Total Current Assets	72	1	1
Total Assets	1,078	1,050	1,059
Current Liabilities			
Balance due to the Consolidated Fund	(72)	–	–
Total Current Liabilities	(72)	–	–
Assets Less Liabilities	1,006	1,050	1,059
Taxpayer's Equity			
Accumulated Revenue Reserves	1,006	1,050	1,059
Total Taxpayer's Equity	1,006	1,050	1,059





Jersey Currency Fund

Established under the Public Finances (Jersey) Law 2005, the Currency Notes (Jersey) Law 1959, and the Decimal Currency (Jersey) Law 1971, the Fund holds assets that match the value of Jersey currency notes and coinage in circulation, such that the holder of Jersey currency could be repaid on request. It also produces and issues currency notes and coins, and administers the currency in issue.

Summary Snapshot

FUND POSITION

£7,849,669**62.0% increase**

from 2012

NET REVENUE INCOME

£3,002,994**61.7% increase**

from 2012



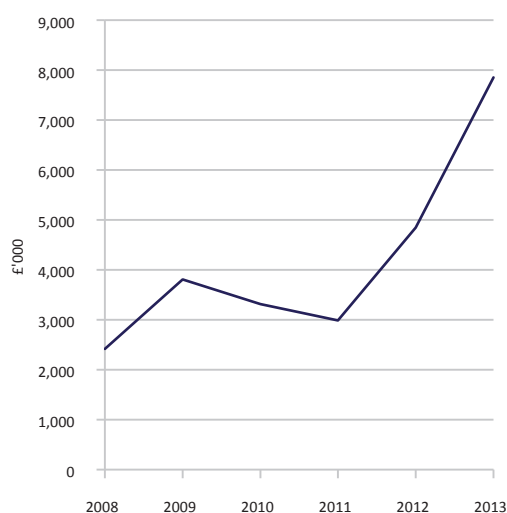
Changes in Net Asset Value from 2012

	£'000
2012 Net Asset Value	4,847
Operating Surplus	4,927
Financial Return	(1,924)
2013 Net Asset Value	7,850

The Net Asset Value (NAV) increased from £4.8 million to £7.8 million during 2013, an increase of £3.0 million (61.7%).

The increase in NAV reflects the operating surplus less the financial return.

THE FUND'S NET ASSET VALUE OVER TIME



Performance compared to 2012 (Total NRI)

KEY VARIANCES FROM 2012

	£'000
2012 NRI	(1,857)
Investment Income	(2,101)
Sale Of Goods	10
Other Revenue	61
Suppliers and Services	(41)
Financial Return	941
Other Variances	(16)
2013 NRI	(3,003)

The most significant elements of the operating surplus and financial return are explain below.

Investment Income

Investment income increased by £2.1 million over 2013 to £5.5 million up from £3.4 million earned in the prior year (an increase of 62.7%). The income was predominately attributable to the Fund's investments held within the CIF, which generated £5.1 million. Although making up a minority of the Fund's assets, equity performed particularly well generating £4.7 million of the overall return, reflecting both out performance of the investment managers and a rising market. The majority of the remaining CIF investment income was generated by the long term cash pool.

The Fund also maintains some assets outside the CIF including infrastructure investments and short term cash. Short term cash is held with Royal London Asset Management and reflects the funds operational cash; these funds experience movements in line with everyday changes to the amount of local currency in circulation.

Although the Currency Fund maintains a conservative strategy, reflecting its aim to ensure assets are held to back the value of locally issued currency, increased returns reflected improved conditions in the equity markets and higher returns generated by the newly invested infrastructure investments.



Financial Return

The fund saw the value of its financial return rise by £0.9 million as it increased from £1.0 million in 2012 to £1.9 million in 2013 (an increase of 95.8%). The financial return reflects only the 'realised portion' of the Fund's returns and so excludes any unrealised gains or losses on the underlying investments in the CIF. In the current year, similar to 2012, rises in the equity markets generated much of the Fund's investment income, much of this gain remains unrealised until investments are sold and as such is excluded from the financial return.

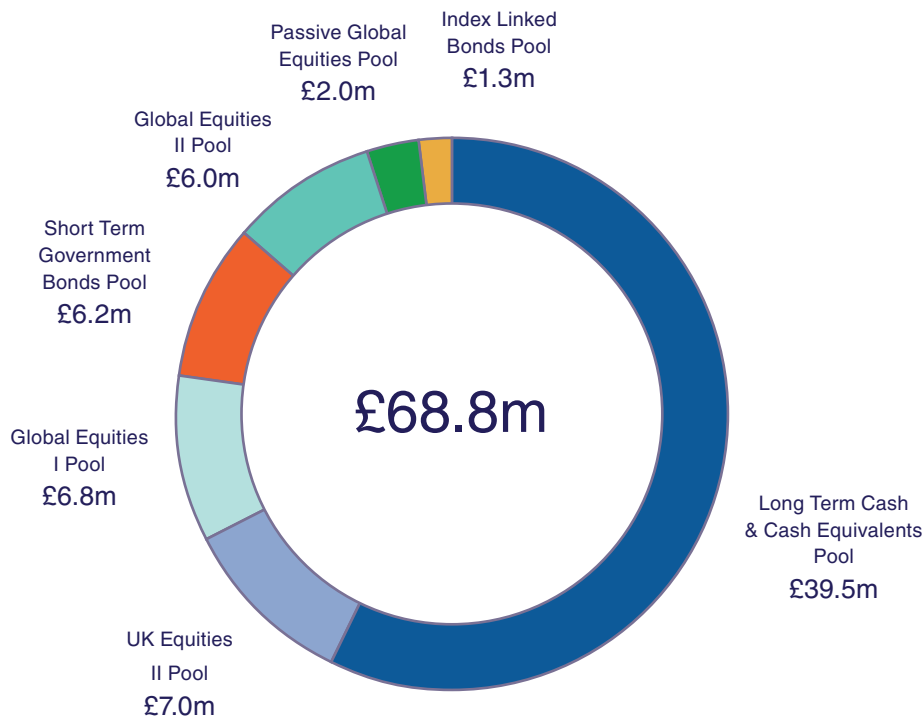
Performance of CIF Investments

The Fund participates in a range of CIF pools. Investments are held by the CIF, which recognises income, expenditure and gains/losses on investments. The Fund recognises only gains or losses on the units held in the CIF.

The table below shows the share of transactions in the CIF attributable to the Fund

CIF AMOUNTS ATTRIBUTABLE TO THE JERSEY CURRENCY FUND

	2012 £'000	2013 £'000
Income	1,422	1,133
Expenditure	(206)	(248)
Gains on Investments	1,921	4,199
Total Gains recognised	3,137	5,084





Statement of Comprehensive Net Expenditure

	2012 Actual £'000	2013 Actual £'000
Revenue		
Sales of Goods and Services	(18)	(8)
Investment Income	(3,351)	(5,452)
Other Income	(267)	(206)
Total Revenue	(3,636)	(5,666)
Expenditure: Near Cash		
Supplies and Services	727	686
Administrative Expenditure	4	2
Premises and Maintenance	14	16
Other Operating Expenditure	25	19
Finance Costs	3	5
Total Expenditure: Near Cash	773	728
Net Revenue Income: Near Cash	(2,863)	(4,938)
Non Cash Amounts		
Depreciation and Amortisation	23	11
Total Non Cash Amounts	23	11
Net Revenue Income (before Financial Return)	(2,840)	(4,927)
Financial Return to Consolidated Fund	983	1,924
Net Revenue Income	(1,857)	(3,003)



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	30	8	74
Investments held at Fair Value through Profit or Loss	73,540	67,677	68,762
Infrastructure Investment	–	10,000	14,896
Total Non-Current Assets	73,570	77,685	83,732
Current Assets			
Inventories	1,829	1,987	1,712
Trade and Other Receivables	249	83	109
Cash and Cash Equivalents	18,625	16,562	26,451
Total Current Assets	20,703	18,632	28,272
Total Assets	94,273	96,317	112,004
Current Liabilities			
Trade and Other Payables	(18)	(18)	(1,620)
Balance due to the Consolidated Fund	(669)	(982)	(1,925)
Currency in Circulation – Notes	(82,707)	(82,281)	(92,265)
Currency in Circulation – Coinage	(7,889)	(8,189)	(8,344)
Total Current Liabilities	(91,283)	(91,470)	(104,154)
Assets Less Liabilities	2,990	4,847	7,850
Taxpayer's Equity			
Accumulated Revenue Reserves	1,240	3,097	6,100
Circulation Reserve	1,750	1,750	1,750
Total Taxpayer's Equity	2,990	4,847	7,850





Insurance Fund

The States of Jersey manages the cost of insurance by operating a level of self-insurance, as part of these arrangements a reserve of approximately £7.8 million were accumulated in the States Consolidated Fund to provide a buffer against possible future insurance claims. 2013 saw the formal establishment of the existing States insurance arrangements as a Special Fund under the terms of the Public Finances Law. For clarity the information and comparative figures included in this page include the results of the insurance arrangements before their formalisation in 2013.

Summary Snapshot

FUND POSITION

£8,056,963**3.8% increase**

from 2012

NET REVENUE INCOME

£294,808**100.4% increase**

from 2012



Changes in Net Asset Value from 2012

	£'000
2012 NAV	7,762
Net Revenue Income	295
2013 NAV	8,057

The movement in the NAV of the Fund represents the excess of premium recharged to insured parties within the States insurance program over the settlement of claims impacting on the self-insurance elements of the Fund.

The Fund's Net Asset Value over time is illustrated below:



Performance compared to 2012 (Total NRI)

KEY VARIANCES FROM 2012

	£'000
2012 NRI	(147)
Other Income	500
Supplies and Services	50
Premises and Maintenance	(640)
Other Operating Expenditure	(58)
2013 NRI	(295)

The fall in other income within the Fund is as a result of the reduction in insurance recharges to departments. This decision was taken because the accumulated reserves within the Fund were deemed to be adequate, following a full actuarial review undertaken by the States external risk consultants.

The other significant decrease related to premises and maintenance expenditure directly related to the continued good performance of the Fund's claims history. This is, in part, achieved by the vigilant maintenance of a robust risk management strategy within all States' departments.



Statement of Comprehensive Net Expenditure

	2012 Actual £'000	2013 Actual £'000
Revenue		
Other Income	(1,758)	(1,257)
Total Revenue	(1,758)	(1,257)
Expenditure: Near Cash		
Supplies and Services	–	50
Premises and Maintenance	1,163	523
Other Operating Expenditure	448	390
Total Expenditure: Near Cash	1,611	963
Net Revenue Income	(147)	(295)



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Current Assets			
Balance due from the Consolidated Fund	9,255	10,047	10,651
Total Current Assets	9,255	10,047	10,651
Total Assets	9,255	10,047	10,651
Current Liabilities			
Trade and Other Payables	(132)	(31)	(463)
Total Current Liabilities	(132)	(31)	(463)
Total Assets Less Current Liabilities	9,123	10,016	10,188
Non-Current Liabilities			
Provisions for liabilities and charges	(1,508)	(2,254)	(2,131)
Total Non-Current Liabilities	(1,508)	(2,254)	(2,131)
Assets Less Liabilities	7,615	7,762	8,057
Taxpayer's Equity			
Accumulated Revenue Reserves	7,615	7,762	8,057
Total Taxpayer's Equity	7,615	7,762	8,057

Special Funds for Specific Purposes

The Public Finances (Jersey) Law 2005 allows the States to establish special funds (also known as Separately Constituted Funds) for specific purposes. These are usually established by legislation or a States decision.





Dwelling Houses Loan Fund

Established in 1950, to enable residentially qualified first-time buyers who have never owned residential freehold property in Jersey to purchase a Jersey home.

Summary Snapshot

FUND POSITION

£10,635,079

12.9% decrease
from 2012

NET REVENUE INCOME

£424,408

18.1% decrease
from 2012



Changes in Net Asset Value from 2012

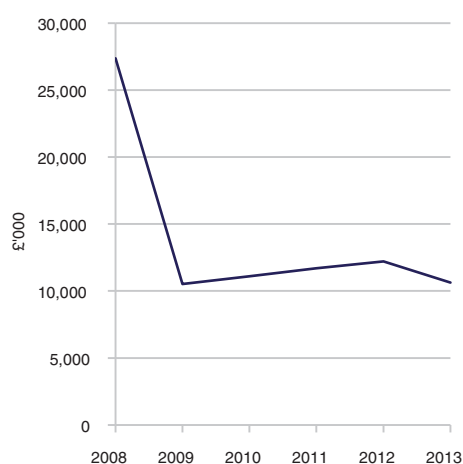
	£'000
2012 Net Asset Value	12,211
Loans repaid	(568)
CIF investment	(1,993)
Balance due from the Consolidated Fund	988
Trade Receivables	(3)
2013 Net Asset Value	10,635

The Net Asset Value (NAV) decreased from £12.2 million to £10.6 million during 2013, a decrease of £1.6 million (12.9%).

During the year the scheme did not make any new loans. Advances decreased by £0.6 million (12.1%) due to capital repayments by £1.0 million increase in the balance due from the Consolidated Fund.

£2.0 million was withdrawn from the Fund as approved under P.131/2012 to finance the pilot Starter Home Deposit Loan Scheme.

DWELLING HOUSES LOAN FUND NET ASSET VALUE OVER TIME



Performance compared to 2012 (Total NRI)

KEY VARIANCES FROM 2012

	£'000
2012 NRI	(518)
Loan interest received	58
Interest received on financing	(4)
Supplies and services	(2)
Unrealised gains on investments	42

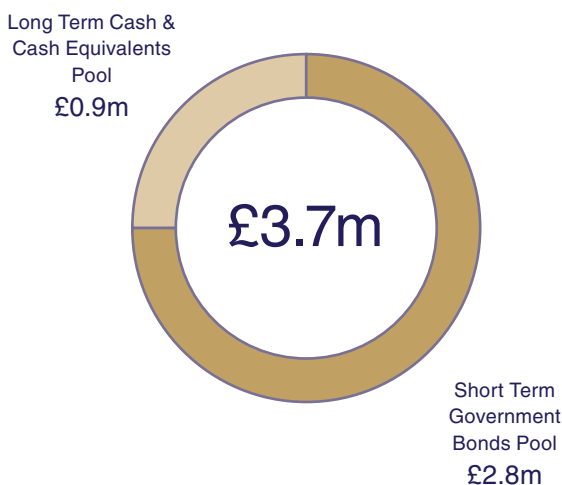
2013 NRI (424)

Loan interest received decreased by £57,785 (11.6%) during 2013 due to capital repayments received from borrowers.

Unrealised gains on CIF investments of £7,063 occurred during the year, which was £41,808 (85.5%) less than 2012.

