



THE TREASURER OF THE STATES
FINANCIAL REPORT AND ACCOUNTS 2000



States of Jersey Treasury

FINANCIAL REPORT AND ACCOUNTS 2000

Finance and Economics Committee

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Treasurer of the States

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President's Report

Finance and Economics Committee 2000 Financial Report and Accounts



The Financial Report and Accounts for 2000 provide an ideal opportunity for us all to take stock of past spending patterns and to consider whether, in the light of the latest information, future spending plans are affordable within the current structure of taxation.

In 2000, income arising from income tax rose by 3%, whilst income arising from Impôts duties increased by 3.7%, representing a yield from taxation some 2.2% (£8 million) below forecast.

This fall in the rate of growth in income has occurred in a year when net revenue expenditure of Non-Trading Committees increased by 10.4% (£29 million), after transfers from the General Reserve of £14.9 million. This, in a year which experienced a 4% increase in the Retail Price Index.

Whilst the States of Jersey remain in a strong financial position, there are some trends and factors apparent in the accounts for 2000, which the States need to carefully analyse and seek to understand. Firstly, without a change in policies, the rapid growth in public expenditure will inevitably add to inflationary pressures in future years. Secondly, the almost exponential rise in income tax receipts that we have been accustomed to in recent years, and which has fuelled high levels of spending, is now clearly levelling off.

We have accordingly revised our forecast for income tax receipts down, and shall monitor the flow of receipts over the coming year. The reduced forecasts will necessitate greater cash limit and capital expenditure discipline on the part of Committees, as to maintain expenditure at expected levels we shall not have the luxury of the substantial, easily accessed General Reserve of previous years. This reserve will, in the future, be of a size sufficient to fund only the most genuine of unforeseen contingencies.

Jersey has become a low tax jurisdiction with high public expenditure expectations. Not only do increases in expenditure at the levels experienced in 2000 threaten the financial stability of the economy through the potential effects upon inflation, they amount to nothing short of living beyond our means.

In the longer run it is now inevitable that, in order to live within those means, we shall have to face hard choices about whether current levels of, and expectations about, expenditure are sustainable. On past trends they are not.

Frank Walker

Senator F.H. Walker
24 April 2001

Treasurer's Report



1. INTRODUCTION

The Key features of the 2000 Accounts are:

Income

- Income tax receipts at £334 million were up 3% on 1999 representing a shortfall in income of £5 million against the budgeted increase of 4.6%.
- Income arising from Impôts duties rose by 3.7% to £34 million, against a budgeted rise of 12.3%, representing a shortfall of £2.8 million.
- Following the arrangement of previous years, whereby the Telecommunications Board and Committee for Postal Administration made accelerated repayments of Capital Fund advances, in lieu of making returns to the States, financial contributions of Trading Committees increased from £0.65 million in 1999 to £5.97 million in 2000.

Net Revenue Expenditure of Non-Trading Committees

- Rises in the expenditure of, in particular the Health and Social Services, Education and Employment and Social Security Committees, led to a significant increase to the budgeted net revenue expenditure of the States, which was further added to by transfers from the General Reserve of £14.9 million to fund un-budgeted revenue expenditure in the year. The result was a 10.4% increase in the net revenue expenditure of non-trading Committees, in a year for which the increase in the Retail Price Index stood at 4%.

Net Surplus on General Funds

- The combined effect of the slow down in increases to revenue from taxation and the accelerated growth in net revenue expenditure was that, after the transfer to the Capital Fund, instead of a General Funds surplus of £2.2 million, as budgeted, there was a deficit of £12.6 million, (before adjustment for additional items, not included within voted amounts).

Capital Expenditure

- Capital Expenditure for the year totalled £51.9 million (1999: £79.9 million), of which £31 million was financed from the Capital Fund, the remainder being financed out of General Funds, the ICT Fund and principally the Trading Funds.
- The main reason for the lower level of capital expenditure in 2000 was slippage in the development of a number of major capital projects. As a result of this, the cumulative unspent balance on authorised capital schemes carried forward at the year end was £126 million (1999: £101 million, 1998: £69 million).

Other States Funded Capital Expenditure

- In 2000, £10.9 million was transferred from the Capital Fund, to the Housing Development Fund. Significant transactions of that fund in 2000, included:
 - £8.8 million of expenditure incurred on developments during the year.
 - £8.4 million of development and interest subsidies paid to Housing Trusts.
 - Provisions of £9.4 million made in anticipation of development subsidies which will arise on developments currently under construction.
 - £4 million of funding advanced to the Waterfront Enterprise Board Limited in respect of the West of Albert Housing Development.
- The final £2.8 million tranche of share capital of the Waterfront Enterprise Board Limited was issued as fully paid to the States to enable further development of the waterfront. In addition a £10.9 million grant was made from the Tourism Investment Fund to the company, in respect of the Leisure Pool to be developed on the waterfront.

Strategic Reserve

- In 2000, £4 million was transferred to the Strategic Reserve. In addition to which the Reserve grew by £16.6 million, as a result of investment income arising on the fund. There was a further £12.4 million of unrealised gains on investments in the year. As a result the balance of the Reserve increased by £33 million to £335 million (inclusive of a Revaluation Reserve of £6.7 million).



Treasurer's Report

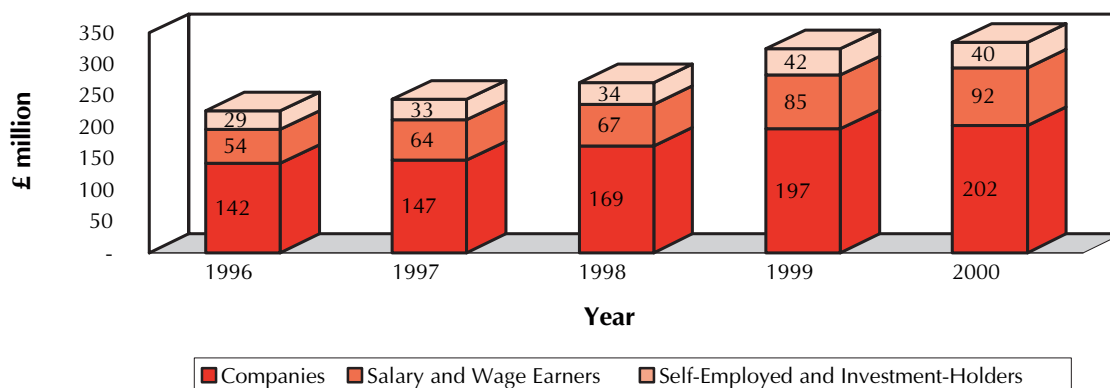
2. INCOME FROM TAXATION

2.1 INCOME TAX

The standard rate of income tax at 20 pence in the pound, the tax charged on International Business Companies and the Exempt Company charge at £600, yielded total tax income as follows:

	Actual 2000 £ million	Actual 1999 £ million	Increase/ (Decrease)
Salary and Wage Earners	92	85	8%
Self-Employed and Investment-Holders	40	42	(5%)
Companies	202	197	3%
	334	324	3%

Income Tax Yield



Tax in 2000 was largely produced from trading profits in 1998 and other income of 1999. The dramatic increase in 1999 (20%) has been followed by a considerably lower 3% in 2000. Looking forward, single digit percentage increases are likely to be the norm in the short to medium-term, due to a predicted slow down in the growth of the economy. The analysis below represents the tax charged for the 1999 year of assessment only and excludes additional amounts collected for prior years.



Treasurer's Report

2.1. INCOME TAX (continued)

Income Tax Charged for the Year of Assessment 1999 as at 31 December 2000

	1999 £ million	1998 £ million	Increase/ (Decrease)
1. BY INDUSTRY			
Agriculture	3.27	3.23	1.2%
Fishing	0.21	0.24	(12.5%)
Manufacturing	1.86	1.62	14.8%
Construction and Quarrying	6.19	5.37	15.3%
Wholesale and Retail	11.83	10.44	13.3%
Hotels and Restaurants	5.88	4.94	19.0%
Transport and Communications	2.14	1.75	22.3%
Financial Intermediation	152.82	150.56	1.5%
Real Estate (fee income)	0.32	0.26	23.1%
Health and Social Work	1.77	1.68	5.4%
Other business services	9.71	8.93	8.7%
Other community, social and personal services	7.17	6.70	7.0%
	203.17	195.72	3.8%
2. BY INDIVIDUALS			
Employees	92.99	83.91	10.8%
Rentiers and retired	21.67	23.07	(6.1%)
	114.66	106.98	7.2%
3. BY OTHERS			
Investment Holding Companies	13.17	10.17	29.5%
TOTAL	331.00	312.87	5.8%

Some industries in which there are only a very few traders are omitted to preserve their confidentiality. The above total includes an estimated £15 million that remains to be collected.

2.2. IMPÔTS DUTIES

Impôts duties yielded £34.0 million, £1.2 million more than in 1999, but £2.8 million less than that budgeted.

	Actual 2000 £ million	Actual 1999 £ million	Increase/ (Decrease)
Spirits	3.9	4.1	(4.9%)
Wines	4.0	3.9	2.6%
Beer	2.8	2.8	-
Tobacco	11.1	10.9	1.8%
Fuel	11.8	10.9	8.3%
Goods Imported	0.4	0.2	100.0%
	34.0	32.8	3.7%



Treasurer's Report

Declining consumption of beer, spirits and tobacco reduced the impact of increased duties arising from the Budget.

Duty increases arising from the Budget were reflected in increased yields from wine and fuel.

3. TRADING COMMITTEES

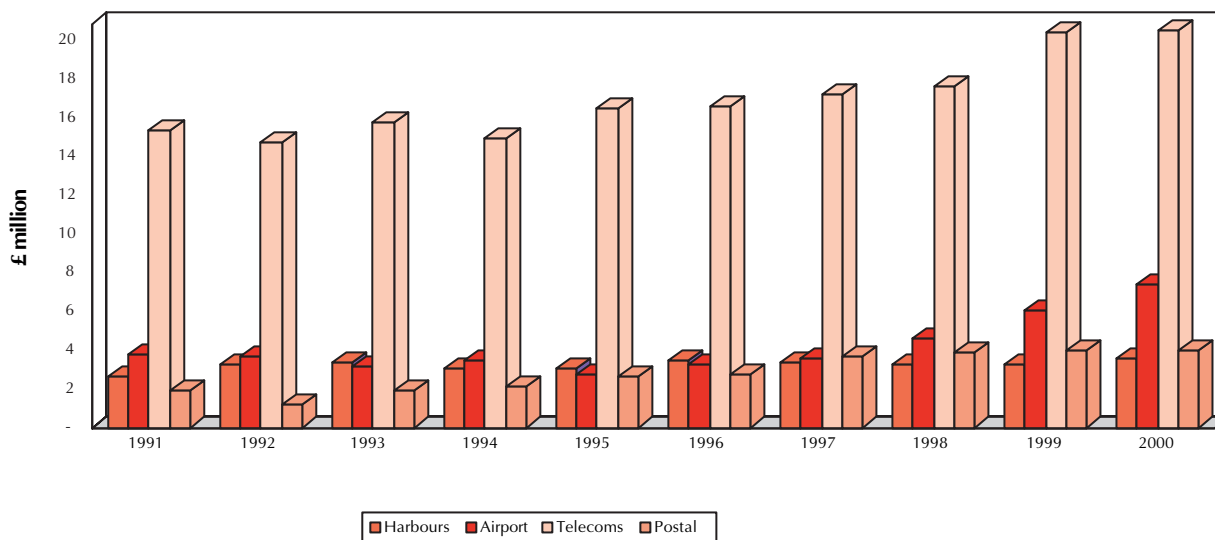
A summary of Trading Committees' profits (after Trading Fund expenses, capital servicing, depreciation and other adjustments) to Trading Funds are as follows:

	Adjusted Profits after Capital Repayments		Financial Returns		Net Transfer to Trading Funds	
	2000 £ million	1999 £ million	2000 £ million	1999 £ million	2000 £ million	1999 £ million
Harbours	1.1	0.7	0.5	0.5	0.6	0.2
Airport	5.4	3.7	-	-	5.4	3.7
Telecommunications Board	15.8	5.5	3.5	-	12.3	5.5
Postal Administration	3.4	1.2	2.0	0.2	1.4	1.0
	25.7	11.1	6.0	0.7	19.7	10.4

The increase in profits for 2000 compared with 1999 was partly due to repayments against advances from the Capital Fund made in 1999 by the Telecommunications Board and Committee for Postal Administration totalling £12.7 million.

The transfers to Trading Funds are to finance future investment in capital by the respective Trading Committees.

Trading Committees Gross Surplus*



* Gross Surplus is stated before Financial Returns and Capital Servicing costs.

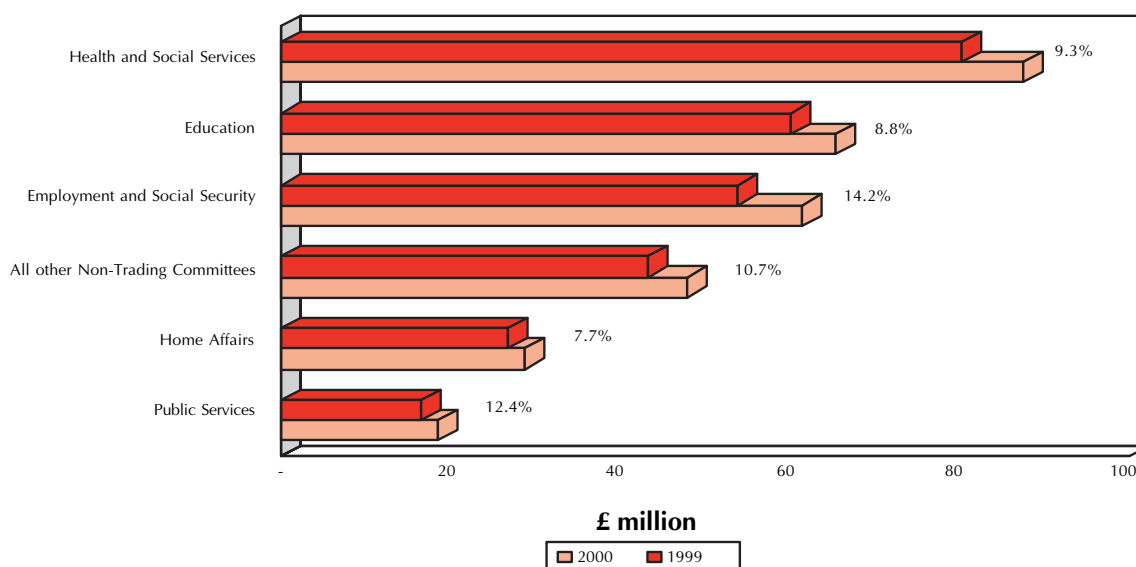
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4. NON-TRADING COMMITTEES

The total net revenue expenditure (excluding capital servicing) of Non-Trading Committees totalled £309 million (£280 million in 1999), of which 85% related to the Health and Social Services, Education, Employment and Social Security, Home Affairs and Public Services Committees, and was split as follows:

Net Revenue Expenditure with percentage increases/(decreases)



The above figures have been adjusted to incorporate transfers between Committees, so as to reflect the true increase in expenditure. The Net Revenue Expenditure of Non-Trading Committees includes expenditure from funds carried forward from 1999 and additional funds voted from the General Reserve as detailed in Section 10.

Notes:

1. The Health and Social Services Committee's net expenditure increased by £7.8 million in 2000, compared to 1999. Particularly significant increases in expenditure were in respect of the Division of Medicine (18%), the Division of Surgery (9%), Community Care Grants (12%) and Rehabilitation and Elderly Care (11%).
2. The Education Committee's net expenditure increased by £5.3 million in 2000 compared to 1999. Particularly significant increases were in respect of Primary and Pre-Education (7%), Secondary Education (10%), Special Needs Education (14%), Estates Management (22%) and ICT Support (113%).
3. The Employment and Social Security Committee's net expenditure increased by £7.6 million, compared to 1999. Particularly significant increases were in respect of the States' supplementation to the Social Security Fund (20%), Invalid Care and Disability Allowance (36%) and Disability Transport Allowance (16%).