Performance of CIF Investments

The Dwelling Houses Loan Fund participates in a range of CIF pools. Investments are held by the CIF, which recognises income, expenditure and gains/losses on Investments. The Fund recognises only gains or losses on the units held in the CIF.





The table below shows the share of transactions in the CIF attributable to the Fund.

CIF AMOUNTS ATTRIBUTABLE TO THE DWELLING HOUSES LOAN FUND

	2012 £'000	2013 £'000
Income	189	156
Expenditure	(9)	(3)
Losses on Investments	(131)	(146)
Total Gains recognised	49	7



Statement of Comprehensive Net Expenditure

	2012 Actual £'000	2013 Actual £'000
Revenue		
Investment Income	(556)	(460)
Total Revenue	(556)	(460)
Expenditure: Near Cash		
Supplies and Services	38	36
Total Expenditure: Near Cash	38	36
Net Revenue Income	(518)	(424)



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Loans & Advances	4,858	4,289	3,757
Investments held at Fair Value through Profit or Loss	5,597	5,646	3,653
Total Non-Current Assets	10,455	9,935	7,410
Current Assets			
Loans & Advances	555	400	364
Trade and Other receivables	22	23	20
Balance due from the Consolidated Fund	660	1,853	2,841
Total Current Assets	1,237	2,276	3,225
Total Assets	11,692	12,211	10,635
Taxpayer's Equity			
Accumulated Revenue Reserves	11,692	12,211	10,635
Total Taxpayer's Equity	11,692	12,211	10,635





Assisted House Purchase Scheme

Established in 1977 to aid the recruitment of staff from the UK, facilitating the purchase of suitable properties by the States on behalf of the employee.

Summary Snapshot

FUND POSITION

£2,149,708

1.4% increase
from 2012

NET REVENUE INCOME

£29,722

2.2% decrease
from 2012



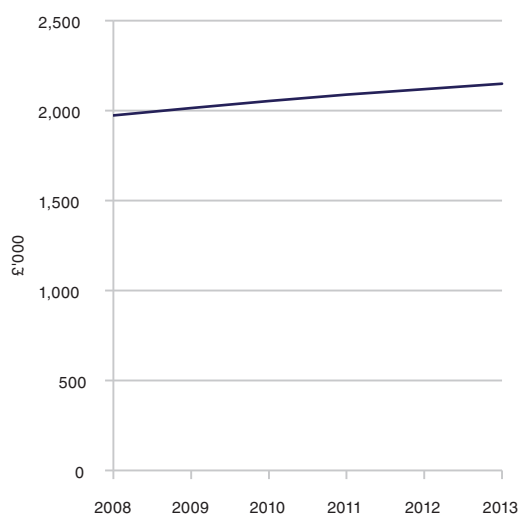
Changes in Net Asset Value from 2012

	£'000
2012 Net Asset Value	2,120
Advanced repaid	(355)
Balance due to Consolidated Fund	385
2013 Net Asset Value	2,150

The Net Asset Value (NAV) increased by £29,722 (1.4%).

During the year the scheme did not make any new loans. Advances decreased by £0.4 million due to capital repayments by borrowers; these repayments are also reflected in the £0.4 million reduction in the balance due to the Consolidated Fund.

ASSISTED HOUSE PURCHASE SCHEME NET ASSET VALUE OVER TIME



Performance compared to 2012 (Total NRI)

KEY VARIANCES FROM 2012

	£'000
2012 NRI	(30)
Loan interest received	(6)
Interest paid on financing	5
Other variances	1
2013 NRI	(30)

Loan interest received decreased by £5,659 (12.3%) compared to 2012, due to capital repayments received from borrowers.

Interest paid on financing for the balance due to the Consolidated Fund also decreased by £5,039 (72.6%) due to reduced interest rate charges and annual loan repayments.



Statement of Comprehensive Net Expenditure

	2012 Actual £'000	2013 Actual £'000
Revenue		
Investment Income	(46)	(40)
Total Revenue	(46)	(40)
Expenditure: Near Cash		
Supplies and Services	9	8
Finance Costs	7	2
Total Expenditure: Near Cash	16	10
Net Revenue Income	(30)	(30)



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Loans & Advances	3,133	2,453	2,025
Total Non-Current Assets	3,133	2,453	2,025
Current Assets			
Loans & Advances	234	200	274
Trade and Other receivables	3	3	2
Total Current Assets	237	203	276
Total Assets	3,370	2,656	2,301
Current Liabilities			
Balance due to the Consolidated Fund	(1,280)	(536)	(151)
Total Current Liabilities	(1,280)	(536)	(151)
Assets Less Liabilities	2,090	2,120	2,150
Taxpayer's Equity			
Accumulated Revenue Reserves	2,090	2,120	2,150
Total Taxpayer's Equity	2,090	2,120	2,150



99 Year Leaseholders Fund

To lend to individuals offering leasehold property as security when there was no share transfer or flying freehold legislation

Summary Snapshot

FUND POSITION

£830,372

No change

from 2012

NET REVENUE INCOME (BEFORE TRANSFER)

£16,505

14.4% decrease

from 2012

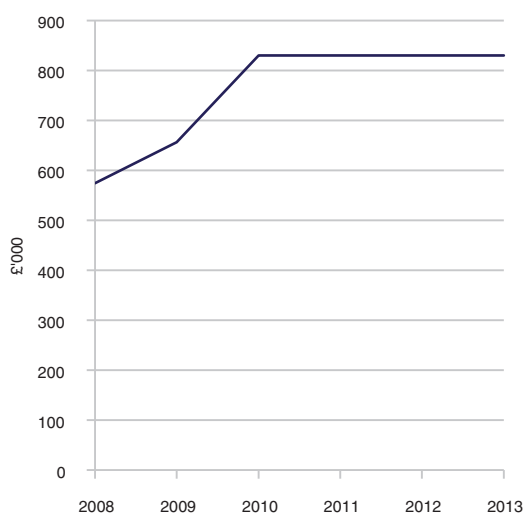


Changes in Net Asset Value from 2012

	£'000
2012 Net Asset Value	830
Loans Repaid	(4)
Balance due from the Consolidated Fund	4
2013 Net Asset Value	830

There is no change in the Net Asset Value (NAV) from 2012 as surplus revenue income is transferred to Jersey Property Holding's cash limit at the end of each year and is presented as a Financial Return.

99 YEAR LEASEHOLDERS FUND NET ASSET VALUE OVER TIME



Performance compared to 2012 (Total NRI)

KEY VARIANCES FROM 2012

	£'000
2012 NRI	–
Loan Interest Received	1
Financial Return to JPH	(3)
Notional Interest Paid	2
2013 NRI	–

There were no significant movements during the year.



Statement of Comprehensive Net Expenditure

	2012 Actual £'000	2013 Actual £'000
Revenue		
Investment Income	(19)	(17)
Total Revenue	(19)	(17)
Expenditure: Near Cash		
Financial Return	19	17
Total Expenditure: Near Cash	19	17
Net Revenue Income	–	–



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Loans & Advances	167	155	150
Total Non-Current Assets	167	155	150
Current Assets			
Loans & Advances	2	10	11
Balance due from the Consolidated Fund	661	665	669
Total Current Assets	663	675	680
Total Assets	830	830	830
Taxpayer's Equity			
Accumulated Revenue Reserves	830	830	830
Total Taxpayer's Equity	830	830	830



Agricultural Loans Fund

To authorise lending to bona fide inhabitants of Jersey who are wholly or mainly in work of an agricultural nature in Jersey for specific purposes.

Summary Snapshot

FUND POSITION

£446,004

15.4% increase
from 2012

NET REVENUE INCOME

£59,464

13.0% decrease
from 2012



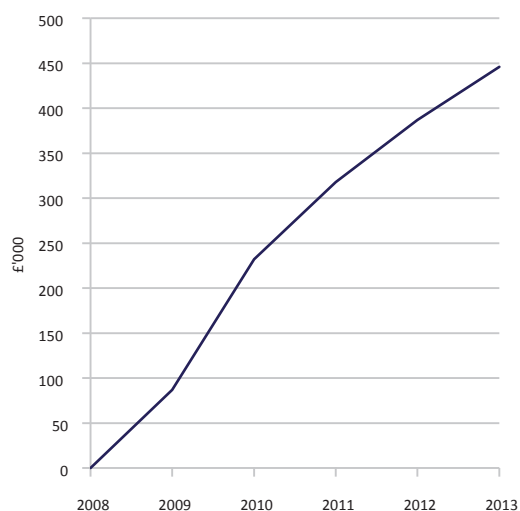
Changes in Net Asset Value from 2012

	£'000
2012 Net Asset Value	387
Advanced repaid	(157)
Balance due to the Consolidated Fund	222
Debtors due within one year	(6)
2013 Net Asset Value	446

The Net Asset Value (NAV) increased by £59,464 (15.4%).

During the year the scheme did not make any new loans. Advances decreased by £0.2 million due to capital repayments by borrowers; these repayments are also reflected in the £0.2 million reduction in the balance due to the Consolidated Fund.

AGRICULTURAL LOANS FUND NET ASSET VALUE OVER TIME



Performance compared to 2012 (Total NRI)

KEY VARIANCES FROM 2012

	£'000
2012 NRI	(68)
Loan interest received	15
Supplies & services	(1)
Other expenses	(5)
2013 NRI	(59)

The decrease in Net Revenue Income (NRI) was largely due to the decrease in capital repayments received by borrowers.

Loan interest received decreased by £14,732 (17.0%) due to capital repayments received from borrowers.

Interest paid on the balance due to the Consolidated Fund also decreased by £5,143 (58.8%) due to lower interest rate charges and loan repayments.



Statement of Comprehensive Net Expenditure

	2012 Actual £'000	2013 Actual £'000
Revenue		
Investment Income	(87)	(72)
Total Revenue	(87)	(72)
Expenditure: Near Cash		
Supplies and Services	9	9
Finance Costs	10	4
Total Expenditure: Near Cash	19	13
Net Revenue Income	(68)	(59)



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Loans & Advances	1,242	1,028	888
Total Non-Current Assets	1,242	1,028	888
Current Assets			
Loans & Advances	181	136	119
Trade and Other receivables	54	46	40
Total Current Assets	235	182	159
Total Assets	1,477	1,210	1,047
Current Liabilities			
Balance due to the Consolidated Fund	(1,159)	(823)	(601)
Total Current Liabilities	(1,159)	(823)	(601)
Assets Less Liabilities	318	387	446
Taxpayer's Equity			
Accumulated Revenue Reserves	318	387	446
Total Taxpayer's Equity	318	387	446



Tourism Development Fund

The Tourism Development Fund was established by the States in December 2001. The aim of the Fund is to stimulate investment in the tourism industry and infrastructure in order to improve Jersey's competitiveness and sustain the industry as a second pillar of the economy.

Summary Snapshot

FUND POSITION

£945,500**27.5% increase**

from 2012

NET REVENUE INCOME

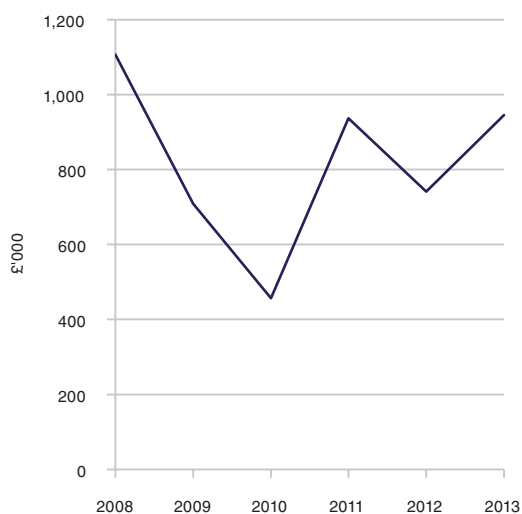
£204,348



Changes in Net Asset Value from 2012

The Net Asset Value of the Fund increased from £741,152 to £945,500 an increase of £204,348 (27.5%). The increase is mainly due to the receipt of a grant of £500,000 from the Economic Development Department together with the payment of grants (£297,073) in accordance with the purpose of the Fund.

NET ASSET VALUE OVER TIME



Performance compared to 2012 (Total NRE)

KEY VARIANCES FROM 2012

	£'000
2012 NRE	196
Grant received	(500)
Grants paid	100
2013 NRI	(204)

The Fund received a grant of £500,000 from the Economic Development Department to allow the TDF Panel to continue further rounds of grant allocations during 2013 and beyond. There were no grants received in 2012.

There was an increase of £99,759 (50.6%) in grants paid compared to 2012. Grants from the Fund are considered and recommended to the Minister by a committee comprising business leaders and senior officers from the Economic Development Department. The amount paid in grants each year is dependent upon the number and financial amounts of applications received and approved by the committee.

The Panel recommended a further £577,829 grants at the end of 2013 for payment in 2014.

Statement of Comprehensive Net Expenditure

	2012 Actual £'000	2013 Actual £'000
Revenue		
Investment Income	(7)	(6)
Other Income	–	(500)
Total Revenue	(7)	(506)
Expenditure: Near Cash		
Supplies and Services	5	4
Administrative Expenditure	1	1
Grants and Subsidies Payments	197	297
Total Expenditure: Near Cash	203	302
Net Revenue Expenditure/(Income)	196	(204)



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Current Assets			
Balance due from the Consolidated Fund	987	742	1,130
Total Current Assets	987	742	1,130
Total Assets	987	742	1,130
Current Liabilities			
Trade and Other Payables	(50)	(1)	(185)
Total Current Liabilities	(50)	(1)	(185)
Assets Less Liabilities	937	741	945
Taxpayer's Equity			
Accumulated Revenue Reserves	937	741	945
Total Taxpayer's Equity	937	741	945



Channel Islands Lottery (Jersey) Fund

To promote and conduct public lotteries in aid of good causes

Summary Snapshot

FUND POSITION

£590,292

0.8% increase

from 2012

NET REVENUE INCOME

£4,467

52.3% decrease

from 2012



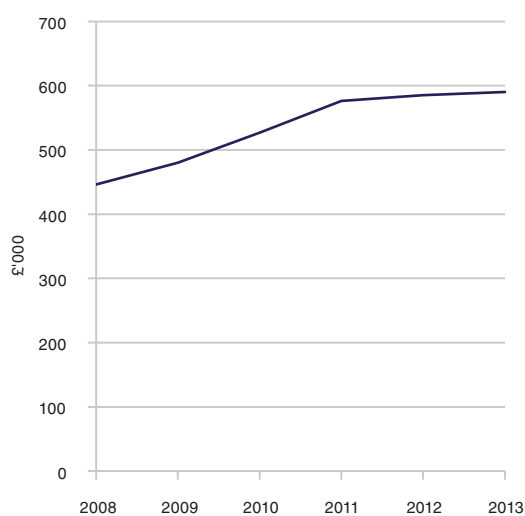
Changes in Net Asset Value from 2012

	£'000
2012 Net Asset Value	585
Jersey Ticket Sales	4,434
Guernsey Contribution	3,580
Prizes Paid	(6,586)
Grant to Charities	(684)
Commission on Sales	(549)
Other Reasons	(190)
2013 Net Asset Value	590

The increase in Net Asset Value (NAV) from 2012 is £4,467. This is the unrealised gain on the Common Investment Fund (CIF) in 2013 and is not for distribution.

For 2013, it has been determined that 100% of the distributable profit of £684,555 will be made available as a grant for the Association of Jersey Charities in 2014.

CHANNEL ISLANDS LOTTERY (JERSEY) FUND NET ASSET VALUE OVER TIME



Performance compared to 2012 (Total NRI)

KEY VARIANCES FROM 2012

	£'000
2012 NRI	(9)
Guernsey Contribution	1,242
Jersey Ticket Sales	1,131
Other Operating Expenditure	(1,962)
Grant to Charities	(282)
Commission on Sales	(193)
Other Variances	68

2013 NRI (5)

The 52.3% decrease in net revenue income (NRI) in 2013 is due to a decrease in the unrealised gain on the CIF, as explained above.

An increase in combined Jersey and Guernsey sales was £2,372,098 (42.0%) compared to 2012. £840,200 of this was directly attributable to the success of the Christmas Draw.

A corresponding increase in expenditure of £2,224,567 (42.1%) included an increase in prizes paid and uncollected prizes of £1,961,628, an increase in commission on sales of £192,917 and an increase in printing costs of £67,201.

The Summer Draw (tickets sold only in Jersey) produced a loss of £52,547. This loss arose due to lower than expected ticket sales.

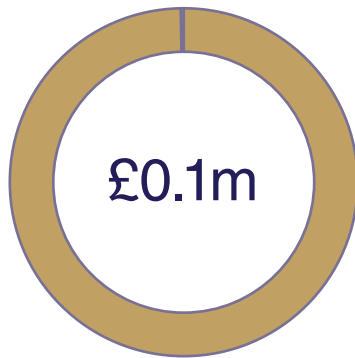
Overall, increased sales exceeded increased costs and the result was an increase in the total profit of the Lottery of 67.6% compared with 2012. Total profit is defined as the profit before distribution, including income from time-expired prizes.

In 2013 the grant to the Association of Jersey Charities increased by £282,853 (70.4%) as a result of higher distributable profits than in 2012, as explained above.

Performance of CIF Investments

The Channel Islands Lottery (Jersey) Fund participates only in the Long Term Cash & Cash Equivalents Pool.

Investments are held by the CIF, which recognises income, expenditure and gains/losses on Investments. The Fund recognises only gains or losses on the units held in the CIF.



Long Term Cash & Cash
Equivalents Pool
£0.1m

The table below shows the share of transactions in the CIF attributable to the Fund.

CIF AMOUNTS ATTRIBUTABLE TO THE CHANNEL ISLANDS LOTTERY (JERSEY) FUND

	2012 £'000	2013 £'000
Income	8	5
Expenditure	(1)	–
Total Gains recognised	7	5



Statement of Comprehensive Net Expenditure

	2012 Actual £'000	2013 Actual £'000
Revenue		
Sales of Goods and Services	(5,643)	(8,020)
Investment Income	(17)	(11)
Other Income	(40)	(171)
Total Revenue	(5,700)	(8,202)
Expenditure: Near Cash		
Supplies and Services	660	924
Premises and Maintenance	1	–
Other Operating Expenditure	4,625	6,586
Grants and Subsidies Payments	402	684
Impairments of Financial Assets	–	3
Finance Costs	3	–
Total Expenditure: Near Cash	5,691	8,197
Net Revenue Income	(9)	(5)



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Investments held at Fair Value through Profit or Loss	529	539	142
Total Non-Current Assets	529	539	142
Current Assets			
Trade and Other receivables	681	1,490	1,117
Balance due from the Consolidated Fund	374	958	1,636
Total Current Assets	1,055	2,448	2,753
Total Assets	1,584	2,987	2,895
Current Liabilities			
Trade and Other Payables	(1,008)	(2,402)	(2,305)
Total Current Liabilities	(1,008)	(2,402)	(2,305)
Assets Less Liabilities	576	585	590
Taxpayer's Equity			
Accumulated Revenue Reserves	576	585	590
Total Taxpayer's Equity	576	585	590





Housing Development Fund

To support the development of social housing in the Island.

Summary Snapshot

FUND POSITION

£5,783,199

5.1% decrease
from 2012

NET REVENUE EXPENDITURE

£311,406

739.8% increase
from 2012

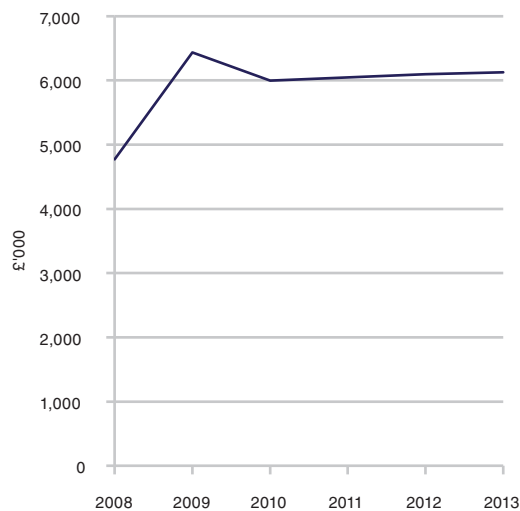


CHANGES IN NET ASSET VALUE FROM 2012

	£'000
2012 Net Asset Value	6,095
Notional Interest	30
Letters of Comfort	(342)
2013 Net Asset Value	5,783

The Housing Development Fund has provided for interest rate exposures of £341,500. This has been offset by interest income of £30,094 in 2013, resulting in a 5.1% decrease in Net Asset Value.

HOUSING DEVELOPMENT FUND NET ASSET VALUE OVER TIME



Performance compared to 2012 (Total NRE)

KEY VARIANCES FROM 2012

	£'000
2012 NRI	(49)
Notional Interest	21
Unrealised loss on derivatives	339
2013 NRE	311

There has been an increase in the unrealised loss on derivatives of £339,500 as a result of Libor (London Interbank Offered Rate) changes.

There has also been a decrease in notional interest of £20,579 (40.6%), compared to 2012.



Statement of Comprehensive Net Expenditure

	2012 Actual £'000	2013 Actual £'000
Revenue		
Investment Income	(49)	311
Total Revenue	(49)	311
Net Revenue (Income)/Expenditure	(49)	311



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Current Assets			
Balance due from the Consolidated Fund	6,048	6,099	6,129
Total Current Assets	6,048	6,099	6,129
Total Assets	6,048	6,099	6,129
Non-Current Liabilities			
Derivative Financial Instruments expiring after more than one year	(2)	(4)	(346)
Total Non-Current Liabilities	(2)	(4)	(346)
Assets Less Liabilities	6,046	6,095	5,783
Taxpayer's Equity			
Accumulated Revenue Reserves	6,046	6,095	5,783
Total Taxpayer's Equity	6,046	6,095	5,783



Criminal Offences Confiscations Fund

This fund was established under the Proceeds of Crime (Jersey) Law 1999 to hold amounts confiscated under law. These Funds are then distributed in accordance with the relevant legislation.

Summary Snapshot

FUND POSITION

£15,899,691

12.8% increase

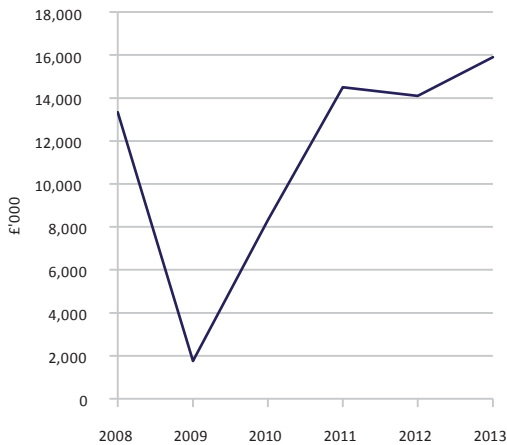
from 2012

NET REVENUE INCOME

£1,808,182



NET ASSET VALUE OVER TIME



CHANGES IN NET ASSET VALUE FROM 2012

	£'000
2012 Net Asset Value	14,092
Confiscations	1,875
Bank Interest	51
Grants and Operating expenses	(118)
2013 Net Asset Value	15,900

Performance compared to 2012 (Total NRE)

	£'000
2012 NRE	405
Decrease in Investment income	52
Increase in Confiscations	(1,406)
Decrease in Operating expenses	(462)
Decrease in Grants	(398)
Other Variances	1
2013 NRI	(1,808)

Confiscations have risen by £1.4 million compared to 2012 due to the volatile nature of this income.

Grants and Operating Expenses decreased in 2013 by £0.5 million and £0.4 million respectively. This was mainly due to the volatile nature of asset sharing agreements and grant requests.

Confiscation Funds of £1.9 million were received in 2013, an increase of £1.4 million was due to the receipt of £1.5 million from one confiscation and the balance £0.4 million from six other confiscations.

In 2013 grants totalling £0.1 million were made to the Judicial Greffe relating to domestic abuse and the Home Affairs Department relating to the Shelter and the upgrade of CCTV.



Statement of Comprehensive Net Expenditure

	2012 Actual £'000	2013 Actual £'000
Revenue		
Investment Income	(103)	(51)
Other Income	(469)	(1,875)
Total Revenue	(572)	(1,926)
Expenditure: Near Cash		
Supplies and Services	1	2
Other Operating Expenditure	470	8
Grants and Subsidies Payments	506	108
Total Expenditure: Near Cash	977	118
Net Revenue Expenditure/(Income)	405	(1,808)



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Current Assets			
Trade and Other receivables	1,408	–	–
Cash and Cash Equivalents	35,652	14,095	15,991
Total Current Assets	37,060	14,095	15,991
Total Assets	37,060	14,095	15,991
Current Liabilities			
Trade and Other Payables	(4)	(3)	(3)
Provisions for liabilities and charges	(22,559)	–	–
Balance due to the Consolidated Fund	–	–	(88)
Total Current Liabilities	(22,563)	(3)	(91)
Assets Less Liabilities	14,497	14,092	15,900
Taxpayer's Equity			
Accumulated Revenue Reserves	14,497	14,092	15,900
Total Taxpayer's Equity	14,497	14,092	15,900



Drug Trafficking Confiscations Fund

This fund was established under the Drug Trafficking Offences (Jersey) Law 1988 to hold amounts confiscated under law. These Funds are then distributed in accordance with the relevant legislation.

Summary Snapshot

FUND POSITION

£1,264,878**12.5% decrease**

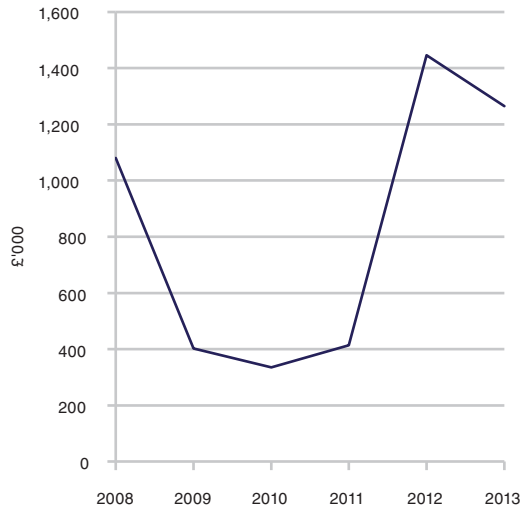
from 2012

NET REVENUE EXPENDITURE

£180,694



NET ASSET VALUE OVER TIME



CHANGES IN NET ASSET VALUE FROM 2012

	£'000
2012 Net Asset Value	1,446
Confiscations	40
Grants	(191)
Loss on Currency	(34)
Other Reasons	4
2013 Net Asset Value	1,265

Performance compared to 2012 (Total NRI)

	£'000
2012 NRI	(1,032)
Decrease in confiscations	1,265
Increase in grants	5
Decrease on currency loss	(55)
Other Variances	(2)
2013 NRE	181

Confiscation funds of £40,065 were received in 2013, a decrease of £1,264,698 due to a large receipt in 2012 of US\$2,052,555.

In 2013 the Fund held cash on deposit of £2,999,388, a decrease of £207,004 which mostly relates to the payment of grants, administration charges and loss on currency.

Grants of £190,702 were made, an increase compared to 2012 of £4,910. All grants were made to Home Affairs Department.

A decrease of the loss on currency is due to a weakening of the pound against the US dollar during the year.

Provision for Asset Sharing Agreement with United States relating to a case dating back more than eight years.



Statement of Comprehensive Net Expenditure

	2012 Actual £'000	2013 Actual £'000
Revenue		
Investment Income	(3)	(5)
Other Income	(1,305)	(40)
Total Revenue	(1,308)	(45)
Expenditure: Near Cash		
Supplies and Services	1	1
Grants and Subsidies Payments	186	191
Foreign Exchange Loss	89	34
Total Expenditure: Near Cash	276	226
Net Revenue (Income)/Expenditure	(1,032)	181



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Current Assets			
Trade and Other receivables	266	195	191
Cash and Cash Equivalents	2,028	3,206	2,999
Total Current Assets	2,294	3,401	3,190
Total Assets	2,294	3,401	3,190
Current Liabilities			
Trade and Other Payables	(6)	(5)	(5)
Balance due to the Consolidated Fund	(3)	(79)	(49)
Total Current Liabilities	(9)	(84)	(54)
Total Assets Less Current Liabilities	2,285	3,317	3,136
Non-Current Liabilities			
Provisions for liabilities and charges	(1,871)	(1,871)	(1,871)
Total Non-Current Liabilities	(1,871)	(1,871)	(1,871)
Assets Less Liabilities	414	1,446	1,265
Taxpayer's Equity			
Accumulated Revenue Reserves	414	1,446	1,265
Total Taxpayer's Equity	414	1,446	1,265



Civil Asset Recovery Fund

This fund was established under the Civil Asset Recovery (International Cooperation) (Jersey) Law 2007 to hold amounts confiscated under law. These Funds are then distributed in accordance with the relevant legislation.