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5. GENERAL FUNDS INCOME AND REVENUE EXPENDITURE

Year	Interest, Taxation and Trading Committees' Returns		Non-Trading Committees Net Revenue Expenditure *		Jersey RPI as at December
	£ million	Increase %	£ million	Increase %	Increase %
1990	214	10	150	15	9.4
1991	230	7	172	15	7.7
1992	253	10	190	10	5.5
1993	254	-	200	5	3.2
1994	257	1	210	5	2.7
1995	269	5	218	4	3.7
1996	271	1	227	4	3.6
1997	281	4	245	8	3.5
1998	312	11	266	9	4.0
1999	365	17	280	5	4.4
2000	384	5	309	10	4.0

1990-2000 Total Increase

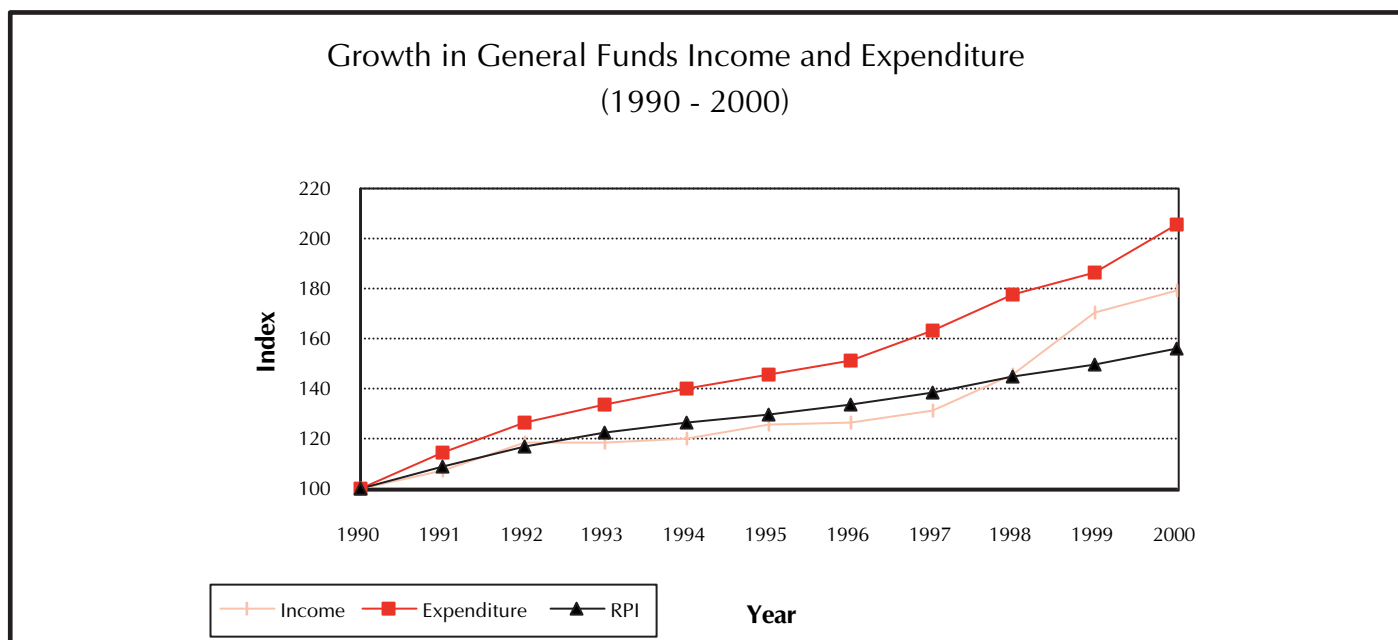
79%

106%

65%

* excludes capital servicing and exceptional items.

The following graph illustrates the growth in General Funds income and revenue expenditure compared with the growth in RPI over the years 1990 to 2000 (amounts rebased to 1990).



The balance of income over expenditure is either transferred to the:

- General Reserve: to enable additional costs and unforeseen expenditure requests to be met (section 9.1); or
- Capital Fund: to fund capital projects. Cash balances not used for capital are utilised to fund advances to borrowers through the various loan schemes administered by the States of Jersey. Transfers to the Strategic Reserve, agreed by the States, are made from the Capital Fund.

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6. RECONCILIATION WITH 2000 REVENUE BUDGET

In addition to the amounts voted to Committees in the 2000 Revenue Budget additional funds were made available from the following sources:

	£ million
Carry forward of Revenue Balances from 1999	6.97
Funds granted from the General Reserve	14.94
Other sources including transfers between Committees and funds transferred from Capital Votes, including Central IT Vote	0.66
	22.57

Details for individual Committees are as follows:

	Original Budget £ million	Carry Forward from 1999 £ million	General Reserve/ Other vote transfers £ million	Year End Budget £ million	Maximum Carry Forward to 2001 (2) £ million	2000 Expenditure £ million
Finance and Economics (1)	12.98	1.97	1.29	16.24	5.64	10.60
Human Resources	2.85	0.49	2.03	5.37	0.83	4.54
Health and Social Services	83.55	(0.18)	4.25	87.62	-	87.62
Education	63.89	0.49	1.45	65.83	0.40	65.43
Public Services	17.70	0.56	0.25	18.51	0.15	18.36
Agriculture and Fisheries	8.16	(0.18)	0.82	8.80	(0.21)	9.01
Tourism	7.70	0.23	0.07	8.00	0.14	7.86
Home Affairs	27.82	1.40	2.33	31.55	2.85	28.70
Employment and Social Security	61.50	0.12	0.40	62.02	0.49	61.53
Other Committees	13.88	2.07	2.71	18.66	2.98	15.68
	300.03	6.97	15.60	322.60	13.27	309.33

Notes:

1. The amount carried forward from 1999 includes sums to fund departmental expenditure (£760,000), ring-fenced non-departmental expenditure (£270,000) and provisions to meet the financial pressures of the Committee during the year in order to minimise requests for funding from the General Reserve.
2. These amounts were the maximum which were available, however the Finance and Economics Committee awarded carry forwards of £10.9 million in total.



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7. TOTAL GROSS EXPENDITURE

Expenditure charged to the Total Income and Expenditure Account can be analysed as follows:

	2000		1999	
	£ million	%	£ million	%
Staff	180.7	46.2	163.3	46.2
Premises	25.4	6.5	20.5	5.8
General Supplies and Services	36.7	9.4	35.9	10.2
Establishment Expenses	13.5	3.5	17.8	5.0
Grants and Subsidies	29.2	7.5	38.3	10.8
Social Security	56.9	14.6	49.6	14.0
Other Expenditure	48.5	12.4	27.8	7.9
Total Non-Trading Committees	390.9	100.0	353.2	100.0
Net Capital Repayments	21.7		39.4	
Separately Constituted Funds expenditure	27.9		9.8	
Non-Budgeted Items and General Reserve Provisions	6.1		2.8	
	446.6		405.2	

8. CAPITAL EXPENDITURE

Total States Capital Expenditure for the year amounted to £51.9 million (1999: £79.9 million) of which £31.0 million was financed from the Capital Fund. The breakdown of expenditure for 2000 is shown below:

Capital Expenditure financed from:	2000 £ million	1999 £ million
Capital Fund	31.0	60.6
Trading Funds	16.4	14.7
Vehicle and Garage Plant	1.0	0.7
ICT Fund	2.9	1.1
General Funds	0.6	2.8
	51.9	79.9

Those projects funded from the Capital Fund with spend of over £1 million in 2000 are listed below:

Committee	Project	Spend in 2000 £' 000	Spend to Date £' 000	Total Voted £' 000
Public Services	Sewer Reconstruction/Replacement	1,039	11,207	13,291
	Sewer Extensions	3,175	19,342	23,460
	Liquid Waste Treatment - Upgrading	1,967	6,985	7,427
Education	Jersey College for Girls Relocation (1)	1,174	18,408	17,771
Housing	Le Geyt Flat Phase IV	1,056	1,195	2,180
	Le Marais High-rise Phases I and II	1,023	7,609	8,000
	Grasset Park Refurbishment Phase II	2,342	2,344	3,840
Finance and Economics	Financial Information Systems Strategy (2)	2,795	2,795	1,800

Notes:

1. A budget sum of £945,000 has been earmarked in other Education Committee project votes to address the interim funding deficiency.
2. The Financial Information Systems Strategy (FISS) is being funded through leasing arrangements.

As at 31st December 2000, £126 million of capital expenditure approved by the States had yet to be incurred.

Treasurer's Report



9. RESERVES

9.1. GENERAL RESERVE

This is the States short-term Reserve used to fund unbudgeted items of expenditure such as pay awards, inflation on capital etc. The General Reserve allocation for 2000 was £24 million. At the year end £17.3 million of the General Reserve remained unspent (1999: £10.2 million), due in the main to timing differences. The majority of this balance has already been earmarked for identified contingencies, including provisions made against the General Reserve as at 31 December 2000 of £3.3 million.

Allocations from the General Reserve in 2000 can be summarised as follows:

	Revenue £' 000	Capital £' 000	Total Allocation £' 000
Policy and Resources	490	-	490
Finance and Economics	2,930	-	2,930
Human Resources	2,030	-	2,030
Planning and Environment	53	138	191
Health and Social Services	2,854	-	2,854
Education	864	1,327	2,191
Public Services	300	560	860
Agriculture and Fisheries	824	-	824
Tourism	66	-	66
Home Affairs	731	-	731
Employment and Social Security	396	-	396
Industries	540	-	540
Sport, Leisure and Recreation	212	-	212
Overseas Aid	248	-	248
Committee of Inquiry	50	-	50
All Committees Pay Awards	2,350	-	2,350
	14,938	2,025	16,963

Full details of the grants made from the General Reserve are reported to the States by the Finance and Economics Committee at six monthly intervals and can be found in RC32 and RC16.

9.2. STRATEGIC RESERVE

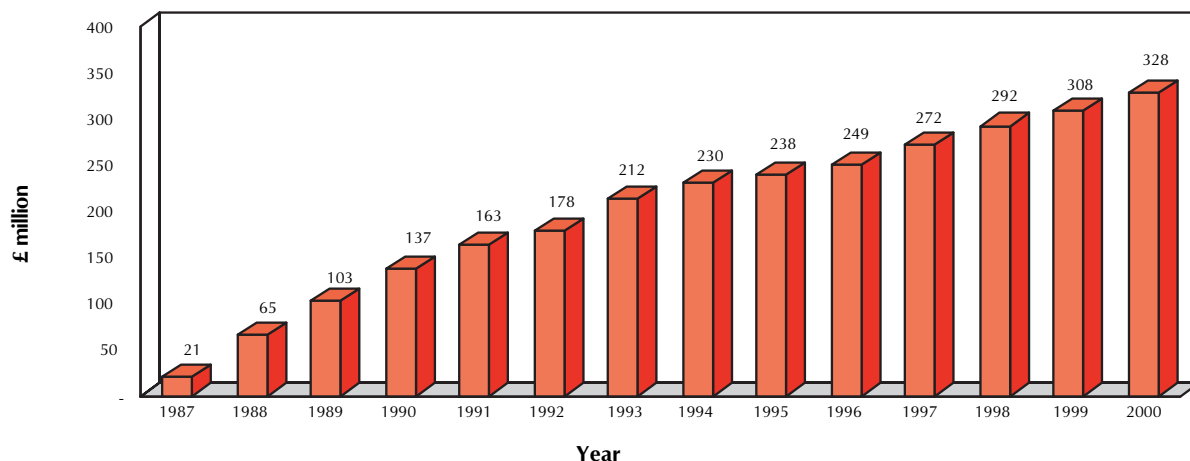
The Strategic Reserve is the States long-term Reserve, set up in the mid-1980s to provide a fund for the States to fall back on should Income Tax or other income suddenly become depressed. The balance on the Reserve at the end of 2000 was £328 million (1999: £308 million).

During 2000 £4 million was transferred into the Strategic Reserve from the Capital Fund, the remaining growth on the fund arising from net realised income of £16.6 million. In addition to realised gains in the year, unrealised gains of £12.4 million (1999 loss: £5.8 million) resulted from accounting for investments at their market value.

Treasurer's Report



The growth of the Strategic Reserve, excluding unrealised gains on investments is illustrated below:



10. BALANCE SHEET ISSUES

10.1. CASH BALANCES

Cash balances have increased by £22.3 million to £168 million at the end of 2000. The net movement can be summarised as follows:

	£ million	£ million
Cash balances as at 1 January, 2000		146.0
Add:		
Net Operating Activities	46.7	
Returns on Investments and Servicing of Finance	38.9	
Financing	0.9	
Net loans repaid	5.2	
		91.7
Less:		
Capital Expenditure and Financial Investments	47.0	
Investments Purchased	22.4	
		69.4
Cash balances as at 31 December, 2000		168.3

Full details of these figures can be found on the Cash Flow Statement included in the accounts.

The cash balances are held for a number of funds as follows:

	2000 £ million	1999 £ million
General Funds	17.2	10.2
Strategic Reserve	1.8	2.3
Capital Fund	87.1	60.4
Other Separately Constituted Funds	36.3	56.0
Trading Funds	25.9	17.1
	168.3	146.0

Treasurer's Report



10.2. JERSEY CURRENCY IN CIRCULATION

The value of Jersey Currency Notes and Coinage in circulation at 31 December 2000 was significantly lower than in 1999 largely due to the additional demand for notes over the millennium holiday period. Through the use of Jersey Currency Notes and Coins, the public of the Island have contributed to the £3.0 million surplus generated in 2000.

Currency in circulation and surpluses for the last five years are detailed below:

Year	Notes £ million	Coinage £ million	Total currency in circulation £ million	Net Surplus from currency in circulation £ million
1994	32.3	3.0	35.3	2.1
1995	35.6	3.2	38.8	2.5
1996	38.4	3.4	41.8	2.7
1997	40.5	4.1	44.6	2.7
1998	40.7	3.9	44.6	2.6
1999	56.4	4.2	60.6	2.7
2000	48.4	4.5	52.9	3.0

In addition to the net surplus from Currency in circulation in the year, arising from net realised gains, unrealised gains of £426,000 were made on marking investments held to market value.

Ian Black BSc (Econ) CPFA
Treasurer of the States
24 April 2001

Auditors' Report



To the President and Members of the Finance and Economics Committee of the States of Jersey

We have audited the annual accounts of the Treasurer of the States of Jersey on pages xiv to xxxi, as required by Article 11 of the Public Finances (Administration) (Jersey) Law, 1967. These accounts have been prepared under the historical cost convention as modified by the revaluation of investments and the accounting policies set out on pages xix to xxi.

Respective responsibilities of the Finance and Economics Committee, the Treasurer of the States and the States Auditor

The Public Finances (Administration) (Jersey) Law, 1967 requires the Finance and Economics Committee to cause the annual accounts of the Treasurer of the States to be prepared. The Finance and Economics Committee delegates the preparation of these accounts to the Treasurer of the States, who is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the accounts.

The Finance and Economics Committee is responsible for regulating, controlling and supervising the public finances of the Island and for ensuring that the provisions of the Public Finances (Administration) (Jersey) Law, 1967 and of any rules made thereunder, are duly complied with. The Committee is also responsible for ensuring that reasonable steps are taken to safeguard assets and to prevent and detect fraud or other irregularity.

The Treasurer is responsible for preparing the Financial Report including, as described above, the annual accounts. Our responsibilities, as States Auditor, are established by the Public Finances (Administration) (Jersey) Law, 1967, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the accounts have been properly drawn up and are in accordance with the books of account. We report to you if, in our opinion, the Treasurer's Report is not consistent with the accounts, if the Treasurer has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit. We also draw attention to any circumstances which in our opinion are contrary to the Public Finances (Administration) (Jersey) Law, 1967 or otherwise irregular.