Summary Snapshot

FUND POSITION

£84,170

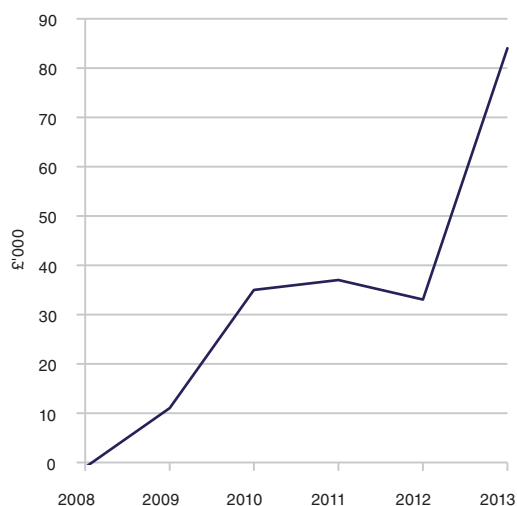
NET REVENUE INCOME

£51,275**155.9% increase**

from 2012



Net Asset Value over time



CHANGES IN NET ASSET VALUE FROM 2012

	£'000
2012 Net Asset Value	33
Increase in assets	151
Increase in creditors	(100)
2013 Net Asset Value	84

Performance compared to 2012 (Total NRE)

	£'000
2012 NRE	4
Increase in confiscations	(51)
Decrease in payments	(4)
2013 NRI	(51)

The increase in Net Asset Value of £51,275 is due to seizures of £51,975, offset by £700 of administration recharges.

The increase in creditors and other income relates to a seizure by Customs and Immigration that is likely to result in a transfer to one of the confiscation funds.



Statement of Comprehensive Net Expenditure

	2012 Actual £'000	2013 Actual £'000
Revenue		
Other Income	(1)	(52)
Total Revenue	(1)	(52)
Expenditure: Near Cash		
Administrative Expenditure	4	1
Finance Costs	1	–
Total Expenditure: Near Cash	5	1
Net Revenue Expenditure/(Income)	4	(51)



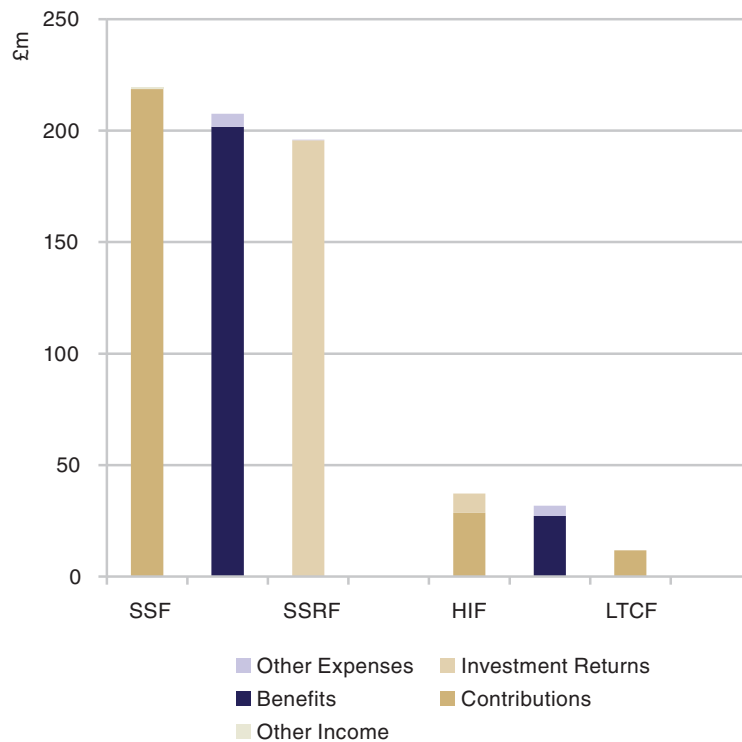
Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Current Assets			
Cash and Cash Equivalents	–	19	19
Balance due from the Consolidated Fund	40	22	173
Total Current Assets	40	41	192
Total Assets	40	41	192
Current Liabilities			
Trade and Other Payables	(3)	(8)	(108)
Total Current Liabilities	(3)	(8)	(108)
Assets Less Liabilities	37	33	84
Taxpayer's Equity			
Accumulated Revenue Reserves	37	33	84
Total Taxpayer's Equity	37	33	84



Social Security Funds

The Social Security Fund, Social Security (Reserve) Fund, Health Insurance Fund and Long Term Care Fund are four specific funds established under Social Security legislation. They receive contributions payable under the laws and pay out benefits.







Social Security Fund

The Social Security Fund is administered by the Social Security Department and receives contributions from employers, working age adults and general tax revenues and provides contributors with benefits at times when they are unable to work and pensions when they reach a certain age.

Summary Snapshot

FUND POSITION

£76,203,753**17.0% increase**
from 2012

NET REVENUE INCOME

£11,049,682**51.5% decrease**
from 2012



Minister's Overview

During 2013, the Department made changes to the old age pension, to provide future increases which at least match the annual increase in the retail price index for pensioners. In addition, a lump sum was paid to pensioners to acknowledge the gap between the increase in the rate of pension and the increase in the retail price index in 2012. Changes to the Survivor's Pension were also implemented. A Home Carer's Allowance was incorporated into the Fund, replacing the previous tax-funded Invalid Care Allowance.

The long-term viability of the ring fenced contributory funds is monitored carefully by the Department. During 2013, the UK Government Actuary undertook a routine three year review of the Fund. This will provide key information for future decisions regarding the level of contributions and the availability of benefits.

A project began in 2013 to enable Social Security contributions to be paid electronically.

Future Developments

In 2014, the Department will present the outcomes and strategic implications of the 2013 Government Actuary review, and seek approval for legislation to implement changes in pensionable age from 2020, and the Minister will introduce limited additional pension rights to individuals with previous residence in Australia. A review will be undertaken of the current Maternity Allowance, linked to proposals to introduce "family-friendly" employment legislation.



Performance compared to 2012 (Total NRI)

KEY VARIANCES FROM 2012

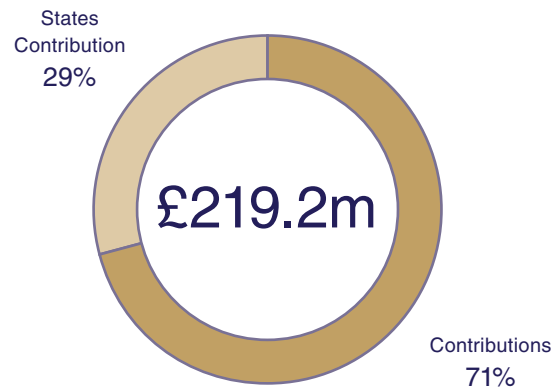
	£'000
2012 NRI	(23,775)
Social Benefit Payments	10,222
Impairment of Fixed Assets	1,386
Contributions	1,562
States Contribution	(1,050)
Other Variances	605
2013 NRI	(11,050)

In comparison to the prior year there has been an increase of £10.2 million on Social Benefit Payments mainly due to the increase in Pensions (£8.1 million) and the introduction of Home Carer Allowance payments (£2.0 million) and Insolvency Benefit (£1.1 million). In 2012, buildings owned by the fund were impaired (£1.4 million).

Contributions decreased from 2012 by £1.6 million due to a fall in the number of contributors. The States Contribution to the Fund increased from £61.2 million to £62.2 million.

Income

Actual 2012	Actual 2013
£219.6 million	£219.2 million



Income within the Social Security Fund has decreased by £0.5 million from the prior year.

Contributions £156.4 million
(2012: £158.0 million)

States Grant £62.2 million
(2012: £61.2 million)

Contribution income has fallen by 1% (£1.6 million), offset by an increase in the States Grant of 1.7% (£1.1 million).

Contributions to the fund are paid by working age adults (5.2% of earnings) and their employers (5.3%) up to the Standard Earnings Limit (SEL) of £46,008 per annum.

Contributors with earnings below the SEL, but above the Lower Earnings Limit (LEL) of £9,312 per annum, normally receive a supplement to bring their contributions up to the SEL. This is in order to protect pensions and benefit entitlement.

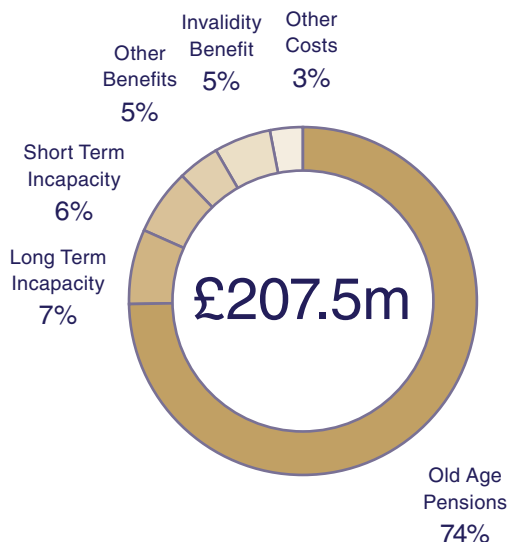


The States provides an annual grant to the Fund, which partly covers the cost of the supplement. The 2013 grant was £62.2 million, £1.0 million higher than 2012 and is recorded as expenditure in the Social Security Department pages of this Annex. The amount is governed by a formula and was set for the period of the MTFP. A contribution rate of 2% payable on earnings by employers and Class 2 contributors between the SEL and the Upper Earnings Limit (UEL) of £152,232 per annum makes up the remaining supplement.

The decrease in contribution income can be explained by the number of contributors which fell from an average of 51,343 in 2012 to an average of 50,865 in 2013 (based on latest figures).

Expenditure

Actual 2012	Actual 2013
£196.6 million	£207.5 million



Expenditure has increased by £10.9 million during 2013, including an increase in social benefit payments (£10.2 million).

Old Age Pensions £154.2 million (2012: £146.1 million)

Pension payments (£8.1 million) have increased by 5.5% mainly due to an average volume increase of 3.1% broadly in line with the ageing demographic. There was a lump sum paid to pensioners for the gap between the increase of pensions and the increase in the retail price index in 2012 and an increase of 1.9% in October using a new method for the first time (midpoint between 1.6% RPI OAP and 2.2% AEI).

Long Term Incapacity £14.6 million (2012: £13.4 million)

Invalidity Benefit £9.0 million (2012: £10.0 million)

Short Term Incapacity £12.9 million (2012: £13.6 million)

Long Term Incapacity Allowance (LTIA) payments have increased by £1.2 million due to an increase in the average number of claims of 3.2% and an increase of 2.2% in line with AEI in October 2013. Invalidation benefit has been reducing (£1 million) as all new claimants receive LTIA. Short Term Incapacity Allowance payments have decreased by £0.7 million as there has been a reduction in claims and days paid.

Other benefits £10.9 million (2012: £8.3 million)

An additional benefit, the Home Carer Allowance (£2.0 million) began on the 1st January 2013 to replace the Invalid Care Allowance which was previously tax funded. Another new benefit, Insolvency Benefit, which was also previously tax funded, was introduced and amounted to £1.1 million in 2013 due to employers becoming insolvent during the year.



Statement of Comprehensive Net Expenditure

	2012 Actual £'000	2013 Actual £'000
Revenue		
Contributions	(157,977)	(156,415)
States Contribution	(61,150)	(62,200)
Sales of Goods and Services	(163)	(163)
Investment Income	(300)	(165)
Other Income	–	(308)
Total Revenue	(219,590)	(219,251)
Expenditure: Near Cash		
Social Benefit Payments	191,456	201,678
Supplies and Services	4,285	4,872
Administrative Expenditure	665	635
Premises and Maintenance	174	317
Other Operating Expenditure	1	1
Finance Costs	38	39
Total Expenditure: Near Cash	196,619	207,542
Net Revenue Income: Near Cash	(22,971)	(11,709)
Non Cash Amounts		
Depreciation and Amortisation	582	659
Reversal of Impairments of Property, Plant and Equipment	(1,386)	–
Total Non Cash Amounts	(804)	659
Net Revenue Expenditure	(23,775)	(11,050)
Other Comprehensive Expenditure		
Reversal of Revaluation of Property, Plant and Equipment	1,014	–
Total Other Comprehensive Expenditure	1,014	–
Total Comprehensive Income	(22,761)	(11,050)



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	6,933	7,170	6,735
Intangible Assets	1,217	1,148	1,110
Total Non-Current Assets	8,150	8,318	7,845
Current Assets			
Trade and Other receivables	51,635	56,436	58,789
Cash and Cash Equivalents	9,621	8,287	7,758
Balance due from the Consolidated and Other Funds	–	–	3,351
Total Current Assets	61,256	64,723	69,898
Total Assets	69,406	73,041	77,743
Current Liabilities			
Trade and Other Payables	(5,702)	(3,807)	(1,539)
Balance due to the Consolidated and Other Funds	(11,394)	(4,080)	–
Total Current Liabilities	(17,096)	(7,887)	(1,539)
Assets Less Liabilities	52,310	65,154	76,204
Revenue Reserves			
Accumulated Revenue Reserves	47,990	61,848	72,898
Revaluation Reserve	4,320	3,306	3,306
Total Revenue Reserves	52,310	65,154	76,204



Key Performance Indicators

Number of Old Age Pensions in payment

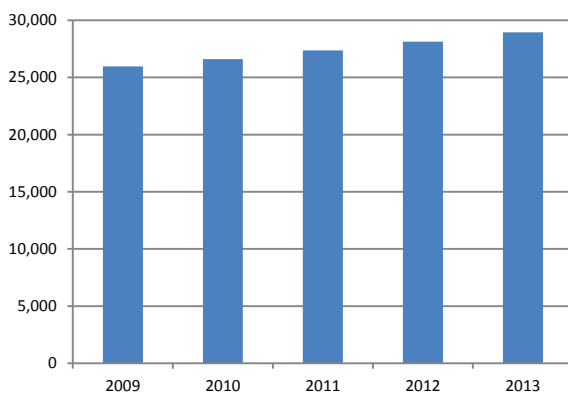
Why it is important?

The Social Security Fund collects contributions from employers and employees and receives a grant from tax funded revenues. The main benefit paid from the Social Security Fund is the old age pension, which provides a weekly income to people over pension age. The value of pension received depends on the number of years worked in Jersey. Just over three-quarters of all Social Security benefit expenditure is in respect of old age pensions.

What was achieved

The number of old age pensions in payment is growing year on year as the number of pensioners increases. The current increase is approximately 3% each year. During 2013 the Department changed the uprating mechanism for the old age pension to ensure that in future, pensioners will receive an annual increase at least equal to the increase in the RPI for pensioners. Current pensioners received a one off payment in May to compensate for the increase in RPI in 2012.

NUMBER OF OLD AGE PENSIONS IN PAYMENT AT YEAR END



Number of Long Term Incapacity claims in payment

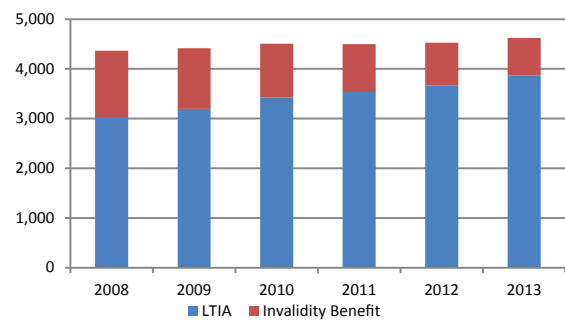
Why it is important?

The Social Security Fund also provides benefits to working age people who have long-term illnesses and disabilities. Since 2004, individuals have been able to claim LTIA, even if they are in employment. The value of the benefit depends on the level of incapacity, and the contribution record of the individual.

What was achieved

Each year, there is a decrease in the number of claims under the replaced Invalidation Benefit. This benefit cannot be claimed if the individual is in employment. These claimants are regularly reviewed and, wherever possible, encouraged to transfer to LTIA, which allows them to return to the workplace.

NUMBER OF LTIA/INV CLAIMS IN PAYMENT AT YEAR END





Number of Short Term Incapacity claims paid

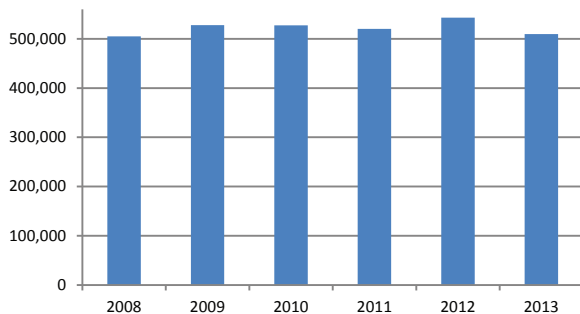
Why it is important?

A contributory benefit is also payable to working age people who have a short-term illness. The benefit is paid at a standard rate and provides a compensation for loss of earnings, during the period of illness, whilst the individual is unable to work. It can be paid for a minimum of two days and up to one year.

What was achieved

The department processes a very large number of STIA claims each year, with benefits paid in respect of just over half a million days in 2013. The volume of claims fluctuates from year to year, and is affected by the range of infectious illnesses (flu, norovirus etc) circulating in the island at any one time.

NUMBER OF SHORT TERM INCAPACITY CLAIMS PAID





Health Insurance Fund

The Health Insurance Fund is administered by the Social Security Department and receives contributions from employers and working age adults and subsidises GP visits, pathology costs and drug and dispensing costs of prescriptions for Jersey residents.

Summary Snapshot

FUND POSITION

£86,054,638**6.9% increase**
from 2012

NET REVENUE INCOME

£5,517,956**94.3% increase**
from 2012



Minister's Overview

During 2013, the Department continued to work with the Health and Social Services Department on the development of a Primary Health Care Strategy, the Primary Care Governance Unit and GP Central Services. The Health Insurance Fund (HIF) contributed £2.0 million (2012: £6.1 million) to HSSD to fund Primary Care Services.

The long-term viability of the ring fenced contributory funds is monitored carefully by the Department. During 2013, the UK Government Actuary commenced a routine five year review of the Fund. This will provide key information for future decisions regarding the level of contributions and the availability of benefits.

A project began in 2013 to enable contributions to be paid electronically.

Future Developments

In 2014, the Department will continue to work with the Health and Social Services Department on the development of a sustainable primary care health system for the future. In addition, together with the GP community, the two departments aim to fully implement a governance framework for GPs, including the Jersey Quality Improvement Framework (JQIF) and the GP Central Services project which will benefit patients as any GP being consulted will be able to access the patient's clinical information.

The Department will publish the Government Actuary review and consider the long term future of the Fund.

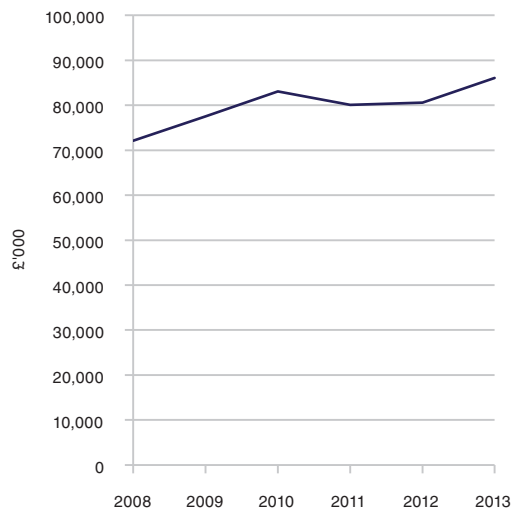


Changes in Net Asset Value from 2012

	£'000
2012 Net Asset Value	80,536
Investments	8,654
Intercompany balances	(2,747)
Net Current Assets	(103)
Other Variances	(285)
2013 Net Asset Value	86,055

The HIF has investments within the Common Investment Fund (CIF) but maintains its own investment strategy in line with its strategic aims. Net Asset Value increased by £5.5 million mainly resulting from gains recognised on HIF investments of £8.7 million.

HEALTH INSURANCE FUND NET ASSET VALUE OVER TIME



Performance compared to 2012 (Total NRI)

KEY VARIANCES FROM 2012

	£'000
2012 NRI	(2,840)
Contribution to HSSD for Primary Care	(4,131)
Social Benefit Payments	501
GP Central Services	496
Contributions	342
Other Variances	114
2013 NRI	(5,518)

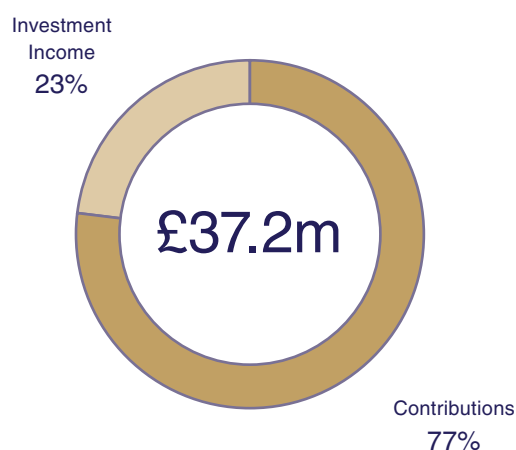
During 2012, P.125/2010 brought into effect the funding arrangements set out in the States Business Plan for the transfer of £6.1 million to Health and Social Services (HSSD) to fund primary care services. As agreed in the Medium Term Financial Plan, and as brought into effect through P.88/2012, £2.0 million was transferred in 2013, a reduction of £4.1 million.

This was offset by lower levels of contributions paid to the department (£0.3 million) and an increase in Social Benefit Payments (£0.5 million). During the year costs of the GP Central Services project that have been accumulated on the balance sheet over several years were taken to revenue (£0.5 million).



Income

Actual 2012	Actual 2013
£37.3 million	£37.2 million



Income within the Health Insurance Fund has decreased slightly (£0.1 million) from the prior year.

Contributions £28.6 million (2012: £28.9 million)

Contributions to the Fund are paid by working age adults (0.8% of earnings) and their employers (1.2%) up to the Standard Earnings Limit (SEL) of £46,008 per annum.

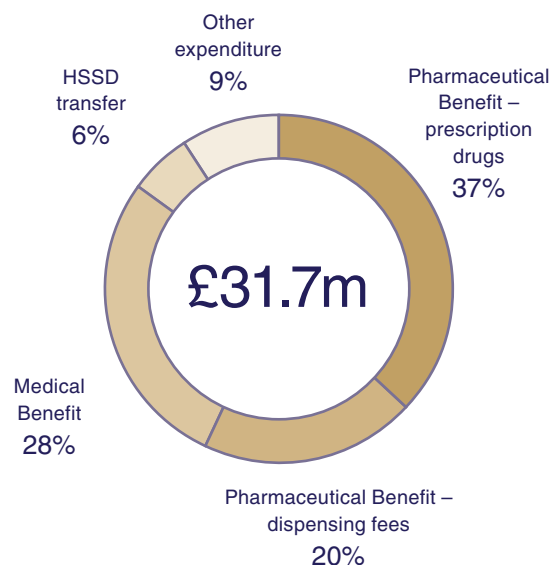
Contribution income has decreased by £0.3 million compared with the prior year. This can be explained by the number of contributors, which fell from an average of 51,343 in 2012 to an average of 50,865 in 2013 (based on latest figures).

Investment Income £8.7 million (2012: £8.4 million)

Investment income has increased by £0.3 million due to high returns in the markets and better than predicted investment manager performance in the year.

Expenditure

Actual 2012	Actual 2013
£34.5 million	£31.7 million



Expenditure has decreased by £2.8 million during 2013.

HSSD Transfer £2.0 million (2012: £6.1 million)

There was a reduction in the transfer to the Health and Social Services Department compared to 2012 (£4.1 million).

Pharmaceutical Benefit – Prescription drugs £11.9 million (2012: £11.7 million)

The cost of prescription drugs has increased by £0.2 million. The main reason for this was a 3.3% increase in the number of prescriptions dispensed to approximately £1.8 million partially compensated by the decreasing cost of generic drugs.

Pharmaceutical Benefit – Dispensing fees £6.2 million (2012: £5.7 million)

Dispensing fees have increased by £0.5 million driven by a 3.3% increase in the number of prescriptions.



Medical Benefit £8.8 million (2012: £9.1 million)

There has been a reduction in the costs of medical benefit payments of £0.3 million, in particular a reduction in the number of benefits provided in respect of GP visits (0.5%) and letters of referral (24.8%).

Other expenditure £2.8 million (2012: £1.9 million)

The most significant increase in other expenditure was £0.5 million representing the movement from capital to revenue for the GP Central Services development as the nature of the project changed to the delivery of a managed service.

Performance of HIF Investments

The investment portfolio of the Health Insurance Fund follows a balanced investment strategy with a 40% allocation to equity type assets and a 60% allocation to bonds and cash type assets. The Fund was invested entirely through the Common Investment Fund over 2013 and the preceding year.

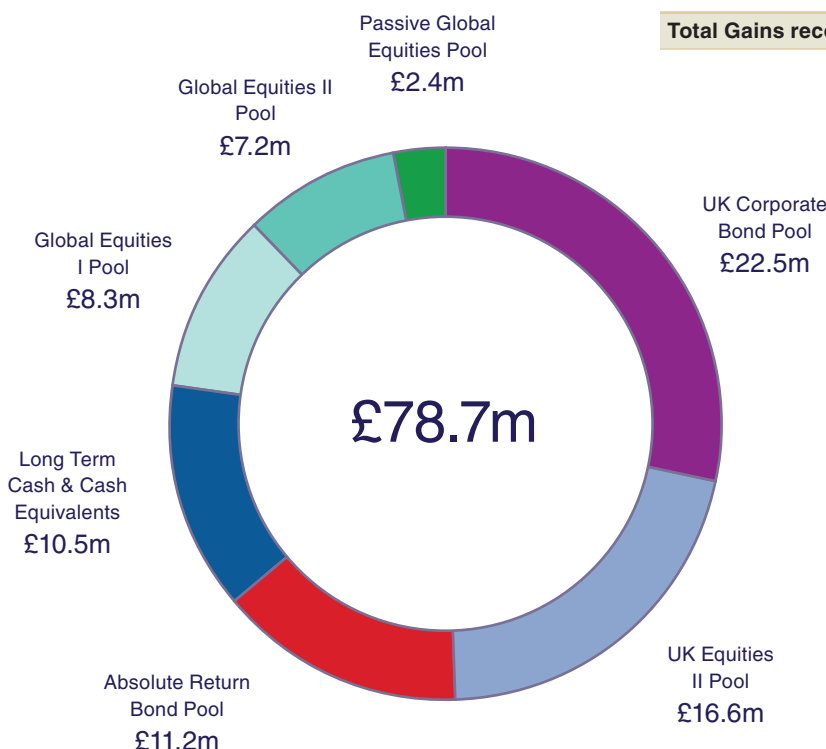
2013 saw gains of £8.7 million earned on the overall portfolio, a net gain of 12.2%, up from £8.4 million over 2012. The return of the Fund represented both high returns in the markets but also good investment manager performance with net returns exceeding the pools overall benchmark by just over 2%. Performance was not evenly spread between asset classes with the majority of investment gains attributable to equity type assets. Equity type assets generated £7.8 million of the Fund's total gain with corporate bonds earning a return of just under £0.8 million. Earnings of the cash investments remained low reflecting the continuing low interest rate environment.

The bond holdings of the HIF were restructured during the year with units in the underperforming Long Term and Short Term Corporate Bond Pool replaced with units in the new Absolute Return Bond and UK Corporate Bond Pool. The new classes were established late in the year and made a negative contribution to the overall investment return when restructuring costs are included.

The table below shows the share of transactions in the CIF attributable to the Fund.

CIF AMOUNTS ATTRIBUTABLE TO THE HIF

	2012 £'000	2013 £'000
Income	2,770	1,954
Expenditure	(360)	(488)
Gains on Investments	5,996	7,187
Total Gains recognised	8,406	8,653





Statement of Comprehensive Net Expenditure

	2012 Actual £'000	2013 Actual £'000
Revenue		
Contributions	(28,915)	(28,573)
Investment Income	(8,406)	(8,653)
Total Revenue	(37,321)	(37,226)
Expenditure: Near Cash		
Social Benefit Payments	26,712	27,213
Supplies and Services	1,421	2,319
Administrative Expenditure	166	150
Premises and Maintenance	27	26
Other Operating Expenditure	6,131	2,000
Grants and Subsidies Payments	24	–
Total Expenditure: Near Cash	34,481	31,708
Net Revenue Income	(2,840)	(5,518)



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	88	285	–
Investments held at Fair Value through Profit or Loss	67,810	70,085	78,739
Total Non-Current Assets	67,898	70,370	78,739
Current Assets			
Trade and Other Receivables	8,042	8,874	9,111
Cash and Cash Equivalents	–	–	1
Balance due from Consolidated and Other Funds	5,855	2,940	193
Total Current Assets	13,897	11,814	9,305
Total Assets	81,795	82,184	88,044
Current Liabilities			
Trade and Other Payables	(1,746)	(1,648)	(1,989)
Total Current Liabilities	(1,746)	(1,648)	(1,989)
Assets Less Liabilities	80,049	80,536	86,055
Revenue Reserves			
Accumulated Revenue Reserves	80,049	80,536	86,055
Total Revenue Reserves	80,049	80,536	86,055



Key Performance Indicators

Number of Medical Benefits claims for GP Consultations

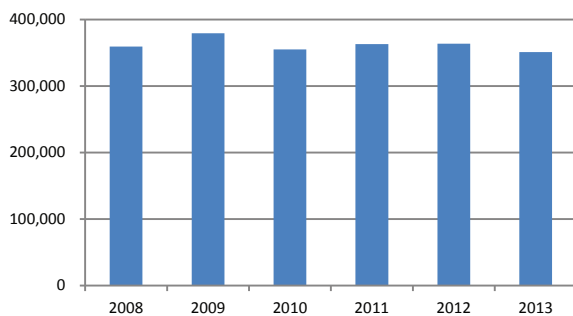
Why it is important?