We read the other information contained in the Financial Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit involves examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the States of Jersey, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts for the year ended 31 December 2000, have been properly drawn up and are in accordance with the books of account.

PricewaterhouseCoopers
Twenty Two Colomberie
St Helier
Jersey, Channel Islands
24 April 2001

States of Jersey



General Funds Income and Expenditure Account for the Year ended 31 December 2000

2000 Budget £'000		£'000	2000 Actual £'000	£'000	1999 Actual £'000
	Income				
339,000	Income Tax		333,697		323,977
36,790	Impôts Duties		34,003		32,767
3,300	Return from the Financial Services Commission		3,300		3,000
5,536	Return from Trading Committees		5,972		648
6,000	Interest Income		6,709		4,953
390,626				383,681	365,345
	Net Expenditure of Non-Trading Committees				
(83,550)	Health and Social Services	(87,621)			(79,830)
(63,890)	Education	(65,432)			(60,153)
(61,500)	Employment and Social Security	(61,524)			(53,877)
(27,820)	Home Affairs (formerly Defence and Prison)	(28,696)			(25,412)
(17,700)	Public Services	(18,360)			(16,341)
(12,975)	Finance and Economics	(10,605)			(11,708)
(8,165)	Agriculture and Fisheries	(9,014)			(8,256)
(7,700)	Tourism	(7,861)			(7,530)
(2,850)	Human Resources (formerly Establishment)	(4,545)			(5,404)
(3,927)	Overseas Aid	(4,336)			(4,106)
(4,200)	Sport, Leisure and Recreation	(3,904)			(3,946)
(2,486)	Planning and Environment	(2,579)			(2,046)
(2,229)	Policy and Resources	(3,225)			(1,727)
(1,038)	Other	(1,629)			52
(300,030)	Net Revenue Expenditure before Capital Repayments		(309,331)		(280,284)
(22,463)	Net Capital Repayments		(21,735)		(39,374)
(322,493)	Net Revenue Expenditure of Non-Trading Committees after Capital Repayments			(331,066)	(319,658)
68,133	Surplus for the Year			52,615	45,687
(65,913)	Less Amount Transferred to Capital Fund			(65,249)	(2,436)
2,220	Amount Retained in General Funds			(12,634)	43,251
	Reconciling Items				
	Amortisation of past service liabilities in School Teachers' Pension Fund			(2,276)	(2,276)
	Adjustments to Lease Finance Charges accounted for in General Funds Expenditure			110	(190)
	Leased Assets Depreciation Charge			(568)	(368)
				(15,368)	40,417

This Income and Expenditure Account includes the income and revenue expenditure which is subject to the budget process, in accordance with the Finance Law. It does not include the income and expenditure of the Strategic Reserve and other Separately Constituted Funds.

The 2000 Budget shown is the original Budget as approved by the States. The actual expenditure figures include items for which additional funds have been provided from the General Reserve, carried forward balances from 1999 and vote transfers.

States of Jersey



Total Income and Expenditure Account for the Year ended 31 December 2000

	Notes	2000 £'000	1999 £'000
Income			
Income Tax		333,697	323,977
Impôts Duties		34,003	32,767
Trading Committees' Income	106,117		
Trading Committees' Expenditure	(80,422)		
Trading Committees' Net Income		25,695	11,144
Non-Trading Committees' Income		78,534	68,345
Investment Income		22,920	22,690
(Loss) / Gain on Disposal of Investments		(3,606)	3,407
Return from Jersey Financial Services Commission		3,300	3,000
Interest Income		17,872	9,776
Sundry Income		5,762	3,055
		518,177	478,161
Expenditure		(446,605)	(405,162)
Surplus for the Year	3	71,572	72,999
Less:			
Retained in the Strategic Reserve		(16,566)	(22,924)
Transferred to Trading Funds		(20,753)	(9,722)
		34,253	40,353
Retained as follows:			
General Funds	16	(15,368)	40,417
Capital Fund	16	65,249	2,436
General Reserve	16	(3,327)	-
Other Separately Constituted Funds	16	(12,301)	(2,500)
		34,253	40,353

This Total Income and Expenditure Account includes all the income and revenue expenditure of the States of Jersey and therefore includes income and expenditure of the Strategic Reserve and the Other Separately Constituted Funds as well as that of the General Funds which, in accordance with the Law, is subject to the annual budget process.

Statement of Total Recognised Gains and Losses for the Year ended 31 December 2000

	2000 £'000	1999 <i>Restated</i> £'000
Surplus for the Year	71,572	72,999
Gain / (Loss) on Revaluation of Investments	12,868	(35,638)
Total Recognised Gains and Losses for the Year	84,440	37,361
Prior Year Adjustment	(1,935)	
Total Gains and Losses Recognised Since Last Annual Report	82,505	

States of Jersey



Balance Sheet as at 31 December 2000

	Notes	2000 £'000	1999 <i>Restated</i> £'000
Fixed Assets			
Tangible Assets	5		
Financed from Capital Fund		632,481	630,143
Financed from Trading Funds		73,563	63,348
Financed from General Funds		11,002	10,993
Vehicle and Garage Plant		2,801	2,686
Financed from ICT Fund		3,820	1,097
		723,667	708,267
Advances	6	71,236	76,453
Strategic Investments - Cost	7	26,781	23,981
Other Investments - Market Value	8	359,041	330,171
Current Assets			
Stock and Work in Progress	9	31,594	23,826
Debtors	10	88,695	68,953
Cash at Bank and in Hand	11	168,298	145,997
		288,587	238,776
Current Liabilities			
Creditors (Amounts due within one year)	12	77,376	75,443
Currency in Circulation	13		
- Jersey Currency Notes		48,373	56,425
- Jersey Coinage		4,514	4,237
		130,263	136,105
Net Current Assets		158,324	102,671
Total Assets Less Current Liabilities		1,339,049	1,241,543
Creditors (Amounts falling due after more than one year)	14	(24,030)	(23,652)
		1,315,019	1,217,891
Provisions for Liabilities and Charges	15	(12,688)	-
		1,302,331	1,217,891
Fund Employed			
Accumulated revenue and reserve balances	16	1,302,331	1,217,891

Ian Black BSc (Econ) CPFA
Treasurer of the States
24 April 2001



Cash Flow Statement for the Year ended 31 December 2000

	2000 £'000	1999 £'000
Operating Activities		
Net Cash Inflow from Operating Activities (note 1)	46,709	115,954
Returns on Investment and Servicing of Finance		
Investment Income	22,920	22,690
Interest Income	17,872	9,776
Interest Element of Finance Lease Rental Payments	(1,881)	(1,821)
Net Cash Inflow from Returns on Investments and Servicing of Finance	38,911	30,645
Capital Expenditure and Financial Investments		
Purchase of Plant, Property and Equipment	(51,861)	(79,930)
Receipts from Sale of Plant, Property and Equipment	4,883	243
	(46,978)	(79,687)
Loans Advanced	(2,597)	(6,905)
Loans Repaid	7,814	25,563
	5,217	18,658
Purchase of Investments	(174,687)	(212,051)
Proceeds from Disposal of Investments	152,279	199,501
	(22,408)	(12,550)
Financing	(64,169)	(73,579)
Lease Finance Obtained	2,078	4,090
Capital Element of Finance Lease Rental Payments	(1,228)	(319)
	850	3,771
Management of Liquid Resources		
Cash on Deposit at 1 January 2000	149,136	74,603
Cash on Deposit at 31 December 2000	165,468	149,136
Increase in deposits	(16,332)	(74,533)
Increase / (Decrease) in Cash	5,969	2,258



Reconciliation of Net Cash Flow to Movement in Net Funds

	2000 £'000	1999 £'000
Increase / (Decrease) in Cash in the Year	5,969	2,258
Cash used to Increase Liquid Resources	16,332	74,533
Net Cash Inflow from Lease Financing	(850)	(3,771)
Change in Net Funds	21,451	73,020
Net Funds at 1 January	121,319	48,299
Net Funds at 31 December (note 2)	142,770	121,319

Notes to the Cash Flow Statement

1. RECONCILIATION OF SURPLUS FOR THE YEAR TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2000 £'000	1999 £'000
Surplus for the Year	71,572	72,999
Capital Servicing / Depreciation	31,674	60,754
- Less: Gain on disposal of vehicles	(96)	(40)
- Less: Investment Income	(22,920)	(22,690)
- Less: Interest Income	(17,872)	(9,776)
Interest Element of Finance Leases	1,881	1,821
- Less: Surplus on Realisation of Investments	3,606	(3,407)
(Increase) / Decrease in Stock	(7,768)	(5,383)
Decrease / (Increase) in Debtors	(19,742)	10,618
(Decrease) / Increase in Creditors - due within one year	1,461	(4,944)
(Decrease) / Increase in Provisions	12,688	-
Increase in Currency in Circulation	(7,775)	16,002
	46,709	115,954

2. ANALYSIS OF NET FUNDS

	At 1 January 2000 £'000	Cash Flows £'000	At 31 December 2000 £'000
Cash in Hand and at Bank	(3,139)	5,969	2,830
Bank Deposit Accounts	149,136	16,332	165,468
Total Cash	145,997	22,301	168,298
Finance Leases	(24,678)	(850)	(25,529)
	121,319	21,451	142,770



Notes to the States of Jersey Accounts

1. ACCOUNTING POLICIES

(i) BASIS OF ACCOUNTS

The accounts have been drawn up on a basis consistent with previous years, except as noted below, to meet the requirements of the Public Finances (Administration) (Jersey) Law, 1967, as amended. The accounts have been drawn up as far as possible in accordance with generally accepted accounting practice but there are a number of departures, the most significant of which are as follows :

(a) Inter-Committee Transactions

Transactions and balances between Committees, including interest on capital servicing incurred by Trading Committees, have not been eliminated in the preparation of the accounts.

(b) Strategic Investments

Although the States of Jersey holds a majority of the ordinary voting shares in the Jersey Electricity Company Limited, Jersey New Waterworks Company Limited and the Waterfront Enterprise Board Limited, the accounts of these companies have not been consolidated as the Finance and Economics Committee believes that information is better provided by reference to the accounts of these companies.

However in the case of the Waterfront Enterprise Board Limited, extracts of the results and financial position for the year ended 31 December 2000 have been disclosed in the notes to the States of Jersey's Accounts due to the significant transactions undertaken by that company during 2000, in its capacity as wholly-owned subsidiary, developer and agent of the States of Jersey.

(ii) GENERAL

(a) Aggregation

The accounts reflect the aggregated income and expenditure accounts and the balance sheet of the States of Jersey including the results of Separately Constituted Funds.

(b) Capital Expenditure

Allocation of expenditure to capital or revenue is partly made on the basis of cost. Up to the year end projects below £100,000 funded from general funds were generally treated as revenue expenditure.

In accordance with Article 17 of the Public Finances (Administration) (Jersey) Law, 1967, capital expenditure financed from the Capital Fund or the Vehicle and Garage Plant Account (including the cost of land) is reimbursed from revenue over a period of years which normally equates to the estimated life of the asset acquired commencing in the year following completion or acquisition of the asset. The amount of capital repayment therefore approximates to any depreciation charge that would be applicable.

Capital expenditure financed by other means is depreciated over the remaining useful life of the asset commencing in the year following completion or acquisition.

Useful economic lives by category over which assets are depreciated or over which capital servicing is allocated have been estimated as follows:

Buildings	50 years
Infrastructure	10 - 30 years
Plant & Equipment	5 - 10 years
Fixtures & Fittings	5 - 10 years
Vehicles	5 years
Computer Hardware & Software	3 - 5 years

Capital expenditure financed by means of finance leases is depreciated over the remaining term of the lease or the remaining useful life of the asset, whichever is the lesser, commencing in the year following completion or acquisition.



Notes to the States of Jersey Accounts

1. ACCOUNTING POLICIES (continued)

(c) Leasing Arrangements

Assets financed by lease and lease-back arrangements, and their related liabilities are included in these accounts. These finance leases are capitalised at the estimated present value of the underlying lease payments. The corresponding lease obligations, net of finance charges, are included in creditors. The interest element of the finance charge is charged as revenue expenditure over the lease period in proportion to the outstanding debt.

Payments made under operating leases are charged to revenue expenditure in equal instalments over the period of the lease.

(d) Income Tax and Impôts

Income Tax is recognised when an assessment is raised; provisions are made for doubtful debts. Impôts duties are recognised when the goods are landed in Jersey.

(e) Creditors and Commitments

Revenue creditors and commitments include liabilities in respect of goods and services received and orders outstanding. Capital creditors include the cost of all work certified as complete up to the year end, less retention monies plus all fees due up to the date of the certificate.

(f) Provisions for Liabilities and Charges

Provisions have been made in respect of circumstances existing at the balance sheet date, but in respect of which no decision has been made by the States of Jersey, a Committee of the States, Court of Law or other applicable authority, so far as likely costs are estimable with reasonable certainty.

(g) Strategic Investments

Strategic Investments are stated at cost less provision for any permanent diminution in value. Profits or losses on disposal or redemption of investments are included in the income and expenditure account when realised.

Income on interest-bearing investments is recognised on an accruals basis. Income on other investments is recognised when receivable.

(h) Other Investments

Investments held other than for strategic purposes, principally for investment returns, are carried at market value.

This represents a change in accounting policy from previous years and has been made to reflect the overall investment performance and value of investments.

Profits or losses on disposal or redemption of investments are included in the income and expenditure account when realised.

Unrealised gains and losses on investments are included in the Statement of Total Recognised Gains and Losses.

Income on interest-bearing investments is recognised on an accruals basis. Income on other investments is recognised when receivable.



Notes to the States of Jersey Accounts

1. ACCOUNTING POLICIES (continued)

(i) Stock and Work in Progress

Stock and work in progress, which includes homes under construction, materials and spares are valued at the lower of cost and net realisable value.

(j) Pension Schemes

The States of Jersey operates two principal defined benefit pension schemes for certain of its employees. The assets are held in separate funds, and benefits are funded in advance.

The regular pension cost is charged to revenue expenditure over the employees' future working lives. Costs in addition to this are met on the basis that the overall employer's contribution remains at a stable percentage of payroll. These costs are assessed in accordance with the advice of a qualified actuary.

(k) Special Funds and Social Security Funds

The accounts do not include Special Funds, such as legacies and bequests, which are administered by the States of Jersey. The Social Security Fund, Social Security (Reserve) Fund, and Health Insurance Fund are also excluded from these accounts.

(l) Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated to sterling at rates current on the balance sheet date. All foreign exchange differences are included in income and expenditure for the year.

2. PENSION SCHEMES

The States of Jersey operates two principal pension schemes, namely the Public Employees' Contributory Retirement Scheme and the Teachers' Superannuation Pension Fund. Both are contributory, defined benefit schemes which are funded in accordance with the recommendations of an independent actuary.

(a) Public Employees' Contributory Retirement Scheme - PECRS

The Scheme is open to all public sector employees (excluding teachers) over 20 years of age. Membership is optional for employees aged between 20 and 30, but obligatory for those over 30.

The Scheme is managed by a Committee of Management which has established four sub-committees to investigate and report on complex technical issues.

The market value of the scheme as at 31 December 2000 was £752 million. The States of Jersey contribution to the scheme in 2000 was £21.7 million.

The Actuarial Valuation of the Scheme as at 31 December 1998, dated 14 July 2000, indicated that the scheme had a deficit of £22.2 million. This represents less than 2.5% of the value placed on members benefits and is equivalent to a rate of future contributions of 0.20% of members salaries. The Actuaries concluded that this deficit was temporary in nature and could be carried forward to the next Actuarial Valuation as at 31 December 2001. The Employer's contribution rate has continued to be paid at a rate of 15.16% of members salaries.

A unique element of the funding of the scheme is the treatment of the past service liability for which the Employer is contributing 0.87% over an indefinite time period. As at 31 December 1998, the Actuaries estimated the market value of the past service liability as £127.9 million.

As the Employers' deficiency contribution is based upon the number of members in the scheme, any reduction in membership could lead to additional pressures on the scheme's finances.

At the present time, discussions are in progress between the States of Jersey and the Committee of Management, as to the possibility of funding past service deficiency over a finite period.

Notes to the States of Jersey Accounts



2. PENSION SCHEMES (continued)

(b) Teachers' Superannuation Fund (TSF)

Membership of the Scheme is compulsory for all teachers in full time employment. The market value of the scheme as at 31 December 2000 was £196.2 million. The States of Jersey contribution to the scheme in 2000 was £2.6 million.

The Actuarial Valuation as at 31 December 1996 revealed that there was a deficit of £26.9 million, assuming that future pension increases would be financed from the fund. The Actuary recommended that a supplementary rate of 2.6% be added to the combined contribution to cover this deficit and administration costs; and that the combined standard contribution rate be increased from 15.95% to 20% to cover future demands on the fund. The total combined contribution rate would therefore be increased to 22.6% with the Employer's contributions increasing from 9.95% to 16.6%. Members' contributions would remain at 6.0%.

Part way through 1999, at a meeting between representatives of the Education Committee, the various teacher representative bodies and representatives of the Human Resources Committee, an outline proposal was put forward which would permit current teachers to transfer to the PECRS.

A vital part of the transfer process will be to ensure that those members of the TSF, who have options to exercise when moving across, receive appropriate and impartial advice and guidance before making irrevocable decisions.

Work undertaken by the Actuaries to the PECRS indicates that, assuming all members take up the option to transfer to PECRS under the "existing member" regulations, the combined contribution rate for teachers will increase to around 24.5%. However, discussions are continuing between the Human Resources and Finance and Economics Committees to determine the way forward with regard to funding and, pending this and the options exercise to be undertaken during 2001, the eventual financial implications are uncertain.

Pending a decision on the above, the combined contribution rate has remained at 15.95% and pension increases have continued to be financed from the Education Committee's revenue vote.

A full actuarial valuation has not been carried out on the fund as at 31 December 1999 (the date the next valuation was due) as the actuary to the PECRS has carried one out as at 31 December 1998 with regard to the transfer.

3. SURPLUS FOR THE YEAR

	2000 £'000	1999 £'000
The surplus for the year is stated after charging / (crediting):		
Depreciation and Capital Servicing	31,674	60,754
Pension Costs	26,546	24,576
Finance Lease Charges	1,881	1,821
Provisions against the General Reserve	3,327	-
Provisions against the Housing Development Fund	9,361	-
Profit on disposal of fixed assets	(96)	(40)
Audit Fees	140	130



Notes to the States of Jersey Accounts

4. EMPLOYEES AND STATES MEMBERS

Details of the numbers of employees for whom the total costs of employment to the States (including pension costs) exceeded £50,000 for the year ended 31 December 2000 are as follows:

Earnings	2000	1999
£50,000 - £54,999	164	145
£55,000 - £59,999	113	90
£60,000 - £64,999	64	59
£65,000 - £69,999	56	37
£70,000 - £74,999	23	9
£75,000 - £79,999	13	20
£80,000 - £84,999	14	21
£85,000 - £89,999	21	18
£90,000 - £94,999	16	7
£95,000 - £99,999	6	7
Over £100,000	23	10

During the year States' Members income supplements totalling £665,676 (1999: £559,423) were claimed by 29 States Members (1999: 24) and expense allowances totalling £451,206 (1999: £428,235) were claimed by 53 States Members (1999: 53).

5. TANGIBLE ASSETS

	Capital Fund £'000	Trading Funds £'000	General Fund £'000	Vehicle and Garage Plant £'000	ICT Fund £'000	Total £'000
Cost						
Balance at 1 January 2000	947,076	68,393	11,361	5,429	1,097	1,033,356
Additions	31,008	16,314	577	1,020	2,942	51,861
Disposals	(4,645)	-	-	(699)	-	(5,344)
Balance 31 December 2000	973,439	84,707	11,938	5,750	4,039	1,079,873
Depreciation / Capital Servicing						
Balance 1 January 2000	316,933	5,045	368	2,743	-	325,089
Charge for the year	24,025	6,099	568	763	219	31,674
Disposals	-	-	-	(557)	-	(557)
Balance 31 December 2000	340,958	11,144	936	2,949	219	356,206
Net Book Value						
31 December 1999	630,143	63,348	10,993	2,686	1,097	708,267
31 December 2000	632,481	73,563	11,002	2,801	3,820	723,667



Notes to the States of Jersey Accounts

5. TANGIBLE ASSETS (continued)

	Capital Fund £'000	Trading Funds £'000	General Fund £'000	Vehicle and Garage Plant £'000	ICT Fund £'000	Total £'000
Analysis of additions by Committee						
Housing	6,236	-	529	-	-	6,765
Education	5,326	-	-	-	2,942	8,268
Public Services	8,370	2	-	-	-	8,372
Health and Social Services	3,240	-	-	-	-	3,240
Planning and Environment	2,449	-	-	-	-	2,449
Harbours	-	146	-	-	-	146
Airport	-	2,147	-	-	-	2,147
Telecoms	-	12,725	-	-	-	12,725
Postal	-	1,294	-	-	-	1,294
Other	5,387	-	48	1,020	-	6,455
	31,008	16,314	577	1,020	2,942	51,861

Assets acquired before 1967 are excluded from the above analysis. The net book value is the total cost of all assets less depreciation and capital servicing costs where appropriate and will therefore not reflect the total current value of the States assets.

Assets held under finance leases, capitalised in the Capital, General and Trading Funds:

	2000 £'000	1999 £'000
Cost	27,423	25,345
Aggregate Depreciation	2,851	1,161
Net Book Amount	24,572	24,184

6. ADVANCES

	2000 £'000	1999 £'000
Analysed by Fund:		
General Funds	14,515	15,261
Dwelling Houses Loan Fund	33,218	35,850
99 Year Leaseholders Account	2,185	3,016
Assisted House Purchase Scheme	7,961	8,219
Agricultural Loans and Guarantees Fund	13,103	13,854
Loan Scheme for Fisherman	254	253
	71,236	76,453
Maturity Analysis:		
Due within one year	364	180
Between one and two years	272	474
Between two and five years	1,691	1,655
In five years or more	68,909	74,144
	71,236	76,453



Notes to the States of Jersey Accounts

7. STRATEGIC INVESTMENTS

	2000 £'000	1999 £'000
General Funds		
Jersey Electricity Company Limited	1,055	1,055
Jersey New Waterworks Limited	5,666	5,666
Waterfront Enterprise Board Limited	20,000	17,200
Telecommunications Board Trading Fund	60	60
	26,781	23,981

The shares in the Jersey Electricity Company Limited, which are listed, had a market value of £34,200,000 (1999: £34,200,000) at the year end. However due to the size of this shareholding, it may not be possible to realise this amount in the market.

The Waterfront Enterprise Board Limited, a wholly owned subsidiary of the States of Jersey, undertakes significant transactions on behalf of the States, in its capacity as developer and agent. Accordingly, extracts of the Audited Annual Report of that Company for the year ended 31 December 2000 are included below.

Income and Expenditure Account

	2000 £'000	1999 £'000
Income		
Bank Interest	233	104
Other Income	112	58
Revenue Expenditure	345	162
Salaries and Emoluments	286	283
Maintenance of developments	275	150
Other	203	230
	764	663
Net Deficit for the Year	(419)	(501)
Funded by a Revenue Grant from the Finance and Economics Committee	419	501

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Notes to the States of Jersey Accounts

Balance Sheet	2000 £'000	1999 £'000
Fixed Assets		
Completed Developments	16,815	12,232
Developments in the course of construction	3,738	5,499
Other	25	19
	20,578	17,750
Current Assets		
Debtors	139	923
Cash at bank and in hand	14,986	928
	15,125	1,851
Current Liabilities - due within one year		
Amounts due to the States of Jersey - Revenue Grant	162	91
Other Creditors and Accruals	550	1,018
	712	1,109
Total Assets less Current Liabilities	34,991	18,492
Capital Funding from the States of Jersey *	(14,991)	(1,292)
Net Assets	20,000	17,200
Equity Shareholders Funds	20,000	17,200

* Capital Funding administered on behalf of the States of Jersey, comprises a Capital Grant from the Tourism Investment Fund of £10.9 million and interest thereon, in respect of the Leisure Pool on the waterfront, and financing from the Housing Development Fund of £4 million in respect of the West of Albert Housing Development.

8. OTHER INVESTMENTS	2000 £'000	1999 £'000
Market Value Analysed by Fund:		
Strategic Reserve	328,827	295,938
Jersey Currency Notes	29,201	32,460
Jersey Coinage	1,013	1,773
Total Market Value	359,041	330,171
Total Cost	348,108	332,106
9. STOCK AND WORK IN PROGRESS	2000 £'000	1999 £'000
Analysed by Fund:		
General Funds	6,517	6,621
Jersey Currency Notes	907	620
Jersey Coinage	224	301
Housing Development Schemes	23,946	16,284
	31,594	23,826
Analysed by type:		
Raw Materials and consumables	7,413	7,494
Work in progress	18,282	10,433
Finished goods	5,899	5,899
	31,594	23,826



Notes to the States of Jersey Accounts

10. DEBTORS	2000 £'000	1999 £'000
Income Tax debtors	19,287	13,760
Trade debtors and amounts owed by internal departments	29,479	32,148
Advances to Waterfront Enterprise Board Limited	14,991	-
Teachers' Superannuation Fund past service pension liabilities prepaid	18,210	20,486
Prepayments and accrued income	6,728	2,559
	88,695	68,953
11. CASH AND OTHER LIQUID ASSETS	2000 £'000	1999 £'000
Bank deposit accounts	165,468	149,136
Bank current accounts	(387)	(5,920)
Cash in hand and in transit	3,217	2,781
	168,298	145,997
12. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	2000 £'000	1999 £'000
Trade Creditors and amounts due to internal departments	41,029	40,608
Deficit in School Teachers Pension Fund	26,900	26,900
Accruals and deferred income	7,948	6,908
Finance Lease creditor (Note 20)	1,499	1,027
	77,376	75,443
13. CURRENCY IN CIRCULATION	2000 £'000	1999 £'000
Jersey Notes issued	54,600	58,925
Less: Jersey Notes held	(6,227)	(2,500)
	48,373	56,425
Jersey Coinage issued	5,900	5,560
Less: Jersey Coinage held	(1,386)	(1,323)
	4,514	4,237
	52,887	60,662
Currency in circulation is repayable to the bearer on demand.		
14. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2000 £'000	1999 £'000
Finance Lease creditor (Note 20)	24,030	23,652
15. PROVISIONS FOR LIABILITIES AND CHARGES	2000 £'000	1999 £'000
	12,688	-



Notes to the States of Jersey Accounts

16. ACCUMULATED REVENUE AND RESERVE BALANCES

	Total	General Funds	Capital Fund	Trading Funds	Strategic Reserve	General Reserve	Other Separately Constituted Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2000 <i>(restated)</i>	1,217,891	36,149	741,354	63,852	301,733	10,234	64,569
Surplus for the Year	71,572	(15,368)	65,249	20,753	16,566	(3,327)	(12,301)
Unrealised gain on investments in the year	12,868	-	-	-	12,442	-	426
Transfers between Funds and Reserves	-	(9,062)	(12,875)	-	4,000	7,037	10,900
Balance 31 December 2000	1,302,331	11,719	793,728	84,605	334,741	13,944	63,594

Notes:

(a)

(b)

	2000 £'000	1999 £'000
a. The balance on General Funds is analysed as follows:		
Income and Expenditure Account retained in accordance with the Law	13,953	35,657
Provision for non-budgeted items	(11,867)	(9,133)
Public Investments Reserve	6,721	6,721
Public Services Vehicle and Garage Plant Account	2,912	2,904
	11,719	36,149
b. The Surplus on the Strategic Reserve is analysed as follows:		
Investment Income and Interest	20,552	20,114
Profit / (Loss) on disposal of Investments	(3,701)	3,070
General Expenses	(285)	(260)
	16,566	22,924

17. RECONCILIATION OF MOVEMENT IN FUNDS EMPLOYED

	2000 £'000	1999 £'000
Total surplus for the year	71,572	72,999
Unrealised gain / (losses) on investments	12,868	(35,638)
Capital Receipts	-	169
Net additions to States Funds in the year	84,440	37,530
Opening Funds	1,217,891	1,180,361
	1,302,331	1,217,891

Notes to the States of Jersey Accounts



18. CONTINGENT LIABILITIES

- (i) Contingent liabilities include a claim by Les Pas Holdings Limited to legal title of an area of foreshore bordering La Fief de la Fosse. The claim is contested.

On 3 February 1998 the States decided to acquire by compulsory purchase such interest as Les Pas Holdings Limited might have in those areas of foreshore which lay to the west of the Albert Pier, and on 22 July 1998, the Royal Court made an order vesting such interest in the public.

On 7 October 1998 the States further decided to acquire by compulsory purchase such interest as the Seigneur of the Fief, from whom Les Pas Holdings Limited claimed to have acquired title, might have in the same area of foreshore, and on 12 February 1999 the Royal Court made an order vesting that interest in the public.

Compensation (if any) will be determined by an Arbitration Board in due course. If the litigation is decided in favour of the States there will be no compensation payable. No provision has been made in these accounts for the claim or for the compulsory purchase compensation as the claim is believed to be without merit and is being vigorously resisted by the States of Jersey.

- (ii) The Royal Court has quashed a decision by a Board of Arbitrators which determined the compensation payable by the States for land at Belle Vue, St Brelade, which had been acquired by compulsory purchase. The result of this decision is that the appropriate figure for compensation must now be determined by a new Board of Arbitrators. No provision has been made in these accounts for the award as it is not possible to determine the outcome with any degree of certainty.
- (iii) In connection with leasing arrangements to finance the construction and acquisition of Morier House, the States of Jersey entered into an option on an interest rate swap arrangement between the lessor of Morier House and HSBC Bank Plc. The option gives HSBC Bank Plc the unconditional right at the end of seven years (2003) to have the swap assigned into the name of the States of Jersey for the remaining 18 years of the life of the swap.
- (iv) There are a number of situations which could give rise to costs which the States of Jersey may be obliged to finance. In instances where uncertainties exist over both the likely outcomes of these situations and the potential liabilities which could arise from them, no provision for these costs has been made in these accounts.
- (v) There are also a number of other threatened and pending actions which would result in claims against the States of Jersey. Due to the uncertainties over both the likely outcomes of these actions and the potential liabilities which could arise if any of the actions were successful, no provision for these claims has been made in these accounts.

19. GUARANTEES AND COMMITMENTS

The States of Jersey have provided a guarantee to Midland Bank Plc up to a maximum of £16.2 million for amounts outstanding in respect of loans to the Jersey New Waterworks Company Limited.

In addition the States of Jersey have provided a guarantee to Barclays Bank Plc up to a maximum of £5.5 million for amounts outstanding in respect of a loan to the Jersey Arts Trust in connection with the renovation of the Opera House.

The Housing and Finance and Economics Committees have agreed to provide financial support to various Housing Trusts in respect of bank loans. The Finance and Economics Committee issues 'letters of comfort' to the banks in respect of such loans. These letters of comfort do not constitute guarantees. As at the year end, letters of comfort, in respect of loans totalling £67 million, were in issue.