The Health Insurance Fund collects contributions from employees and employers and provides a benefit to local residents to subsidise the cost of GP consultations. The benefit reduces the cost of each GP visit by £20.28. It is available to adults who have lived in Jersey for at least six months, as well as their children.

What was achieved

The number of GP consultations has remained relatively consistent over the past five years, with between 350 and 360 thousand consultations each year. The one exception was 2009, which saw almost 380,000 consultations, and was the year of the swine flu pandemic.

NUMBER OF GP CONSULTATIONS



Number of Items Prescribed

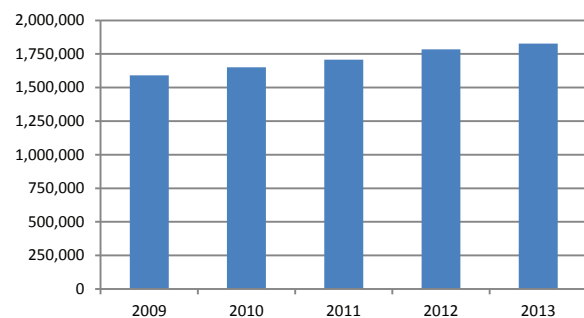
Why it is important?

The Health Insurance Fund also meets the full cost of any drugs prescribed by GPs, included on a list of approved drugs. This list is updated once a quarter to reflect the introduction of new, cost-effective, treatments as they become available.

What was achieved

The steady increase in the number of prescription drugs provided each year reflects the availability of new medicines and the increasing use of multiple drugs (polypharmacy) to support individuals with serious long-term medical conditions. The total number of items has increased by nearly 15% in the last five years, with approximately 18 items being prescribed per head of population in 2013.

NUMBER OF PRESCRIPTION ITEMS





Social Security (Reserve) Fund

Established under the Social Security (Jersey) Law 1974, the Fund sets aside funds for the future provision of pension benefits for those in employment so as to reduce the impact of pensions in future generations, as well as to smooth contributions for Social Security benefits over time.

Summary Snapshot

FUND POSITION

£1,157,693,816**20.3% increase**
from 2012

NET REVENUE INCOME

£195,273,879**100.4% increase**
from 2012



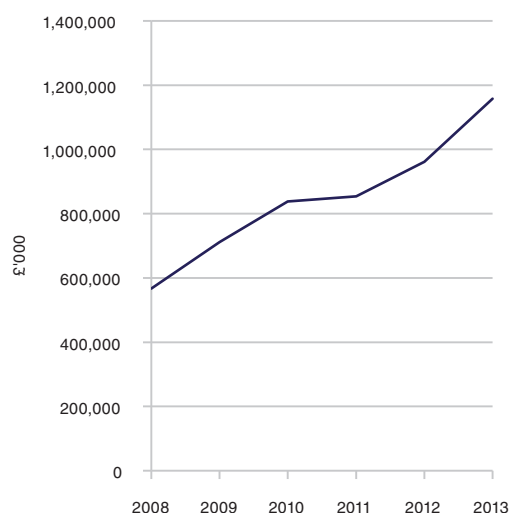
Changes in Net Asset Value from 2012

£'000	
2012 Net Asset Value	962,073
Net Revenue Income	195,274
Contribution from the Social Security Fund	450
Other Adjustments	(103)
2013 Net Asset Value	1,157,694

The Net Asset Value (NAV) increased from £962.1 million to £1,157.7 million during 2013, an increase of £195.6 million (20.3%).

The increase in the NAV is mostly attributable to net income from the Fund's investments held both within and outside the Common Investment Fund, £0.5 million of additional contributions were also made by the Social Security Fund into the Fund.

The Fund's Net Asset Value over time is illustrated below



Performance compared to 2012 (Total NRI)

KEY VARIANCES FROM 2012

£'000	
2012 NRI	(97,458)
Investment Income	(97,764)
Supplies and Services	(52)
2013 NRI	(195,274)

The Social Security (Reserve) Fund saw significant increases in investment returns during the year. This was driven mostly by improved market conditions but also from an increase in the proportion of assets being actively managed as investments are moved from the passive managers outside the CIF to the mostly active managers within. Further details can be found within the Performance of Investments section below.

Performance of Investments

The Social Security (Reserve) Fund holds a range of investments both within the CIF and outside. The assets within the CIF are mostly managed on an active basis; these managers seek to outperform a relative benchmark. The Fund also holds assets with Legal & General ('L&G') in passive funds outside the CIF, which follow a benchmark without seeking to outperform. By the year end £891.4 million of the Fund's assets were held within the CIF and £266.3 million of its assets were held with L&G.

Significant returns were generated during the year by the investment holdings of the Fund. £143.9 million of gains were made by the assets held within the CIF compared to £51.7 million earned by the holdings outside. The overall net return of the Fund was 20.2%; this represented both high returns in the equity markets but also good performance from the active investment managers within the CIF. These managers increased the total return of the fund over benchmark performance by just over 1%.



In line with the published Investment Strategy of the Fund, the majority of the Fund's assets are invested in equity. Equity performed well during the year and generated the majority of the Fund's return. The non-equity holdings of the Fund were restructured during the year with all except £50.4 million of cash funds moved into the CIF. Gilt type assets held outside the CIF were replaced with units of the Absolute Return Bond and Pooled UK Property Pool of the CIF. Both asset classes were established late in the year and made a negative contribution to the overall investment return when restructuring costs were included.

In the case of investments in the CIF, the underlying assets are held by the CIF itself, which recognises income, expenditure and gains/losses on investments. The Fund recognises only gains or losses on the units held in the CIF.

The table below shows the share of transactions in the CIF attributable to the Fund.

CIF AMOUNTS ATTRIBUTABLE TO THE SOCIAL SECURITY (RESERVE) FUND

	2012 £'000	2013 £'000
Income	12,913	15,190
Expenditure	(4,129)	(6,084)
Gains on Investments	50,325	134,822
Total Gains recognised	59,109	143,928

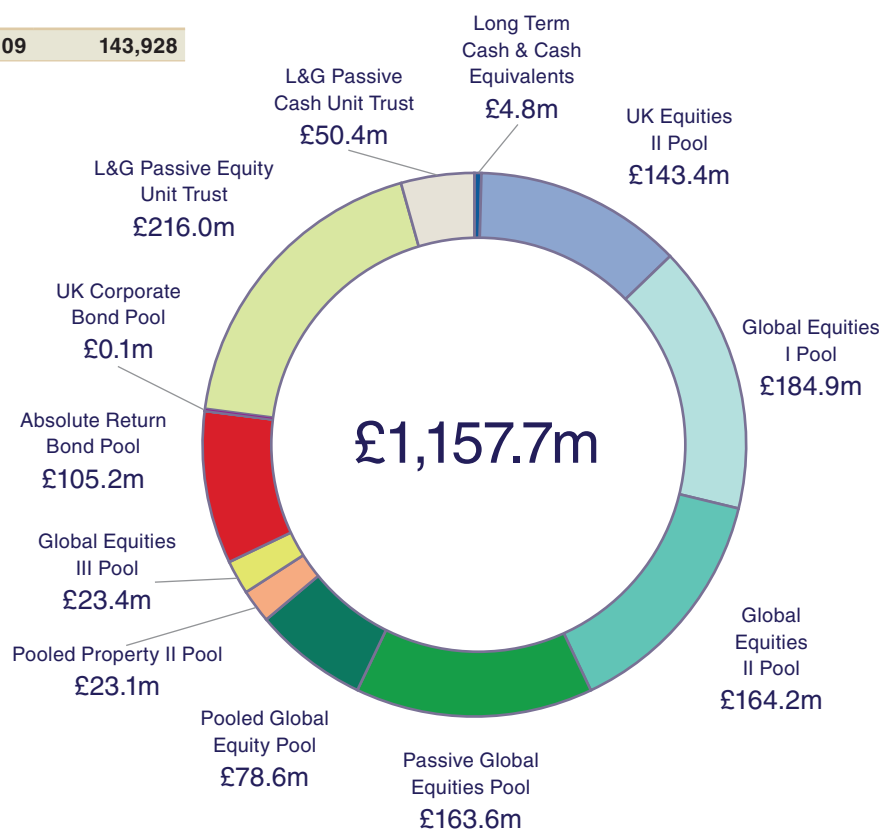
Investments held by L&G are also in pooled vehicles where the vehicles hold the underlying assets.

The pooled vehicles recognise income, expenditure and gains/losses on Investments. The Fund recognises only gains or losses on the L&G units held.

Because the pooled vehicles are not controlled by the States the share of transactions in the vehicles attributable to the Fund are not visible to the Fund and so only the gains or losses on the L&G units held can be illustrated.

INVESTMENTS HELD OUTSIDE THE CIF

	2012 £'000	2013 £'000
Gains on Investments	38,729	51,674
Total Gains recognised	38,729	51,674





Statement of Comprehensive Net Expenditure

	2012 Actual £'000	2013 Actual £'000
Revenue		
Investment Income	(97,838)	(195,602)
Total Revenue	(97,838)	(195,602)
Expenditure: Near Cash		
Supplies and Services	380	328
Total Expenditure: Near Cash	380	328
Net Revenue Income	(97,458)	(195,274)



Statement of Financial Position

	2011 Actual £'000	2012 Actual £'000	2013 Actual £'000
Non-Current Assets			
Investments held at Fair Value through Profit or Loss	854,323	962,143	1,157,731
Total Non-Current Assets	854,323	962,143	1,157,731
Current Assets			
Cash and Cash Equivalents	183	43	148
Total Current Assets	183	43	148
Total Assets	854,506	962,186	1,157,879
Current Liabilities			
Trade and Other Payables	(188)	(113)	(63)
Balance due to the Consolidated Fund	–	–	(122)
Total Current Liabilities	(188)	(113)	(185)
Assets Less Liabilities	854,318	962,073	1,157,694
Taxpayer's Equity			
Accumulated Revenue Reserves	854,318	962,073	1,157,694
Total Taxpayer's Equity	854,318	962,073	1,157,694





Long-Term Care Fund

The Long Term Care Fund is a ring fenced fund administered by the Social Security Department which will receive contributions from local residents and the States and pay benefits to adults with long-term care needs.

Summary Snapshot

FUND POSITION	NET REVENUE INCOME
£ 11,701,000	£ 11,701,000



Minister's Overview

Extensive research and modelling has been undertaken during the last 2 years to develop the details of a new Long Term Care (LTC) contribution and benefit scheme that is sustainable in the long term. Given the ongoing weak economic climate, the Minister proposed a delay in the original timetable for the introduction of LTC contributions. As approved by the States, these contributions will now be levied from 1st January 2015 at 0.5% rising to 1% from 1st January 2016. During 2014 and 2015 additional funding for the LTC Fund will be provided from departmental underspends.

Future Developments

The long-term care benefit is due to be introduced from 1st July 2014. The Department will be finalising the very significant work already undertaken to date with the Taxes Office and the Health and Social Services Department to bring this new scheme into operation.



Net Asset Value

	£'000
Increase in cash and cash equivalents	11,701
2013 Net Asset Value	11,701

Performance (Total NRI)

KEY VARIANCES FROM 2012

	£'000
States Contribution	11,700
Investment income	1
2013 NRI	11,701

The Social Security Department paid a Grant of £11.7 million into the Long Term Care Fund to support its first year of operation.

Income

Actual 2013

£11.7
million

Social Security Department underspends of £11.7 million were transferred into the fund towards the end of 2013. The States already supports some long term care costs through the Health and Social Services Department and Social Security Department budgets, the majority of which will be transferred into the LTC Fund from 2014 onwards on an annual basis.

From 1st January 2015, the LTC Fund will also receive income from a new LTC contribution, paid by Jersey residents liable to pay income tax. The contribution will be introduced in 2015 at 0.5% rising to 1.0% in 2016.

Expenditure

Actual 2013

£0.0
million

Expenditure on the development of the fund was paid from the Social Security Department carryforward during 2013.

The long-term care benefit is due to be introduced on the 1st July 2014.



Statement of Comprehensive Net Expenditure

	2013 Actual £'000
Revenue	
States Contribution	(11,700)
Investment Income	(1)
Total Revenue	(11,701)
Net Revenue Income	(11,701)

As the Long Term Care Fund is in its first year, there are no comparative figures presented.

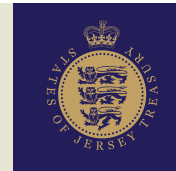


Statement of Financial Position

	2013 Actual £'000
Current Assets	
Cash and Cash Equivalents	11,701
Total Current Assets	11,701
Total Assets	11,701
Revenue Reserves	
Accumulated Revenue Reserves	11,701
Total Revenue Reserves	11,701

As the Long Term Care Fund is in its first year, there are no comparative figures presented.





Glossary of Terms

This glossary aims to explain some of the terms commonly used in the Accounts, and covers both accounting terms and terminology relating specifically to the States. The definitions given here are intended to assist the user of the accounts, and it should be noted that some terms may have specific legal meaning or more precise definitions under accounting standards. The reader should also refer to the States Accounting Policies in Note 9.1 of the Accounts, which include some definitions for accounting purposes and give more detail on the accounting treatments for various items.

Accounting Officer

The Accounting Officer is the person responsible for the proper financial management of a States' funded body in accordance with the Public Finances (Jersey) Law 2005. In general, the Chief Officer of a department is also the Accounting Officer.

Accounting Period

This is the length of time covered by the accounts. For the States of Jersey this is a period of twelve months commencing on 1 January. The end of the accounting period is the balance sheet date, 31 December.

Accruals Basis

This is one of the main accounting concepts. Income and expenditure are shown in the accounting period that they are earned or incurred, not as money is received or paid.

Accrued Pension

This is the amount of the annual pension an officer is entitled to as at the year end, i.e. the amount that they would receive if they carried out no further service.

Annual Budget Statement

The States' Annual Budget sets out the taxation measures and the expected level of States income.

Annual Business Plan (ABP)

An annual plan detailing the resources to be allocated to each States department together with the objectives of each department. Before 2013 it was through the Annual Business Plan debate that the States Assembly allocated funding to Departments' Net Expenditure Limits (budgets) from the Consolidated Fund.

Asset

An asset is something that the States of Jersey owns; assets are sub-divided into fixed assets, financial assets and current assets. Property, Plant and Equipment assets are assets which the States of Jersey has bought or constructed to provide services over a period of time. Property, Plant and Equipment will have a life of more than one year; Non-Current Financial assets are investments such as bonds or equities, loans made to third parties, or strategic investments. These assets are expected to be held for longer than one year and typically provide a return for the States; Current assets are assets typically sold or otherwise redeemed within one year of the end of the accounting period (e.g. inventory and receivables).

Audit of Accounts

An audit is an evaluation of the accounts by an independent expert. Please refer to the Auditor's Report for details of the work carried out.