Notes to the States of Jersey Accounts

20. LEASE COMMITMENTS

The States of Jersey have entered into lease and lease-back arrangements to finance the development of certain capital projects. At 31 December 2000, the States had commitments to make the following payments under these arrangements:

	2000 £'000	1999 £'000
Payable within one year	3,350	2,861
Payable between two and five years	11,821	10,760
Payable after more than five years	27,100	29,364
	42,271	42,985
Less: future finance charges	(16,742)	(18,306)
	25,529	24,679
Amounts falling due within one year	1,499	1,027
Amounts falling due after one year	24,030	23,652
	25,529	24,679

The States of Jersey also have the following annual operating lease commitments in respect of premises.

	2000 £'000	1999 £'000
Leases expiring:		
Within two years	531	390
Between two and five years	248	209
Over five years	257	285
	1,036	884

21. CAPITAL COMMITMENTS

At the balance sheet date the States had authorised capital expenditure of £126 million (1999: £101 million) which had not yet been incurred.

There are also a number of outstanding contractors' claims in respect of capital projects which may give rise to substantial payments when settled. In view of the significant uncertainty surrounding the outcome of some of these claims no provision has been made in these accounts, although it is intended that any awards in favour of the contractors will be funded from the General Reserve, if the existing capital (or other funding) approved, proves to be insufficient to meet any such obligations.

Notes to the States of Jersey Accounts



22. REVIEW OF THE STATES OF JERSEY RISK PROFILE

(a) Objectives, Policies and Strategies

Whilst the States of Jersey are not required to comply with the requirements of Financial Reporting Standard 13: Financial Instruments, it is considered useful to provide certain information relating to certain Financial Instruments which are material in the context of the accounts as a whole.

(b) Strategic Reserve

The States of Jersey maintains a significant investment portfolio with two fund managers within the Strategic Reserve Fund.

The objective of the Fund is to obtain long-term gains through a low risk investment policy.

The portfolio is actively managed, and is invested in corporate and government bonds, with cash balances (including short-term cash deposits) maintained sufficient to finance investment transactions.

Foreign exchange exposure is partially hedged through the use of various financial instruments. Financial Instruments are not used for speculative purposes.

Exchange profits or losses are included in the Total Income and Expenditure Account for the year.

(c) Currency Notes

The States of Jersey maintains a portfolio of UK Government bonds and short-term cash deposits within the Currency Notes Fund.

The objective of the portfolio is to obtain long-term gains through a low risk investment policy.

The bonds were purchased for long-term gain and will be held to maturity. Cash balances are held in short-term deposits.

There is no foreign exchange exposure.

(d) General Funds and Other Separately Constituted Funds

Significant cash balances are maintained within General Funds and Other Separately Constituted Funds.

These cash balances are placed on short-term deposits, with sufficient balances maintained in accounts to meet day to day liquidity requirements.

Exchange profits or losses are included in the income and expenditure account for the year.



Committee's Revenue Expenditure



Policy and Resources

2000 was a demanding year for the Policy and Resources Department, with a very wide range of business on both domestic and international fronts. The Department grew in size with the transfer to it at the beginning of the year of the Computer Services Department, formerly part of the Human Resources Department. Core tasks undertaken by the Department included an oversight of the final round of departmental service reviews, capital spending allocations, maintaining the Island-wide statistical series, and corporate IT policy and projects, over and above the Department's general role of developing and co-ordinating States-wide policy.

Work on various important dossiers continued or was instituted: race relations strategy, preparations for the introduction and implementation of the Human Rights Law, e-government strategy and promoting Jersey as an e-commerce centre, for example. Work continued on a major consultative process aimed at seeking to develop proposals towards an Island-wide 'sustainability strategy'. The ongoing Island-wide debate about 'population policy' continued to consume a considerable amount of time and effort on the Department's part, including consideration of an Island-wide smart card. A significant 'first' was the Department representing the States at the United Nations in New York to report on Jersey's very positive human rights record. The Department led a major review of strategy towards the planned incorporation of Jersey Telecoms and Jersey Post, and developed outline proposals for the progressive liberalisation of the Island's telecommunications market.

International business continued to loom large on the Department's agenda. Considerable effort was invested, as usual, into maintaining good relationships with the Home Office and into briefing and reporting on UK and EU policy matters of interest, or often concern, to Jersey. Good relations were maintained with colleagues in the other Crown Dependencies.

Above all, effort and resources continued to be devoted to analysis, briefing and diplomacy in relation to OECD and EU initiatives to tackle so-called 'harmful' tax competition. These international initiatives, aimed directly at international finance centres such as Jersey are potentially of very great significance to Jersey and at all times during the year work on these was given priority in the Department. An entirely new international development, with very positive implications for Jersey, was the Island's membership of the British-Irish Council, in which Jersey has opted to take the lead on 'knowledge economy' matters.

A particular feature of the year was the development of close working relations with the Treasury and the new Department for Economic and Commercial Development, and other parts of the States administration, on fiscal and economic policy. Analytical capability was strengthened not only by the eventual recruitment of an Economic Adviser to complete the Department's senior team, but also through a contract with a leading UK economics consultancy to provide analytical capability and policy advice on all aspects of the Island's economy. This initiative was undertaken with the Finance and Economics, and Industries, Committees and arrangements were put in place to ensure the best possible policy co-ordination between them and the Policy and Resources Committee.

Net Revenue Expenditure - Committee Analysis

2001 Estimate £	2000 Voted £		2000 Actual £	1999 Actual £
2,766,000	4,081,600	Policy and Resources	3,224,895	1,727,146

Expenditure and Income Category

1999 Actual £		2000 Actual £
	Expenditure	
597,835	Staff	1,905,819
129,610	Premises	215,392
105,812	Supplies and Services	1,042,227
894,128	Establishment	861,524
-	Transport	2,651
1,727,385	Total	4,027,613
	Income	
239	Sales of Services	632,587
-	Recharges	170,131
239		802,718
£ 1,727,146	Net Revenue Expenditure	£ 3,224,895



Finance and Economics

The Finance and Economics Committee is responsible for the prudent stewardship and sound management of the finances of the States.

The breadth of duties of the Committee means that it is served by many States Departments. The diversity of the departments under the Committee's remit can be seen on its detailed financial pages.

The Committee's net expenditure for the year (excluding Capital Servicing charges) was £10.6 million, which was £5.6 million (34.7%) less than the amount voted for the year. The Committee will return £2.3 million of this surplus back to the States general revenues. The remaining amount will be allocated primarily to the Finance and Economics Committee Departments and to meet additional non-departmental funding requirements in 2001.

The Committee was in this favourable position mainly because income of £19.1 million (excluding interest received on capital debt) was £4.9 million (34.2%) higher than the amount voted for the year of £14.2 million. Expenditure (excluding the repayment of capital debt) has been tightly controlled and was 2.5% less than voted at £29.7 million. The main variances relate to:

- stamp duty - an additional £1.83 million, an increase of 23.8% over the original amount estimated, was received in 2000. The Committee had predicted that income would continue to grow in this area, however, the continuing upward trend in the property sales and borrowing markets has been reflected in the increased level of income generated in this area. The 2001 estimate has been increased to a more realistic level;
- other income - this relates to the re-assessment of prior year obligations by all States Committees which has resulted in unexpected income of £2.3 million. This fortuitous return of funds is outside of the Committee's control and had rightly not been budgeted for;
- currency and coinage - an additional £392,700, an increase of 15.3% over the amount estimated for the year of £2,560,000, was generated from the issue of Jersey currency and coinage.

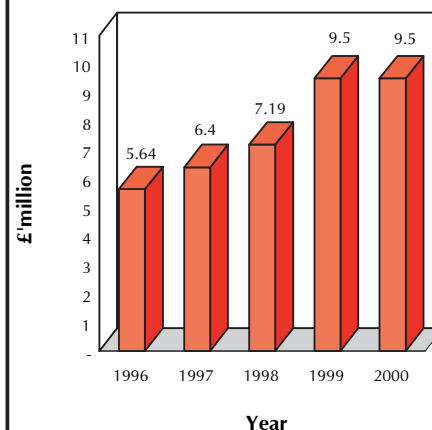
Expenditure on Court and Case Costs exceeded the 2000 budget of £1 million by £1.6 million and the Committee was unable to meet these additional costs without recourse to the General Reserve. Court and Case Costs expenditure was reviewed by the Committee's Audit Committee in 1999. As a result, a number of improvements to the current procedures were recommended which will enhance financial accountability, budgetary control and value for money. As yet, a co-ordinated plan for their implementation has not been considered by the Committee, although Departments have been working towards implementation, where practicable, on an individual basis. The Committee will be considering increasing its 2002 cash limit in order to establish a more realistic budget.

During the course of 2000 the Committee provided further support to the Jersey Arts Trust in the form of assistance, totalling £250,000, with the costs of furniture and equipment for the Opera House.

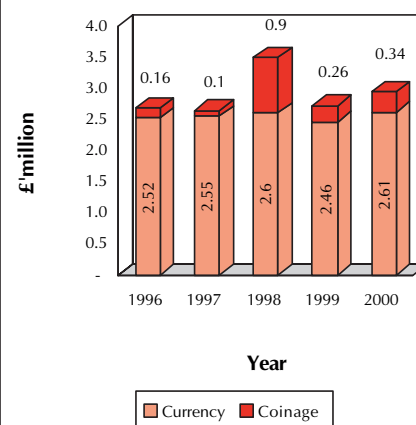
The Committee was also able to allocate additional funding of £123,500 to meet the costs associated with the increased number of States Members receiving Income Support.

Other expenditure, totalling £1.6 million, includes unforeseen items such as a £650,000 grant to the Jersey Aero Club, £416,200 in respect of Airport passenger subsidies and £150,000 by way of a contribution towards the establishment of Jersey Finance Limited.

Stamp Duty - 1996 to 2000



Currency Surplus - 1996 to 2000





Finance and Economics

Net Expenditure - Service Analysis

2001 Estimate £	2000 Voted £		2000 Actual £	1999 Actual £
636,600	694,900	Bailiff's Chambers	730,208	621,120
3,027,900	3,637,100	Law Officers' Department	3,403,678	2,990,871
2,433,400	3,284,300	Judicial Greffe	3,203,444	2,824,170
977,900	1,208,800	Viscount's Department	892,409	861,780
-	-	Probation Service (Note 1)	-	1,033,908
2,896,700	3,051,600	Impôts Department	2,927,197	2,763,187
2,984,000	2,852,800	Income Tax Department	2,851,065	2,769,149
464,100	487,100	Official Analyst	470,387	398,370
2,009,200	2,212,100	States Greffe	2,102,666	1,930,064
-	2,600	States Greffe - States Printers	46,655	56,405
3,729,700	3,503,300	States Treasury	3,465,600	3,381,017
-	51,400	Regulation of Undertakings (Note 2)	-	367,918
108,100	107,400	Emergency Planning Office	96,074	97,266
543,200	565,400	H.E. the Lieutenant Governor	593,019	604,841
(180,000)	(180,000)	Balance of Crown Revenues	(300,000)	(180,737)
		Non-Departmental		
710,000	710,000	- Insurance	710,000	960,000
459,100	456,400	- States Members' Expenses	451,206	428,235
647,300	532,200	- States Members' Income Supplement	655,676	559,423
1,341,300	1,293,600	- Jersey Heritage Trust Grant	1,293,600	1,075,400
1,157,000	1,258,300	- Jersey Arts Trust Grant	1,258,300	1,217,000
-	-	- Crime and Drugs Strategy Unit (Note 1)	-	564,565
210,000	190,000	- Cost of Audit/ Audit Commission	175,008	200,674
619,300	490,500	- WEB Limited Revenue Grant	490,500	240,000
-	-	- Trade and Industry Sub-Committee (Note 2)	-	128,977
40,000	43,400	- Jersey Transport Authority	38,915	36,562
40,000	73,000	- Commonwealth Parliamentary Association	73,013	40,000
30,000	30,000	- Distinguished Visitors and Conferences	55,988	40,257
52,000	56,400	- Commission Amicale	46,266	18,939
20,000	20,000	- Jurats' Expenses	18,000	17,840
16,700	13,000	- Dean of Jersey	18,519	13,000
8,500	23,300	- Assemblée Parlementaire de la Francophonie	3,440	7,656
12,700	1,647,800	- Other Expenditure	1,514,116	570,371
(8,750,000)	(7,700,000)	- Stamp Duty	(9,531,775)	(9,517,952)
(2,300,000)	(2,560,000)	- Currency Surplus	(2,952,693)	(2,718,300)
(1,003,500)	(910,600)	- Dividends	(1,003,363)	(964,560)
(570,000)	(570,000)	- Interest on Loans	(512,275)	(630,877)
(342,000)	(333,000)	- Miscellaneous Fines and Fees	(422,073)	(341,597)
-	-	- Other Income	(2,258,011)	(756,885)
12,029,200	16,243,100	Sub Total	10,604,759	11,708,057
33,945,400	22,463,000	Repayment and Interest on Capital Debt	21,735,713	39,374,356
£ 45,974,600	£ 38,706,100	Total	£ 32,340,472	£ 51,082,413

Note 1: The responsibility and Cash Limit was transferred in 2000 to the Home Affairs Committee.

Note 2: The responsibility and Cash Limit was transferred in 2000 to the Industries Committee.



Finance and Economics

Expenditure and Income Category

2000 Voted £		2000 Actual £	1999 Actual £
	Expenditure		
15,101,100	Staff	14,662,164	14,966,508
2,303,500	Premises	2,298,721	2,288,684
2,498,400	Supplies and Services	2,158,232	2,845,433
61,800	Transport	57,615	78,387
2,813,400	Establishment	2,724,733	2,807,342
2,606,100	Court and Case Costs	2,606,098	2,413,526
5,102,200	Grants	5,214,506	3,541,993
23,600,000	Repayment of Capital Debt	22,855,129	40,961,261
54,086,500		52,577,198	69,903,134
	Income		
7,700,000	Stamp Duty	9,531,775	9,517,952
1,592,200	Recharges and Services	1,738,395	1,724,634
580,500	Fines and Fees	657,121	559,133
2,560,000	Currency Surplus	2,952,693	2,718,301
1,480,600	Dividends and Interest	1,515,638	1,595,437
308,100	Other Income	2,698,670	1,095,335
22,000	Hire and Rentals	23,018	23,024
1,137,000	Interest Received on Capital Debt	1,119,416	1,586,905
15,380,400		20,236,726	18,820,721
£ 38,706,100	Net Revenue Expenditure	£ 32,340,472	£ 51,082,413



Human Resources

The Human Resources Committee was able to achieve a two year pay settlement from June 2000 which fell within its Pay Policy and covered the vast majority of Public Sector pay groups. In addition, although there are currently few instruments to support the Human Resources Committee in controlling manpower levels, it has, through the strict application of approving additional posts and re-allocating posts saved through voluntary early retirement and voluntary redundancy, contained growth over the twelve month period ended on 30th June 2000 to 26 employees. It will be readily appreciated that both these achievements have a significant impact upon the overall budget of the States of Jersey.

The Committee was delighted to have completed its work on the Human Resource Strategy last year. It will now provide a clear focus for officers in the Human Resources Department and the Human Resources function on what are the priorities that should be achieved over future years.

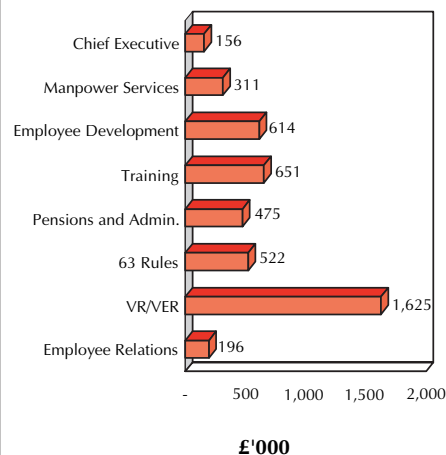
A major portion of the Committee's budget is allocated to providing generic training and development opportunities for all States employees. During the year 2000, the Committee opened a Training Resource Centre which not only provides purpose built accommodation which is conducive to effective learning, but which also mitigates the costs associated with the hiring of rooms for these purposes at hotels and other similar venues. The Committee is pleased to be able to report that the response to this Centre by those who have used it has been universally positive.