Available-for-Sale Financial Assets

This category includes all Financial Assets that do not fall into one of the other categories (FVTPL, Held to Maturity or Loans and Receivables). Despite the name, it may be intended that the States holds these Assets indefinitely. Movements in the value of these investments are recorded in Taxpayers' Equity rather than income and expenditure for the year.

Balance Sheet

Under UK GAAP this is a primary accounting statement that shows the assets, liabilities and reserves of the States of Jersey at the end of the accounting period. The equivalent IFRS statement is the Statement of Financial Position.

Budget (Approval)

A budget approval is the amount agreed either as the expected level of States Income (approved through the Annual Budget Statement), or the amount of expenditure a department may incur (approved through the Medium Term Financial Plan). Variations to these amounts may also be approved during the year. These accounts report two budget approval figures:

- 2013 MTFP: This is the original budget set and approved by the States Assembly;
- Final Approved Budget: This is the final budget after taking account of authorised changes during the year.

**Capital Expenditure**

Expenditure on the acquisition or construction of non-current assets that will be used to provide services beyond the current accounting period or expenditure that adds value to an existing fixed asset.

Cash Equivalent Transfer Values (CETV)

A cash equivalent transfer value (CETV) is a lump sum value in today's terms of the rights accrued within a member's pension scheme. It assumes the member is leaving service and makes a pension transfer from the pension fund to an alternative pension arrangement.

Cash Flow Risk

The risk that the States' available cash will not be sufficient to meet its financial obligations.

Common Investment Fund (CIF)

The Common Investment Fund is an administrative arrangement that allows States Funds (including those outside of the States of Jersey Accounting Boundary) to pool investments to benefit from greater investment opportunities and economies of scale.

Consolidated Fund

This is the fund through which the majority of the States' income and expenditure is managed. More detail on this fund is given in the Annex to the Accounts.

Contingent Liability

A contingent liability is a possible liability, as explained in Note 9.1 to the Accounts.

Corporate Bonds

Corporate bonds are issued by companies to raise capital. They are an alternative to issuing new shares on the stock market (equity finance) and are a form of debt finance.

Creditor

The UK GAAP term for a payable is a party who the States of Jersey owe money to at the end of the accounting period for goods or services provided within the accounting period.

Debtor

The UK GAAP term for a receivable. A debtor is a party who owes the States of Jersey money at the end of the accounting period for goods or services provided by the States of Jersey within the accounting period.

Departmental Income

Departmental Income is income derived from charges made for services provided by departments.

Derivative Financial Instruments

A derivative is a financial instrument or other contract whose value changes in response to the change in an underlying variable (e.g. interest rates, equity share prices, exchange rates etc.), and will be settled at a future date.

Equities

Equities are instruments that signify an ownership position in a corporation, and represent a claim on its proportionate share in the corporation's assets and profits

Financial Instruments

A contract that gives rise to either cash, equities or a contractual right to receive either cash or another financial instrument.

Foreign Exchange Risk

The risk of loss stemming from exposure to adverse foreign exchange rate movements.

Full Time Equivalents (FTE)

FTE represents the equivalent number of Full Time Employees a department has, taking into account any part-time and other flexible working arrangements. For example, if an employee works 75% of normal hours they would be recorded as a FTE of 0.75.

General Revenue Income

General Revenue Income comprises taxation, duties, the Island rate, and other income to the Consolidated Fund covered by the Annual Budget Statement.



Generally Accepted Accounting Principles (GAAP)

Generally Accepted Accounting Principles (GAAP) are a standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as Accounting Standards. GAAP includes the standards, conventions, and rules accountants follow in recording and summarising transactions, and in the preparation of financial statements. Variations include UK GAAP (used by the States in 2010 and 2011), and IFRS. The States of Jersey follows GAAP, as interpreted by the Jersey Financial Reporting Manual.

Grants and Subsidies

Grants and subsidies are assistance from a States entity in the form of transfers of resources to an individual or organisation in return for past or future compliance with certain conditions.

Gross Departmental Expenditure

This is revenue expenditure incurred by States departments in the course of providing public services, before taking account of Departmental Income.

Head of Expenditure

A head of expenditure is either the annual net revenue expenditure limit of a States funded body, or an amount allocated for a capital project.

Impairment

Where the value of an asset (as shown in the Statement of Financial Position) exceeds its actual value to the States of Jersey, the amount included on the balance sheet for the asset is reduced. This reduction is recognised as a cost in the Operating Cost Statement, and is called an Impairment.

Income

This is the amounts that the States of Jersey receives or is entitled to in the accounting period.

Interest Rate Risk

This is the financial risk to which a portfolio or institution is exposed to if interest rates change.

International Financial Reporting Standards (IFRS)

IFRS refers to a GAAP framework developed by the International Accounting Standards Board. The States of Jersey has adopted IFRS for the first time in the 2012 Accounts. The States of Jersey follows IFRS, as interpreted by the Jersey Financial Reporting Manual.

Inventory

These are items that the States of Jersey has purchased, or is developing, but has not yet used in the provision of services. For example, supplies held in a store prior to being issued for use.

Investments held at Fair Value through Profit or Loss

The States of Jersey has designated Investments held in the Common Investment Fund as part of this category, as they are managed as a portfolio reported at Fair Value. Changes in the value of these investments are reported in income and expenditure in the year they occur, even if these gains/losses haven't yet been realised.

Jersey Financial Reporting Manual (JFRm)

The Jersey Financial Reporting Manual interprets GAAP for the public sector in Jersey, and is based on the UK Government version of the same document.

Key Management Personnel

Key management personnel are members of senior management (defined later), and Assistant Ministers.

Leases

A lease is a financial arrangement that provides for the use of an asset without direct ownership. For accounting purposes leases can be either:

Finance leases: A lease that transfers substantially all of the risks and rewards associated with owning the asset to the lessee (in these accounts the States of Jersey).

Typically finance leases are entered into to finance large capital projects, or

Operating Lease: A lease where the risks and rewards of ownership are not borne by the lessee. Operating leases are entered into for a range of assets such as vehicles or plant and machinery.

Liability

A debt or obligation owed by the States of Jersey to another party.

**Liquidity Risk**

The risk that an organisation may not have, or may not be able to raise cash funds when needed.

Market Risk

The risk of losses resulting from adverse changes in market prices or other market rates.

Medium Term Financial Plan (MTFP)

The States approved changes to the Public Finances (Jersey) Law 2005 in July 2011 to introduce longer term financial planning and the approval of a three-year Medium Term Financial Plan from 2013. This replaces the Annual Business Plan. The MTFP extends the States budgeting period from one to three years, and fits with the existing political cycle, where each Council of Ministers is elected for a three-year term.

Ministerial Department

A Ministerial Department is one for which a Minister is responsible to the States for its administration and funding.

Near-Cash

Near Cash income or expenditure refers to items that will turn into cash flows soon, for example expenditure incurred that will be paid for within 30 days.

Net Revenue Expenditure (NRE)

NRE is the net of gross departmental expenditure and departmental Income. If income exceeds expenditure it is reported as Net Revenue Income.

Net Revenue Income (NRI)

See Net Revenue Expenditure

Non Cash

Income and Expenditure are now recorded in line with GAAP, and so includes amounts to reflect the use of assets even where no cash flow occurs (for example depreciation). Non Cash amounts are recorded to ensure that expenditure reflects the full economic cost of activities, even where there is no direct cash flow

Non-Ministerial Department

A non-Ministerial Department is one for which no Minister is responsible to the States for its administration or funding.

Operating Cost Statement (OCS)

Under UK GAAP this was a primary accounting statement showing the income and expenditure for the States in the current accounting period. The IFRS equivalent is the Statement of Comprehensive Net Expenditure.

Payable

A payable is an amount owed by the States of Jersey at the end of the accounting period for goods or services provided within the accounting period.

Primary Accounting Statements

The four primary accounting statements within the States of Jersey accounts are the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows and the Statement of Changes in Taxpayers' Equity.

Provision

This is an amount set aside in the accounts (included in liabilities on the balance sheet) for probable payments due after the end of the accounting period that relate to events that have taken place in the current, or previous, accounting period.

Related Party

Related Parties are more fully defined in Financial Reporting Standard 8 – Related Party Transactions, but in terms of the States are parties that are controlled or significantly influenced either by the States directly or indirectly through its strategic investments, or by a member of Key Management Personnel.

Retail Price Index (RPI)

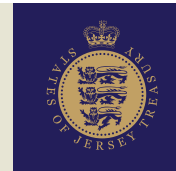
The Jersey Retail Price Index is a measure of inflation compiled by the States of Jersey Statistics Unit.

RPI(X)

RPI(X) is the RPI excluding mortgage interest payments, often considered as a measure of underlying inflation

Receivable

A receivable is an amount owed to the States of Jersey at the end of the accounting period for goods or services provided by the States of Jersey within the accounting period.



Revaluation

Accounting Standards require Property, Plant and Equipment Assets to be held at “Current Value”, and so regular revaluations of certain asset classes are required (as explained in Note 9.1 to the Accounts).

Revenue Expenditure

The day to day expenses associated with the provision of services, including the cost of employing staff, purchasing supplies and services and holding and using fixed assets.

Revenue Expenditure Limit

Revenue expenditure limits are approved by the States Assembly (through the Medium Term Financial Plan, or previously the Annual Business Plan), and are the key measure against which Accounting Officers are held to account for delivering services within an allocated expenditure limit.

Revenue Levied by the States of Jersey

Income such as taxes, duties or fines, raised by the States of Jersey where no or nominal consideration is provided in return. Whilst the States of Jersey does provide a range of services to islanders, it does not do so directly in consideration for payments received.

Senior management

Senior management includes Accounting Officers (except those of smaller departments exempted by the Treasury and Resources Minister through a formal decision) and members of the Council of Ministers.

Special Funds

These are funds with a specific purpose and are usually established by legislation or a States’ decision. They are also sometimes referred to as “Separately Constituted Funds”.

Statement of Cash Flows

A primary accounting statement that explains actual movements in cash balances that have occurred in the year. This contrasts to the Statement of Comprehensive Net Expenditure which reports accrued income and expenditure. This is covered in more detail in Section 6 of the Accounts – “Introduction to the Accounts”.

Statement of Changes in Taxpayers’ Equity (SoCITE)

This is a primary statement that gives details of the movements in Taxpayers’ Equity. Under UK GAAP this information was included in the Reserves Note.

Statement of Comprehensive Net Expenditure (SoCNE)

This is a primary accounting statement showing the income and expenditure for the States in the current accounting period. In also includes “Other Comprehensive Income”, which includes Gains and Losses not recorded in income and expenditure, such as unrealised gains such as those arising from the revaluation of Property Plant and Equipment. Under UK GAAP this information was included in the Operating Cost Statement and the Statement of Total Recognised Gains and Losses.

Statement of Financial Position (SoFP)

This is a primary accounting statement that shows the assets, liabilities and taxpayers equity of the States of Jersey at the end of the accounting period. This is covered in more detail in Section 6 of the Accounts – “Introduction to the Accounts”. Under UK GAAP this is referred to as a Balance Sheet.

Statement of Total Recognised Gains and Losses (STRGL)

Under UK GAAP the STRGL is a primary statement that includes all gains and losses made in the accounting period whether realised or unrealised. Under IFRS this is incorporated into the Statement of Comprehensive Net Expenditure.

Stock and Work in Progress

The UK GAAP term for Inventory. These are items that the States of Jersey has purchased, or is developing, but has not yet used in the provision of services. For example, supplies held in a store prior to being issued for use.

Strategic Investments

Companies in which the States has a majority shareholding but which are not consolidated into the States’ accounts as their inclusion would distort the presentation of the States’ financial results.

Taxpayers’ Equity

Equal to Net Asset Value, Taxpayers’ Equity result from the accumulation of surpluses, deficits, revaluations of assets and other surplus sums.



Trading Operation

These are areas of operation of the States of Jersey, designated by the States to be a States Trading Operation. At present there are four States Trading Operations: Jersey Airport, Jersey Harbours, Jersey Fleet Management and Jersey Car Parking.

Trading Fund

Trading Operations do not form part of the Consolidated Fund, and so each maintain a separate Trading Fund balance. This is calculated using the same method as the Consolidated Fund balance, as detailed in the Consolidation Fund section of the Annex to the Accounts.

Summary of Acronyms and Initialisations

BP	Business Plan
CETV	Cash Equivalent Transfer Value (Pensions)
CIF	Common Investment Fund
CSR	Comprehensive Spending Review
CSS	Civil Service Scheme
DPS	Discretionary Pension Scheme
EUSD	European Union Savings Tax Directive
FSR	Fiscal Strategy Review
FTE	Full Time Equivalent
GAAP	Generally Accepted Accounting Principles
GST	Goods and Services Tax
HCAE	Historic Child Abuse Enquiry
IFRS	International Financial Reporting Standards
JFReM	Jersey Financial Reporting Manual
JPOPF	Jersey Post Office Pension Fund
JTSF	Jersey Teachers' Superannuation Fund
MTFP	Medium Term Financial Plan
NRE	Net Revenue Expenditure
NRI	Net Revenue Income
PECRS	Public Employees' Contributory Retirement Scheme
SoCF	Statement of Cash Flows
SoCiTE	Statement of Changes in Taxpayers' Equity
SoCNE	Statement of Comprehensive Net Expenditure
SoFP	Statement of Financial Position
SOJ	States of Jersey
SOJDC	States of Jersey Development Company Limited
VER	Voluntary Early Retirement
VR	Voluntary Redundancy
WEB	Waterfront Enterprise Board



Appendix A – Grants under £75,000

Full details of significant Grants and Subsidies awarded to any individual or organisation are given in Note 9.12 to the Accounts. This Appendix gives the detail of grants awarded under States of Jersey Grant Schemes and also summarises grants and subsidies of less than £75,000 made by the States of Jersey in 2013.