In its desire to support departments in the management of absence levels, the Human Resources Committee initiated, some years ago, the introduction of a new policy in connection with sickness absence. As part of its overall strategy, the Committee also implemented an Occupational Health Service which provides professional advice to both managers and employees on issues surrounding employees' ability to work. During the year 2000 the existing contract with the provider of these services expired and so the Human Resource Committee reviewed the application of this service and confirmed that it was important to extend its provision for a further period in the light of the benefits that had flowed from its inception. The Human Resources Committee recognises the importance of absence controls being applied effectively within departments and sees the Occupational Health Service as a major source of support in this area.

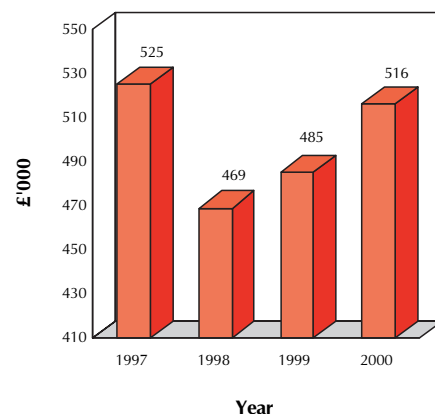
The policies and practices that have been implemented in connection with recruitment and selection have been recognised as being in advance of many other organisations. This has been achieved through past investment in training and development of those undertaking recruitment. The Committee believes that it is vital to continue this investment in order to maintain the standards that have been achieved.

With the full co-operation and support of officers of the Public Services Department, the proposed new computerised manpower and personnel system was introduced successfully into that Department. During the course of 2001, action will be taken to extend the application of this system to other States' departments.

Analysis of Expenditure by Section



Expenditure on Staff Training





Human Resources

Net Expenditure - Service Analysis

2001 Estimate £	2000 Voted £		2000 Actual £	1999 Actual £
2,268,000	2,674,100	Personnel	2,346,456	2,368,881
606,000	606,000	Pensions	572,795	561,596
-	2,091,500	VR/VER	1,625,306	537,352
-	-	Computer Services	-	898,021
-	-	Small Computer Projects	-	1,037,691
£ 2,874,000	£ 5,371,600	Total	£ 4,544,557	£ 5,403,541

Expenditure and Income Category

2000 Voted £		2000 Actual £	1999 Actual £
	Expenditure		
1,376,800	Staff	1,376,383	2,498,946
72,500	Premises	51,014	183,045
581,400	Supplies and Services	274,903	1,794,210
2,600	Transport	2,611	3,294
70,900	Establishment	70,097	144,096
606,000	Pensions	572,795	561,596
2,091,500	VR/VER	1,625,307	537,352
3,000	Project Trident	4,224	2,846
510,800	Training	516,840	485,247
46,800	Personnel Services	46,721	46,493
9,300	Protected Salary	9,280	6,193
5,371,600		4,550,175	6,263,318
	Income		
-	Oriel House	5,618	-
-	Sales of Services	-	214,489
-	Recharges	-	645,288
-		5,618	859,777
£ 5,371,600	Net Revenue Expenditure	£ 4,544,557	£ 5,403,541



Planning and Environment

For the second year running the Committee substantially exceeded its budgeted income, £1.82 million being received compared with £1.44 million in 1999 (£0.84 million in 1998). The Committee has asked for £340,000 to be carried forward to 2001. The Committee's total gross expenditure, before deducting the amount of income received, but including the amount brought forward from the previous year, increased from £3.48 million in 1999 to £4.40 million in 2000.

Planning & Building £2,189,757 – (£1,500,823 in 1999)

- The increase in numbers of applications has continued for the fifth successive year, 4984 applications being received during the year. Professional staff have been reorganised although their number has remained unchanged. The average number of applications dealt with by every Planning Officer or Building Surveyor is approximately 226 per year, representing an individual minimum caseload of 35 applications at any one time.
- The maintenance and storage of application and individual property files, by necessity, had to be outsourced during the year and two new computer systems were implemented, the benefits of which will be noticed by the department and the public later during 2001. These changes have initially reduced the proportion of applications processed within eight weeks to 62%. This is expected to restore to the previous 75% level in 2001. The net cost of the Development and Building Control service fell from £140 per application in 1999 to £137 in 2000.
- The income received from applications totalled £797,018, which is an increase of 10.5% on the amount received in 1999 and 50% over that received in 1998.
- Expenditure on Policy and Projects increased to £937,807 in the year compared with £523,600 which was budgeted for 1999. The increase includes the preparation of the new Island Plan which has been outsourced to consultants.

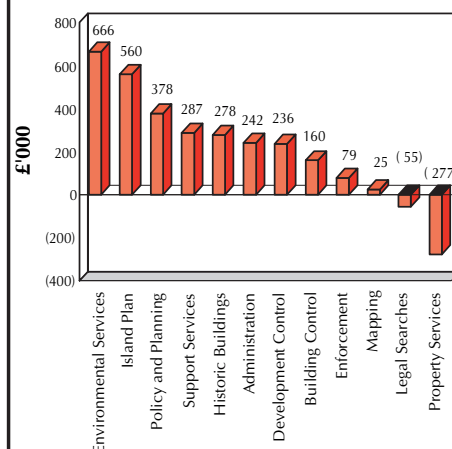
Environmental Services £666,146 – (£593,904 in 1999)

- During the year, pending the achievement of the new integrated States organisation for Environmental management, the department consolidated its services and role as lead agency. A restructuring of consultants contracts was completed to ensure that best value is achieved.

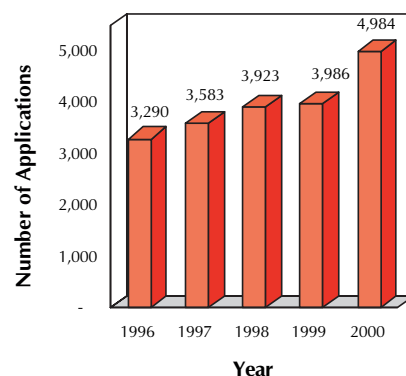
Property Services £276, 823 Surplus – (£48,303 surplus in 1999)

- For the second year running the department has been entirely self financing. This year it has generated a financial surplus equivalent to 42% of its costs. This surplus arises partly from rental income continuing to be received from properties which are planned for development and by effective property management.
- Construction work started on the department's development of new offices on the Esplanade for the Housing department. This is the third privately funded States office building (costing £2.5 million) by the department to provide quality accommodation for essential services and in the longer run to save the States money.
- The department established the Housing Task Force which has been funded separately.

2000 Expenditure by Service Area



Planning and Building



Note: The figures for 2000 are not comparable. They include Planning (2,450) and Building Bye-Law (2,540) applications.



Planning and Environment

Net Expenditure - Service Analysis

2001 Estimate £	2000 Voted £		2000 Actual £	1999 Actual £
147,500	223,460	Administration and Legal Claims	242,607	197,859
427,300	374,581	Development Control	235,933	172,629
89,900	89,416	Enforcement	78,511	78,944
335,900	286,480	Building Control	159,765	211,630
256,800	278,001	Historic Buildings	278,493	265,123
328,300	331,395	Policy and Planning	378,156	218,524
179,800	547,653	Island Plan	559,651	220,878
(28,000)	20,146	Mapping	24,904	23,594
(44,700)	(44,854)	Legal Searches	(55,148)	(62,136)
297,200	208,721	Support Services	286,885	173,778
667,200	667,916	Environmental Services	666,146	593,904
39,700	(63,605)	Property Services	(276,823)	(48,303)
(144,900)	-	Carry Forward	-	-
£ 2,552,000	£ 2,919,310	Total	£ 2,579,080	£ 2,046,424

Expenditure and Income Category

2000 Voted £		2000 Actual £	1999 Actual £
	Expenditure		
2,752,900	Staff	2,749,748	2,603,925
325,940	Premises	289,413	190,466
935,610	Supplies and Services	980,611	352,889
59,400	Transport	57,950	47,221
261,410	Establishment	224,713	219,140
100,000	Grants	100,002	70,459
4,435,260		4,402,437	3,484,100
	Income		
625,250	Planning and Building Control Fees	797,019	721,912
5,000	Building Byelaws	415	-
30,000	Royalties and Maps and Publications	18,402	19,291
75,000	Legal Search Fees	82,267	87,794
3,500	Interpretation Centres	1,333	1,792
752,200	Rental of Premises	923,571	605,652
25,000	Property Services Survey Recharges	350	1,235
1,515,950		1,823,357	1,437,676
£ 2,919,310	Net Revenue Expenditure	£ 2,579,080	£ 2,046,424



Industries

2000 was the first year of operation for the new Industries Committee. Its budget included funds transferred from the Finance & Economics Committee (Regulation of Undertakings and Development Law and Trade & Industry Sub Committee); from the Policy & Resources Committee (Jersey Consumer Council); from the Public Services Committee (the Trading Standards Service and administration of the Public Markets); from the Broadcasting Committee (whose functions were transferred to the new Committee); and additional funding approved by the Finance & Economics Committee.

The integration of the various functions, and the staff who performed them, into the new Department presented a significant challenge, especially given the many wide-ranging, ongoing issues that flowed from the Committee's terms of reference.

An immediate and important issue was the taking forward of the incorporation of Jersey Telecoms and Jersey Post. A fundamental part of this process was the establishment of a Jersey Competition Regulatory Authority – an independent regulator initially for Jersey Telecoms and Jersey Post but coupled with a clear intention to extend this role to cover other utilities and, in due course, competition issues generally. The States approved this proposal in principle in June and the draft Law in November 2000. The Committee is currently in the process of recruiting a Chairman, a part time Member and an Executive Director/Member. The Industries Committee is also to appoint a senior officer within its Department to handle all the new work on utilities regulation, advise it on a competition policy for the Island and to act as the interface between the Committee and the JCRA.

In May, 2000 the Committee took on responsibility for Intellectual Property legislation designed to bring Jersey into compliance with the Trade Related Aspects of Intellectual Property Agreement. The draft Laws are nearing completion and it is anticipated that they will be presented to the States before the Summer break in 2001. In parallel with this, the Electronic Communications (Jersey) Law came into force on 1st January 2001.

The Jersey Economic Forum was formed early in the year and met on five occasions. There has been a positive response to this. The first two Strategic Development Boards were formed for the construction industry and emerging industries and useful progress has already been made in these areas.

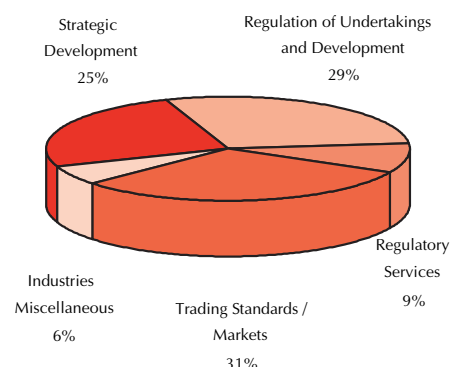
During the year, a key task for the Committee was to take careful stock of the administration of the Regulation of Undertakings & Development Law, with particular regard to its impact on the Island's economy at a time of acute labour shortage. The outcome of this review will come forward in 2001.

Progress has been made on improving relationships with the tenants of the Public Markets. The Citizens Advice Bureau has become more closely involved in the provision of consumer advice.

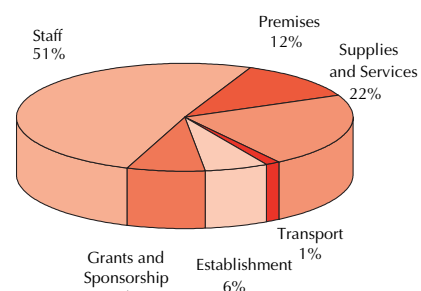
Discussions have begun with the Employment & Social Security Committee on employment legislation and with that Committee and the Education Committee in relation to a training strategy for the Island's industries.

The Committee has forged strong links with its counterpart in Guernsey and intends to develop a joint approach wherever possible to issues of common interest.

Industries Committee Service Analysis



Industries Committee Expenditure Analysis





Industries

Net Expenditure - Service Analysis

2001 Estimate £	2000 Voted £		2000 Actual £	1999 Actual £
315,000	309,500	Regulation of Undertakings	281,067	-
202,000	187,500	Trading Standards / Markets	299,175	-
400,000	529,400	Strategic Development	250,367	-
150,000	-	Economic Regulation	91,746	-
61,000	-	Miscellaneous Industries Functions	59,670	-
£ 1,128,000	£ 1,026,400	Total	£ 982,025	-

Note 1: The amounts transferred from the former Trade and Industry Sub Committee, Broadcasting and Policy and Resources Committees (Consumer Council), amounting to £140,000, were re-allocated to Strategic Development and Trading Standards/Markets.

Note 2: The actual expenditure, and estimates for 2001, on Economic Regulation and Miscellaneous Industries Functions were not foreseen at the time that the 2000 Budget was produced, but are incorporated in the 2001 estimate.

Expenditure and Income Category

2000 Voted £		2000 Actual £	1999 Actual £
	Expenditure		
887,500	Staff	713,684	-
237,500	Premises	168,640	-
115,600	Supplies and Services	312,798	-
20,200	Transport	19,013	-
59,000	Establishment	82,996	-
120,000	Grants and Sponsorship	107,023	-
1,439,800		1,404,154	-
	Income		
324,400	Market Rentals	338,561	-
54,000	Licence Fees	48,805	-
35,000	Miscellaneous receipts	34,763	-
413,400		422,129	-
£ 1,026,400	Net Revenue Expenditure	£ 982,025	-

Note 1: The amounts transferred from the former Trade and Industry Sub Committee, Broadcasting and Policy and Resources Committees (Consumer Council), amounting to £140,000, were re-allocated to Grants and Sponsorships and Supplies and Services.

Note 2: Budget of £145,000 for Consultancy Fees was transferred from the Industries Committee to the Policy and Resources Committee during 2000.



Health and Social Services

Health and Social Services – achievements in 2000

Allocation of the Committee's 2000 revenue budget of £87,620,908 was as follows:–

- Public Health Services £2,358,350 – for disease prevention, health screening and health promotion;
- General & Acute Services £44,389,630 – for providing prompt, effective diagnosis and treatment of illness and injury;
- Community & Social Services £32,403,368 – for providing rehabilitation and continuing care for older people, children, people with mental health problems, physical ill-health or disabilities and those in need of social support;
- Support Services £8,469,560 – for estates management and laundry, finance and information services, personnel services and Health and Social Services management.

The majority (80%) of the budget was allocated to direct patient/client care services, including medical and nursing care, children's and adult social services, and other clinical services (physiotherapy, radiology, etc.).

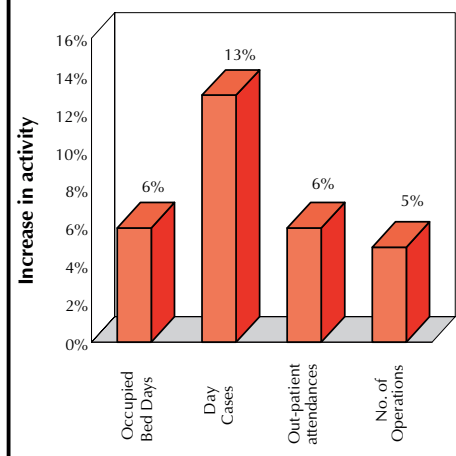
A further 13% was allocated to support services including estates and technical services. The Committee also commissioned over £5.3 million (6%) of services from a wide range of charitable and voluntary organisations. Approximately 1% of the budget was spent on Health and Social Services management.

The 2000 cash limit included 2% revenue growth, which was distributed as follows:–

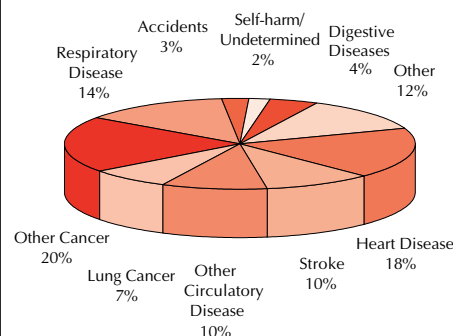
- £420,000 to improve access to essential services – for example: an initiative to reduce waiting times for non-urgent surgery; funding to support the magnetic resonance imaging (MRI) service; and an increased grant for shelter accommodation for homeless people;
- £160,000 to enhance client-focused care in a suitable environment – for example: intensive 24-hour care for people with severe eating disorders; and costs associated with the opening of Sandybrook Day Centre;
- £790,000 to improve the delivery of effective and appropriate care – for example: provision of additional drugs and blood products; improved cancer services; accident and emergency services; respite care for people with profound and multiple handicaps; additional kidney dialysis services; an initiative to facilitate earlier discharge of patients; and hostel accommodation for young people with offending behaviour;
- £109,000 for information systems to improve patient care – for example: clinical coding to support clinical audit; and computer maintenance costs;
- £105,000 increase in grants to voluntary organisations – including Family Nursing & Home Care, Brook Advisory Centre, Citizen's Advice Bureau and the Jersey Diabetes Association;

However, it was evident part-way through the year that there were substantial unfunded costs to be met. These occurred largely due to continuing high levels of medical and surgical activity (£835,000), increased costs of medicines (£500,000), surgical supplies and blood products (£400,000), and disproportionate inflation on fuel oil, patient travel and emergency air charter costs (£265,000). As a consequence, the Committee was obliged to seek an additional £2 million from the Finance & Economics Committee in order to end the year with a balanced budget.

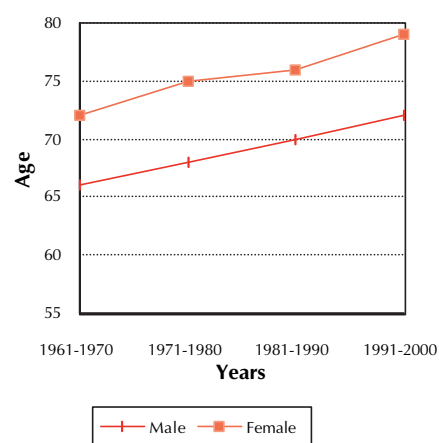
Examples of Increased Activity in 2000



Principal Causes of Death in Jersey (820 in 1999)



Average Length of Life (years) in Jersey





Health and Social Services

Net Expenditure - Service Analysis

2001 Estimate £	2000 Voted £		2000 Actual £	1999 Actual £
2,076,200	2,358,350	Public Health Services	2,359,199	2,102,653
		General and Acute Services		
1,946,700	1,884,160	Acute - Administration	1,907,495	1,821,301
1,261,800	1,253,580	Outpatients	1,306,142	1,174,323
(605,700)	(534,970)	Private Patients	(315,219)	(333,282)
-	205,370	Nurse Education	202,126	354,979
839,800	793,520	Pharmacy	736,816	766,373
3,085,400	2,932,230	Hotel Services	2,916,426	2,774,832
1,452,800	1,287,700	Paediatrics	1,321,549	1,243,488
6,203,200	6,674,380	Division of Medicine	6,988,933	5,909,506
1,342,400	1,309,600	Physiotherapy	1,310,386	1,214,612
1,739,100	1,598,060	Radiology	1,313,963	1,436,095
4,077,400	4,106,700	Pathology	4,248,094	3,750,458
15,432,300	14,956,740	Division of Surgery	15,096,653	13,875,923
2,423,300	2,408,790	Obstetrics and Neo-Natology	2,425,252	2,174,097
386,100	459,820	Minor Works	37,852	-
2,401,700	2,479,730	Ambulance Service and Transport	2,483,607	2,175,694
2,674,700	2,574,220	Catering Services	2,544,469	2,509,049
		Community and Social Services		
286,800	284,420	Alcohol and Drugs Service	294,132	177,853
639,100	554,208	Substance Misuse	532,846	-
5,309,500	5,310,850	Grants - Community Care	5,324,024	4,733,871
195,000	554,290	Administration	314,303	107,833
180,100	180,100	School Milk	177,900	-
12,854,000	12,286,810	Mental Health Services	12,243,637	11,882,775
8,868,600	8,346,510	Rehabilitation and Elderly Services	8,483,557	7,641,599
4,662,100	4,576,480	Adult and Children's Social Services	4,716,149	4,270,504
316,600	309,700	Adult Psychology Services	315,125	272,160
		Support Services		
317,900	314,980	Health Service Administration	302,848	293,191
6,104,300	5,939,550	Estate Management and Laundry	5,940,018	5,550,042
3,759,800	1,569,230	Finance and Information Services	1,510,518	1,617,343
522,600	299,780	Training and Development	228,930	-
328,500	346,020	Personnel Services	353,343	332,347
£ 91,082,100	£ 87,620,908	Total	£ 87,621,073	£ 79,829,619



Health and Social Services

Expenditure and Income Category

2000 Voted £		2000 Actual £	1999 Actual £
	Expenditure		
67,436,391	Staff	67,633,829	61,887,596
4,480,080	Premises	4,666,298	4,152,610
16,027,467	Supplies and Services	15,782,937	14,200,534
413,850	Transport	408,666	404,993
2,392,170	Establishment	2,656,441	2,608,878
5,322,900	Grants	5,389,468	4,733,871
96,072,858		96,537,639	87,988,482
	Income		
684,400	Sale of Goods and Services	813,045	641,427
2,685,200	Private Patients	2,795,851	2,433,937
630,000	Private Patient Theatre Charges	641,124	560,115
1,629,650	Patient Charges	1,729,874	1,584,114
75,000	Non-Jersey Patient Charges	83,819	91,747
1,390,000	Elderly Residential Care Income	1,309,916	1,387,536
3,700	Parental Contributions	1,097	2,077
73,700	Hire and Rentals	55,465	81,958
51,800	Boarding Income	61,150	38,186
80,000	Cremation Fees	81,317	82,483
105,000	Prescription Income	96,474	94,410
939,500	Staff Accommodation Fees	1,087,872	951,067
67,500	Children's Boarding Fees	45,429	67,550
36,500	Sundry Income	114,133	142,256
8,451,950		8,916,566	8,158,863
£ 87,620,908	Net Revenue Expenditure	£ 87,621,073	£ 79,829,619



Education

2000 saw the Education Committee progress forward with the implementation of its Strategic Plan 1999 - 2004 *"Partnerships to fulfil potential"*. Central to this is the Committee's aim:

"To ensure that the people of Jersey have access to education and training opportunities which support the fulfilment of their potential and which meet the present and future needs of the Island."

The key financial results for 2000 comprise the following categories:

Revenue Expenditure

- Expenditure on primary and secondary non fee paying education increased by 7.5% and 10% respectively, due to an increase in pupil numbers and the introduction of new salary scales for headteachers, deputy headteachers and teachers. The new scales were introduced in September 2000 in order to aid the recruitment and retention of teaching staff, and more closely reflects the structure of the salary scales in the UK. At the end of 2000 there is a planned net balance of £138,000 available for the non fee paying schools to carry forward to 2001.
- The cost of Special Education continues to grow and in 2000 expenditure increased by over £500,000, or 14% from 1999, as a result, in part, of advances in medicine and improved diagnosis of need.
- As a result of the value of the Committee's building stock increasing it was necessary to increase the allocation to Estates Management in order to ensure that the buildings are maintained to an appropriate standard.
- Headteachers continue to manage staffing with maximum flexibility to ensure the correct staff skill mix within our schools and this has resulted in an apparent 'underspend' on teaching staff balanced by an 'overspend' on non teaching staff.
- The 1999 Actual figures have been restated to take account of the accounting treatment of the Fee Paying Schools during 2000.

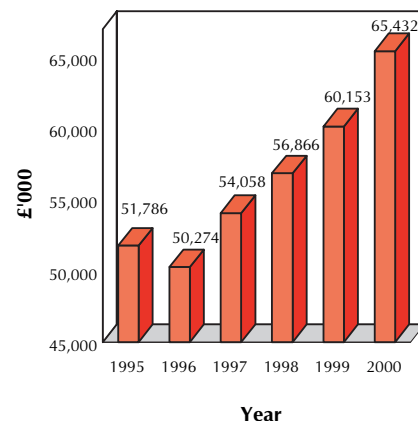
Capital Expenditure

The Committee continues to implement its capital programme with the extension and remodelling of St Lawrence School and the extension of St Marks School both being completed during 2000. Construction work commenced to remodel and extend Mont Nicolle School and for the first phase of redevelopment for Grainville School. Enabling works are currently underway for the replacement of Hautlieu School and the construction of the Langford Sports Complex. The Education Committee is proud of its capital programme which is transforming the educational infrastructure and is striving to facilitate access to ensure the efficient and effective use of its resources.

Information Systems Strategy

During 2000 an amount of £2.6 million was released by the Jersey Information Society Commission (JISC) from the States ICT Fund for the third tranche of the implementation costs of the Committee's Information System Strategy *"Putting Jersey's Future First"*. The milestone achievements during 2000 include the completion of phase 1 of the installation of curriculum networks at all States primary and secondary schools and the provision of laptop computers for all teachers. The development of the Education Committee's Wide Area Network has been concluded and installation will commence during 2001. A request was made to the JISC for the release of the 2001 implementation costs which is still awaiting a funding decision, the Education Committee is concerned that this delay is not prolonged as it is imperative that the momentum achieved in 1999 and 2000 is not lost.

Summary of Net Expenditure





Education

Net Expenditure - Service Analysis

2001 Estimate £	2000 Voted £		2000 Actual £	1999 Actual* £
15,917,600	15,245,471	Primary and Pre-School: Non-Fee Paying	15,036,841	13,990,161
12,869,200	12,675,011	Secondary School: Non-Fee Paying	12,745,195	11,629,642
3,000,000	3,486,981	Fee Paying Schools	3,268,785	3,306,065
5,225,400	5,279,800	Highlands College	5,178,840	5,368,369
5,338,100	4,488,213	Special Education	4,377,433	3,852,463
		School Curriculum Development		
1,666,300	1,165,367	Quality Development	1,098,109	1,146,156
658,900	688,774	Peripatetic Services	637,319	626,334
		Student Support & Information Services		
978,200	949,000	Careers, Trident and Customer Services	898,097	676,644
9,420,600	9,198,558	Student Grants	9,151,723	8,997,180
3,306,700	3,065,500	Grants to Private Schools and Other Grants	3,150,922	2,906,422
1,515,000	1,449,400	Teacher's Pension Increases	1,422,138	1,347,288
		Community Services		
920,400	1,254,152	Youth Service	1,219,172	754,755
1,202,600	1,163,028	Library Service	1,164,535	1,083,258
171,000	211,453	Holiday Playschemes and Day Care	244,731	136,030
		Central Services		
937,200	1,244,165	Corporate Activities	1,226,980	924,500
3,023,900	2,844,705	Estates Management	3,207,365	2,624,728
445,500	445,000	Housing and Recruitment of Staff	440,128	329,557
1,301,400	979,322	ICT Support	964,123	453,260
£ 67,898,000	£ 65,833,900	Total	£ 65,432,436	£ 60,152,812

Expenditure and Income Category

2000 Voted £		2000 Actual £	1999 Actual* £
	Expenditure		
33,107,855	Teaching Staff	32,458,106	30,636,517
11,002,280	Non-Teaching Staff	11,496,804	10,186,538
5,310,558	Premises	5,481,248	4,640,030
3,490,805	Supplies and Services	3,954,331	3,375,559
300,318	Transport	285,934	288,504
2,942,582	Establishment	2,528,571	1,801,926
1,728,400	Miscellaneous - includes pension increases	1,704,516	1,695,495
12,921,500	Grants	12,767,902	11,962,867
70,804,298		70,677,412	64,587,436
	Income		
11,600	Sale of Goods	21,548	21,897
543,600	Sale of Services	509,588	500,928
547,829	Hire and Rentals	835,902	581,802
3,867,369	Fees and Fines	3,877,938	3,329,997
4,970,398		5,244,976	4,434,624
£ 65,833,900	Net Revenue Expenditure	£ 65,432,436	£ 60,152,812

* Note: 1999 Actuals have been re-stated to take account of Fee-Paying Schools accounting treatment in 2000.



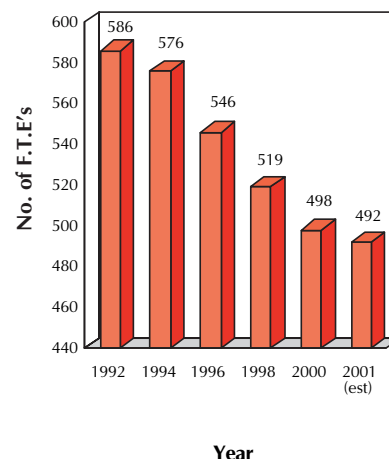
Public Services

The Public Services Committee is pleased to report that it has made considerable progress in its initiatives, despite increased pressure on the Department's resources.

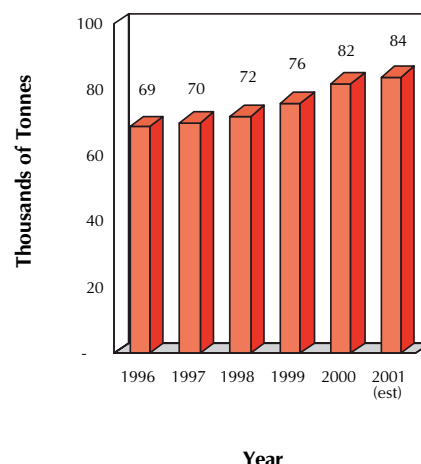
Some of its major achievements during 2000 are as follows:–

- The Department continues to implement the recommendations of the Service Review. The savings currently achieved totalling £935,000 and 31 posts, which represents 101% and 155% respectively of the savings identified in the Review.
- The Water Pollution (Jersey) Law 2000 was approved by the States on 7th March 2000 and the full provisions of the law came into effect on the 3rd December 2000.
- Maintaining the incinerator becomes increasingly expensive as it approaches the end of its useful life. Additional Capital funds (£265,000) have been secured in the Capital Programme in order to ensure that it continues to meet the demands made of it. In 2000 the Incinerator saw a significant increase in the tonnage delivered processing 82,000 tonnes. All three streams were in operation for six weeks.
- The Architectural Services Division had an extremely busy year with most staff resource dedicated to the design stage of several large projects including, Hautlieu School, Royal Court/States Building refurbishment, Cannon Street/Lempriere Street housing development, Magistrates Courts, Overdale Rehabilitation Unit, Grand Vaux School, Grouville School Phase 2 and La Moye School Phase 2. This effort resulted in a fee income for 2000 which exceeded the previous years figures in the Architects and Building Services Sections by 10% and 16% respectively. Unfortunately due to slippage on the Capital Programme several projects did not begin construction in 2000 as planned. This resulted in a drop in the fee income generated by the team of Clerk of Works. However the total income figure for the Division was still in excess of £1.1 million.
- Fourteen of the fifteen identified bathing water sites (93%) achieved the "Imperative" standard of the EU Bathing Water Directive. For the first time in 6 years, the First Tower site failed to meet the standard. The reasons for this are well understood and were the effects of very wet weather during the latter part of the season, and from the major refurbishment works being carried out at Bellozanne Sewage Treatment Works, which when completed will improve the overall treatment capacity of the works. In addition, 8 of the 15 sites achieved the very stringent "Guide" standard. Each beach was also assessed against the Jersey "health-related" standards achieving standards of 1 "excellent", 11 "Good", 2 "Moderate" and 1 "Poor". The cost of sampling is approximately £20,000 per annum.
- Several schemes to improve pedestrian facilities were progressed including the introduction of pedestrian improvements at Red Houses, Greve d'Azette, Pontac, Queen's Road, Millbrook and Route es Nouaux at a cost of £234,000 and improvements in the Sand Street area in co-operation with the Urban Renewal Sub-Committee at a cost of £115,000. The annual maintenance programme resurfaced 4 miles of roads and provided footpath repair works at a total cost of £760,000.