DETAILS OF SIGNIFICANT GRANTS AWARDED UNDER STATES OF JERSEY GRANT SCHEMES

Department of the Environment

Name of Scheme	Reason for Grant	Amount £
Energy Efficiency Service – Various recipients	Initiative to assist low-income and vulnerable households reduce their energy bills and keep warmer through the winter	666,504
Countryside Enhancement Scheme – Various recipients	Environmental financial support to land owners for the benefit of the Island's population	272,977
Total payments under Significant Schemes – Department of the Environment		939,481

Economic Development Department

Name of Scheme	Reason for Grant	Amount £
Area Payments	Support a base level of farming activity in the countryside	
Area Payments to Individuals		134,064
Woodside Farms Ltd		45,348
Meleches 2007 Ltd		41,104
Amal-Grow Limited		38,649
Fosse Au Bois Growers Ltd		34,470
Master Farms Ltd		31,492
Somerleigh Farms 1996 Ltd		24,235
Labey Farms Ltd		16,853
Lodge Farm Ltd		15,916
R Le B Ltd		15,304
D A Richardson Ltd		14,289



Name of Scheme	Reason for Grant	Amount £
J & S Growers (2009) Ltd		13,962
Classic Herd Ltd		12,967
Chalet Farm Ltd		12,911
Trinity Manor Farm Ltd		12,202
Cowley Farm Ltd		12,142
Meadow Vale Farm Ltd		11,576
Didier Hellio Ltd		10,070
St Lawrence Growers Ltd		8,672
Le Gresley Farms Ltd		8,092
Freedom Farms Ltd		7,774
AMW (Jersey) Ltd		7,088
C & A Jersey Royals Ltd		6,264
Printemps Farm Ltd		6,045
Bel Val Farm Ltd		5,788
La Ferme Ltd		5,390
D J Farming Ltd		5,153
Les Cotils Farms Ltd		5,033
Gold Leaf Farm Ltd		4,783
CS Conservation		4,706
Cross Cottage Farm Ltd		4,200
Anneville Farm Ltd		4,060
Rozel Farms Ltd		3,953
Vermont Farm Ltd		3,658
Happy Hens Ltd		3,612
Devon Villa (1991) Ltd		3,331
Le Sech Farms Ltd		3,200
Rondel Farms Ltd		3,084
Person & Freire Ltd		1,997
Le Rendu & Son Ltd		1,590
Bayview Livery Ltd		1,563
Potage Farm Ltd		1,555
Ocean Dream Ltd		1,476
La Mare Vineyards Ltd		1,428
Bon Air Stables		1,057
CAF Engineering Limited		1,024
Vers Les Monts Organic Farm		704
East Riding Ltd		533
La Robeline Cider Company		310
Total Area Payments		614,677
Quality Milk Payments	Transitional support to allow the industry to implement their Dairy Industry Recovery Programme	
Quality Milk Payments to individuals		129,038
La Ferme Ltd		45,898
R Le B Ltd		39,998



Name of Scheme	Reason for Grant	Amount £
Chalet Jersey Ltd		34,980
Lodge Farm Ltd		34,747
Cowley Farm Ltd		29,915
Meadow Vale Farm Ltd		28,952
Trinity Manor Farm Ltd		27,290
Master Farms Ltd		16,562
Gold Leaf Farm Ltd		15,064
Freedom Farms Ltd		14,300
AMW (Jersey) Ltd		13,832
Le Gresley Farms Ltd		11,914
Classic Herd Ltd		10,920
Cross Cottage Farm Ltd		6,220

Total Quality Milk Payments **459,630**

Rural Initiative Scheme **Rural Initiative Scheme provides support for innovation and business diversification**

Woodside Farms Ltd		33,130
Jersey Royal Distillery Company Limited		31,500
Jersey Dairy		25,000
R Le B Ltd		13,899
Rural Initiative Scheme payments to individuals		11,567
Flavour.je		9,554
Cowley Farm Ltd		7,920
Jersey Aquaculture Association		4,498
Jersey Island Genetics Ltd		4,210
Classic Herd Ltd		3,366
Fosse Au Bois Growers Ltd		1,170
T H Barette Ltd		1,170
La Robeline Cider Company	Unused grant returned	(2,790)

Total Rural Initiative Scheme **144,194**

Employment of Apprentices **Grant to employer in respect of apprentices employed**

Somerville Fabricators		2,900
Dandara Jersey Ltd		2,806
Larsen Ltd		2,657
D I S Electrical Contractors Ltd		2,324
A A Rive Limited		2,150
C & J Carpenters & Builders Ltd		2,045
Raffray Ltd		2,031
Air Heating & Manufacturing (1990) Ltd		1,835
Rio Hair Salon Ltd		1,814
Michael Moyse Hair Fashion (2000) Ltd		1,790
Kut & Kurls		1,690



Name of Scheme	Reason for Grant	Amount £
JPM Ironworks Services		1,685
Aston Services Ltd		1,604
Syvret & Turner Ltd		1,433
Brady & Gallagher (1999) Ltd		1,428
Autopanel Ltd		1,360
JMEC Limited		1,353
John Warrener Plumbing & Heating Ltd		1,329
Parish of St Helier		1,165
K C Engineering Ltd		970
Drainway Services Ltd		952
Motor Mall		819
Brimbyrne Ltd		750
D B Malorey Ltd		716
Bisson Bros Ltd		643
Michael Hill Joinery Ltd		600
CAF Engineering Limited		585
J P Mauger Ltd		550
United Electrical Contractors		480
Darren Le Feuvre Plumbing & Heating Ltd		468
Elmina Lifestyle Ltd		390
APR Motor Repairs		300
Gary Jegou Ltd		300
Natures Way of Life T/A Passion		290
Gelaires		254
Wallace & Cairney Plumbing & Heating Ltd		179
Michelle Hairstyles Ltd		115
G J M Development		106
Total Employment of Apprentices		44,866
Skills Accelerator Grant	To provide skills training to employees with the aim of making a difference to the sustainability or development of their employer's business	
Skills Accelerator Grant to Individuals		44,817
Cleveland Clinic		225
Total Skills Accelerator Grant		45,042
Total payments under Significant Schemes – Economic Development Department		1,308,409



Education, Sport and Culture Department

Name of Scheme	Reason for Grant	Amount £
Nursery Education Fund	Provide pre-school learning through the Nursery Education Fund	1,552,075
Grants to individuals (Jersey College for Girls)	Assist students in the payment of fees	121,271
Grants to individuals (Victoria College)	Assist students in the payment of fees	73,958
Support for travel to participate in sports events	Support individuals, clubs and associations in travel to participate in sports events	
Jersey Rugby Association		25,400
Jersey Spartan Athletic Club		11,310
Channel Island Lawn Tennis Association		8,880
Jersey Motor Cycle & Light Car Club		8,185
Jersey Football Association		7,130
St Catherines Sailing Club		6,715
Jersey Netball Association		6,710
Jersey Cricket Association		5,640
A I B Tigers		5,610
Jersey Judo Association		4,470
Regent Gymnastic Club		3,930
Jersey Waterpolo Association		3,360
Jersey Hockey Association		2,940
Jersey Fencing Club		2,850
Jersey Gymnastics Club		2,820
Jersey Sports Association for the Disabled		2,760
Jersey Dressage Club		2,750
Jersey Badminton Association		2,545
Jersey Triathlon Club		2,400
Jersey Softball Association		2,215
Royal Channel Island Yacht Club		2,120
Bowls Jersey		2,010
Jersey Rifle Association		1,915
Jersey Hockey Assoc Development Fund		1,890
Jersey Squash Racquets Association		1,800
Jersey Cycling Association		1,625
Jersey Table Tennis Association		1,545
Jersey Horse Driving Society		1,530
Jersey Indoor Bowling Association		1,260
Jersey Aquatic Rescue Club		1,170
Jersey Cycling Assoc Youth Academy		1,160
Jersey Smallbore Shooting Association		1,130
Jersey Shooting Federation		870
The Kennel Club Of Jersey		810
Jersey Irish GAA Club		495
Archery Association of Jersey		375



Name of Scheme	Reason for Grant	Amount £
Jersey Muzzle Loaders		360
Jersey Agility Club		300
The Caesarean Croquet & Lawn		120
St Lawrence Charity Horse Show		90
Total support for travel to participate in sports events		141,195
Support for purchasing equipment and organising activities		
Support sport and leisure clubs and associations in purchasing equipment and organising activities		
Jersey Table Tennis Association		27,500
Island Games Association of Jersey		25,000
Jersey Secondary School Sports Association		20,000
Jersey Spartan Athletic Club		15,000
Jersey Football Association		15,000
Jersey Squash Racquets Association		15,000
Jersey Cricket Board		15,000
Jersey Rugby Development Committee		15,000
Jersey Primary School Sports Association		13,000
Jersey Netball Association		12,000
Total support for purchasing equipment and organising activities		172,500
Total payments under Significant Schemes – Education, Sport and Culture Department		2,060,999

Social Security Department

Name of Scheme	Reason for Grant	Amount £
Various employment schemes	The provision of a range of measures to encourage additional employment opportunities for the unemployed. Includes Back to Work , Enhanced Workzone and Advance Plus	631,794
Vocational Day Scheme		
MIND Jersey	Provide employment opportunities for those with learning difficulties or on the Autistic Spectrum	70,104
Total Vocational Day Scheme		70,104
Total payments under Significant Schemes – Social Security Department		701,898
Total payments under Significant Schemes		5,010,787



Other Grants and Subsidies

Chief Minister's Department

Grantee	Reason for Grant	Amount £
Alliance Francaise de Jersey	Development of Jersey/France relations – promoting French language and culture	10,000
Total – Chief Minister's Department		10,000

Department of the Environment

Grantee	Reason for Grant	Amount £
European Plant Protection Organisation	Contribution to plant research	23,459
Total – Department of the Environment		23,459

Economic Development Department

Grantee	Reason for Grant	Amount £
Jersey Hospitality Association	Support the Jersey Hospitality Association	36,000
Band of the Island of Jersey	Grant to assist the cost of Uniforms	20,000
Apprenticeship Grants – Various recipients	Grants to individuals who complete their apprenticeships	297
Total – Economic Development Department		56,297

Education, Sport and Culture Department

Grantee	Reason for Grant	Amount £
Victoria College Foundation	Support the operation of the school's Foundation	25,000
Combined Cadet Force (Victoria College)	Support the operation of the Combined Cadet Force	22,375
Brook In Jersey	Support the 'Baby Think it Over' Project	20,000
Jersey Scout Association	Support youth activities in the Island	8,000
Grants to Students (Education)	To assist students with interview costs and other expenses relating to their course of study	5,848
Jersey Girl Guides	Support youth activities in the Island	4,000
Child Accident Prevention (Jersey)	Support the operation of Child Accident Prevention (Jersey)	1,525
Young Enterprise	Support Young Enterprise in the Island	1,000
Grants to individuals (Highlands College)	Assist students with meal vouchers and occasional loans for educational visits	521
Total – Education, Sport and Culture Department		88,269



Jersey Harbours

Grantee	Reason for Grant	Amount £
Channel Islands Air Search	Monies for operation	8,000
Total – Jersey Harbours		8,000

Home Affairs Department

Grantee	Reason for Grant	Amount £
Prison? Me? No Way!	Contribution to annual running costs – three way partnership between Home Affairs, ESC and Housing	60,000
Jersey Domestic Violence Forum	Contribution to annual running costs	33,420
Victim Support Jersey	Contribution to annual running costs	30,000
Community Relations Trust	Contribution to annual running costs	27,500
Freedom for Life Ministries	Assist prisoners to resettle into the community	20,000
Jersey Sea Cadets	Contribution to annual running costs	10,000
Combined Cadet Force (Victoria College)	Contribution to annual running costs	10,000
Jersey Air Training Corps	Contribution to annual running costs	10,000
Jersey Army Cadet Force	Contribution to annual running costs	10,000
Community Relations Trust	One off funding to support a new programme of activity	7,700
Fire and Rescue Service Cadets	Contribution to annual running costs	5,000
Safer St Helier	Contribution to costs of Taxi Marshall Scheme	5,000
Jersey Search and Rescue	Start up costs	5,000
Street Pastors	Contribution towards the costs of providing consumable items	2,000
Total – Home Affairs Department		235,620



Housing Department

Grantee	Reason for Grant	Amount £
Le Squez Tenants Association	Rental of Garage	1,092
Tenants Forum & High Rise Panel	Secretarial Support	955
Parish of St Helier	Sponsorship of St Helier Garden Competition category	250
Liberation Court Tenant Group	Start up grant	250
Le Squez Tenants Association	Grant for Christmas party	175
Les Cinq Chenes Residents group	Start up grant	150
Convent Court Community Room	Community Day 2012	150
Le Squez Tenants Association	Unused grant returned	(32)
Total – Housing Department		2,990

Health and Social Services Department

Grantee	Reason for Grant	Amount £
The Jersey Family Mediation Service	Provision of service to separating or divorced couples to assist in reaching agreements	11,940
The Jersey Hyperbaric Treatment Centre	Contribution towards specific costs of the hyperbaric treatment centre	8,080
The Jersey Arts in Healthcare Trust	Provide therapeutic services through the promotion of the arts	4,330
Total – Health and Social Services Department		24,350

Judicial Greffe

Grantee	Reason for Grant	Amount £
Institute of Law	Assist with re-stocking hard copy law library	30,000
Jersey Legal Information Board	To assist with running costs	30,000
Jersey Family Mediation Service	To assist with running costs	23,000
Total – Judicial Greffe		83,000



Office of the Lieutenant Governor

Grantee	Reason for Grant	Amount £
HMS Iron Duke	Captain's Fund for HMS Iron Duke on behalf of the Island	30,000
Total – Office of the Lieutenant Governor		30,000

Social Security Department

Grantee	Reason for Grant	Amount £
Jersey Council for Safety and Health at Work	Promote occupational health and safety in the work place	28,935
Subsidies Public Sector Scheme	To assist people with disabilities into employment within the Public sector where the employing department contributed to an appropriate level of the person's salary equating to the person's ability	11,261
Workwise Training Allowance	Provide training and relevant qualifications to assist the unemployed in gaining work	253
Adaptation of the Workplace Grants	Provide specialised equipment for an individual who is encountering difficulties in their work place	215
Total – Social Security Department		40,664

Tourism Development Fund

Grantee	Reason for Grant	Amount £
The Jersey Heritage Trust	Ice Age Archaeology	67,898
National Trust For Jersey	Completion of Wetlands Visitor Centre	45,000
The Jersey Heritage Trust	Ice Age Interpretation	24,000
Music In Action Ltd	Music Festival	12,250
Jersey Battle of Flowers (Events) Ltd	New PA speaker system	10,604
Durrell Luxury Camping Project	Luxury Camp Site	6,500
Jersey Archive	Replacement software – online reading room	6,250
Jersey Chess Club	International Chess Tournament	5,000
Channel Island Occupation Society	Refurbishment of Bunker	4,999
Art In The Frame	Textile Workshop	4,966
Jersey Seseach	Marine guide for divers	4,883
St Helier Yacht Club	Yacht race Jersey event	1,500
Jersey Language Adventure	2 year marketing project	1,339
Spice Treasures & Trade	Craft festival	805
Total – Tourism Development Fund		195,994



Treasury and Resources Department

Grantee	Reason for Grant	"Amount £"
Community Savings & Credit Limited	Grant to support / assist individuals in difficult economic times	50,000
Total – Probation Department		50,000
Total other Grants and Subsidies		848,643
Total payments under Significant Schemes		5,010,787
Total significant Grants and Subsidies – see Accounts Note 9.12		31,363,155
Grand Total – Grants and Subsidies awarded in 2013		37,222,585



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