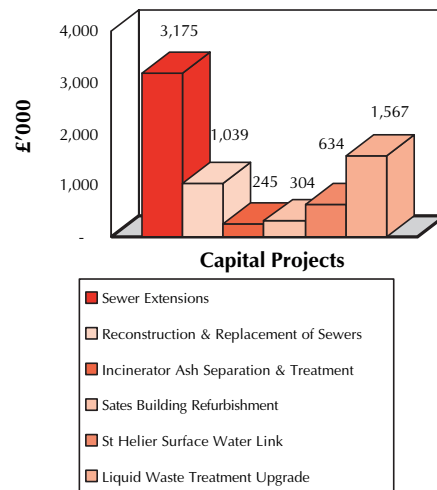
Committee Staffing Levels



Refuse Incinerated per year



2000 Capital Projects



Public Services



Net Expenditure - Service Analysis

2001 Estimate £	2000 Voted £		2000 Actual £	1999 Actual £
1,734,500	1,961,200	Administration	1,403,025	1,208,561
366,100	340,000	Architectural Services	142,650	32,648
2,822,700	3,273,300	Engineering	3,592,294	2,597,467
645,800	657,600	Regulatory Services	768,412	814,654
4,955,700	4,925,800	Municipal Services	5,012,285	4,695,206
2,261,600	2,234,700	Parks and Gardens	2,318,098	2,093,156
4,925,300	5,119,500	Waste Management	5,122,968	4,899,103
£ 17,711,700	£ 18,512,100	Total	£ 18,359,732	£ 16,340,795

Expenditure and Income Category

2000 Voted £		2000 Actual £	1999 Actual £
	Expenditure		
14,417,100	Staff	14,271,399	14,365,228
4,176,400	Premises	5,056,995	3,539,009
6,093,900	Supplies and Services	7,030,449	6,498,446
1,384,700	Transport	1,432,016	1,462,592
1,927,300	Establishment	1,711,153	1,025,971
27,999,400		29,502,012	26,891,246
	Income		
394,900	Sale of Goods and Services	468,802	403,806
2,924,500	Hire and Rentals	2,925,857	3,182,580
5,959,700	Fines and Fees	7,494,785	6,685,953
208,200	Miscellaneous	252,836	278,112
9,487,300		11,142,280	10,550,451
£ 18,512,100	Net Revenue Expenditure	£ 18,359,732	£ 16,340,795



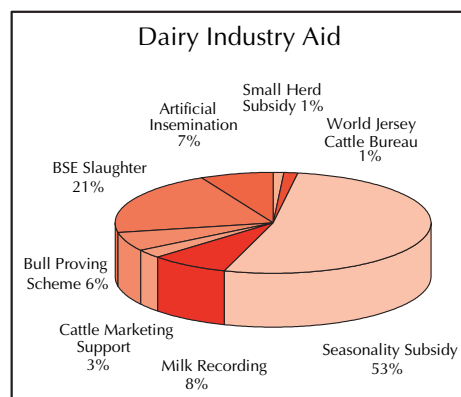
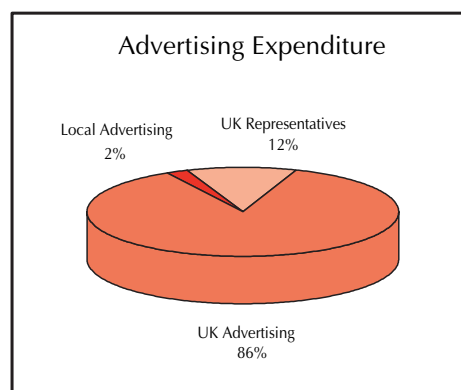
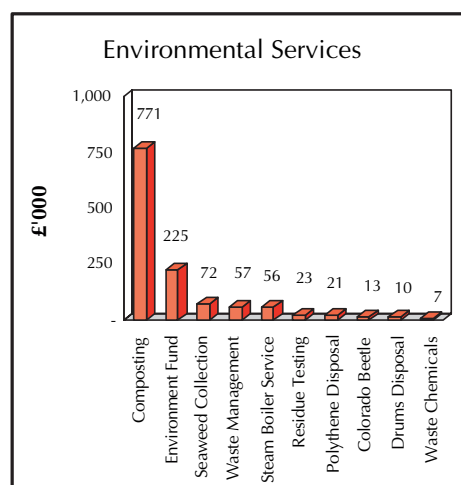
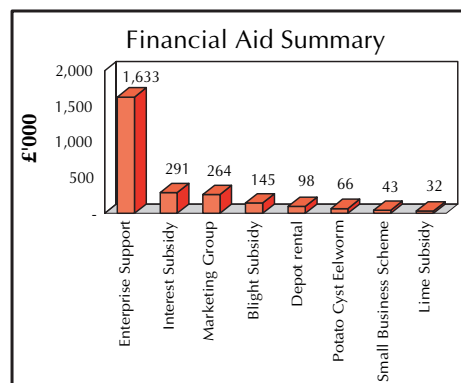
Agriculture and Fisheries

In 2000, the Committee virtually maintained the "status quo" on expenditure in Services areas and its Financial Aid Packages. It had been accepted at the outset of the year that it would be very difficult to provide adequate funds to meet its financial objectives, and it was necessary to undertake several re-prioritisation exercises in order to maintain revenue expenditure within its Cash Limit. This difficult task was performed in the knowledge that from the year 2001, the Budget would undergo a restructure in order to support the outcome of the Industry Review and the ensuing revision of Committee Policies.

Although the Departmental Service Review of the previous year had indicated that the current support services offered to both the Industry and the general public should be retained, the Department nevertheless reviewed its functions again in order to identify areas where savings could be made with special emphasis on analysing whether such services were still considered to be prime functions of the Committee. The cost of these services amounted to in excess of £3,400,000 in 2000.

Payments in the areas of Direct Aid, Indirect Aid and the Interest Subsidy Schemes accounted for in excess of £5,200,000 during the year. The Industry requested that this sum should be increased as it considers that far more support is needed in order to ensure the future viability of local farming and growing businesses. The Industry Review carried out by the consultants on behalf of the Committee and the Policy and Resources Committee, will be assisting in determining strategies for the future of the Island's arable, dairying, horticultural and fishing sectors. The findings will be used to assist the Committee in its review of policies, including future Direct and Indirect Aid.

Thus, 2000 has been a difficult year in terms of financial management in that current Committee policies proved difficult to carry out within the allocated Cash Limit. Nevertheless, the Committee was able to fund some constructive initiatives, for example, a consultation process on the Potato Industry which resulted in the formation of the Jersey Growers Association.



Agriculture and Fisheries



Net Expenditure - Service Analysis

2001 Estimate £	2000 Voted £		2000 Actual £	1999 Actual £
1,104,600	1,176,800	The Environment	1,254,915	1,377,008
1,697,300	1,827,800	The Dairy Industry	1,869,045	1,517,942
270,900	315,600	The Fishing Industry	335,154	342,521
993,000	1,018,920	Research and Advisory Services	1,108,228	1,037,947
992,300	969,440	Miscellaneous	871,217	717,291
1,070,000	929,700	Advertising	1,003,177	1,277,276
1,960,400	2,565,576	Financial Aid for Growers	2,571,988	1,986,404
£ 8,088,500	£ 8,803,836	Total	£ 9,013,724	£ 8,256,389

Expenditure and Income Category

2000 Voted £		2000 Actual £	1999 Actual £
	Expenditure		
2,116,637	Staff	2,172,329	2,207,208
249,567	Premises	200,912	202,601
1,355,379	Supplies and Services	1,242,055	1,064,082
111,300	Transport	111,726	89,843
179,203	Establishment	301,021	154,228
3,581,935	Direct Aid	3,610,970	3,047,703
1,179,560	Indirect Aid	1,318,256	1,541,415
266,255	Interest Subsidy Schemes	282,182	173,053
9,039,836		9,239,451	8,480,133
	Income		
94,600	Fees	103,456	79,895
40,000	Rentals	50,645	49,227
48,400	Sale of Goods	34,566	43,114
8,000	Bulb Treatment	-	5,331
5,000	Slaughterhouse Income	5,629	8,276
26,000	Sale of Compost	19,963	25,005
14,000	Artificial Insemination and Semen Bank Fees	11,468	12,896
236,000		225,727	223,744
£ 8,803,836	Net Revenue Expenditure	£ 9,013,724	£ 8,256,389



Tourism

The Tourism industry is growing worldwide, experiencing massively increasing competition. Jersey, an established destination, continues to fight hard to retain its market position. To do this, the Department has published a ten-year strategic plan, completed a service review, launched a branding strategy and appointed a new advertising agency to handle UK and European promotions – all in close consultation with the Industry. The department is now well placed to service the future development of Jersey as a viable tourist destination. The main areas of expenditure were:–

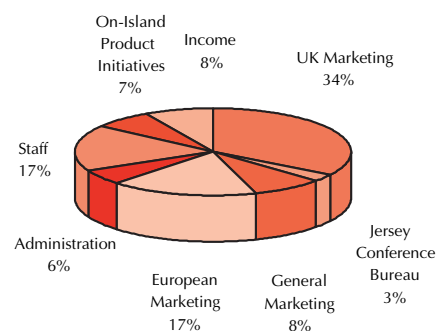
The expenditure on marketing was £5,818,800 with most of this being spent on consumer advertising, direct marketing and joint marketing with industry partners. The department also produced brochures, leaflets, posters and merchandising for consumer and trade use. Jersey Tourism attended, or had representation, at exhibitions and trade conferences in the UK and Ireland, across 9 European countries, the USA and Canada and also attended travel trade promotions and trade shows with tour operator partners. Product familiarisation exercises to Jersey were organised and hosted by the department for over 500 travel agent and tour operators from the UK and Ireland and 738 from Europe.

Overseas agents represented Jersey for trade and public relations in the UK, Ireland, Europe, the USA and Canada. Locally the department presented to, and liaised with local media, public relations officers, trade partners and the British Tourist Authority, resulting in press, radio and TV crews visiting Jersey. The media visits generated 1,584 articles about Jersey and 33 broadcast programmes.

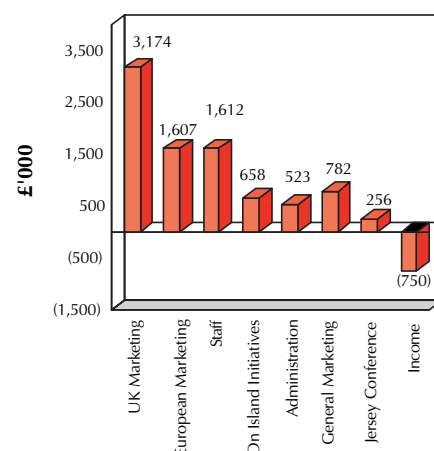
The Visitor Services Centre handled over 100,000 walk-in enquiries and 1,849 accommodation reservations through its Central Reservation System. As well as the walk-in enquiries 5,434 advance and 580 Internet accommodation reservations were made. The total business generated via the Central Reservations System in 2000 amounted to £1,435,000.

Jersey Tourism spent £549,200 supporting on-island festivals and events ranging from sponsorship of the Battle of Flowers to individual band performances at Howard Davis Park. On-island activity included the maintenance of Tourism owned foreshore properties, the provision and maintenance of information signs and the provision of the beach lifeguard service. £94,400 was used to encourage and develop on-island environmental initiatives and with the tourism industry, develop and maintain quality and training initiatives.

Actual Expenditure 2000



Jersey Tourism Expenditure 2000



Tourism



Net Expenditure - Service Analysis

2001 Estimate £	2000 Voted £		2000 Actual £	1999 Actual £
1,721,800	1,605,500	Staff	1,611,739	1,487,828
496,900	459,000	Administration	522,811	473,053
3,357,800	3,417,600	UK Marketing	3,173,612	3,480,169
1,645,600	1,670,100	European Marketing	1,607,344	1,600,666
680,200	568,600	General Marketing	781,572	406,608
225,000	277,400	Jersey Conference Bureau	256,286	254,232
550,200	723,700	On-Island Product	657,656	566,177
(717,500)	(721,700)	Income	(749,794)	(738,883)
£ 7,960,000	£ 8,000,200	Total	£ 7,861,226	£ 7,529,850

Expenditure and Income Category

2000 Voted £		2000 Actual £	1999 Actual £
	Expenditure		
1,605,500	Staff	1,611,739	1,487,828
157,400	Premises	168,510	157,836
163,700	Supplies and Services	221,040	200,790
21,100	Transport	20,808	18,587
116,800	Establishment	112,452	95,840
4,580,900	Advertising and Publicity	4,679,883	4,542,264
1,075,400	Public Relations, Promotions and Exhibitions	882,646	945,178
277,400	Jersey Conference Bureau	256,286	254,232
182,600	On-Island Product Development	108,477	99,096
541,100	On-Island Festivals and Events	549,179	467,082
8,721,900		8,611,020	8,268,733
	Income		
258,000	Sale of Goods	309,728	274,035
86,100	Hire and Rentals	71,793	80,088
372,700	Fines and Fees	362,453	378,640
4,900	Miscellaneous	5,820	6,120
721,700		749,794	738,883
£ 8,000,200	Net Revenue Expenditure	£ 7,861,226	£ 7,529,850



Home Affairs

HOME AFFAIRS COMMITTEE OVERVIEW

Net revenue expenditure for the Committee in the year 2000 was just under £28.7 million, of which over £22.8 million, equivalent to 80%, was on staff costs.

Budgets for HM Prison, the Probation Department and the Crime and Community Safety Strategy Office are now within the remit of the Home Affairs Committee.

STATES OF JERSEY POLICE

Net revenue expenditure for the States of Jersey Police was £16.8 million in the year 2000, of which staff costs were £13.7 million, equivalent to 82% of expenditure.

Additional efficiency savings, equivalent to a further 1% of the budget were made during the year. This was achieved mainly by disbanding the Port Control Unit, with the loss of 4 posts.

During the year, a new Strategic Plan was published setting out the key roles and responsibilities of the Service and the development areas where efforts would be focused to enhance the provision of quality policing to the Island over the next five years. In addition, the Service was inspected by Her Majesty's Inspector of Constabulary. His assessment, as well as acknowledging good practice in several areas, reinforced the importance of many of the initiatives identified in the Strategic Plan.

Continued investment in the TETRA digital radio system and the in-house development of an Intranet data access and retrieval system that has received international recognition means that the Service is working at the forefront of modern technology in these fields. Considerable emphasis has been placed on building on these successes and developing new information technology-based systems and processes that will help alleviate the burden of paperwork on officers and so increase the Service's operational capacity.

Such development work is also essential because of the increase in the volume of work in key policing areas. This was reflected in the creation of four new police and civilian posts to work with Customs in a joint Financial Crime Unit.

H.M. PRISON

Net revenue expenditure for H.M. Prison was just under £4.5 million in the year 2000, of which staff costs were £3.2 million, equivalent to 71%.

During 2000 the daily average Prison population increased from 126 to 130, with the number of prisoner days increasing from 46,025 to 47,414.

The year was significant for the excessive amounts of overtime being worked by the staff. The situation was recognised by the Home Affairs and Human Resources Committees and the authorised number of prison personnel has been increased by ten from 2001.

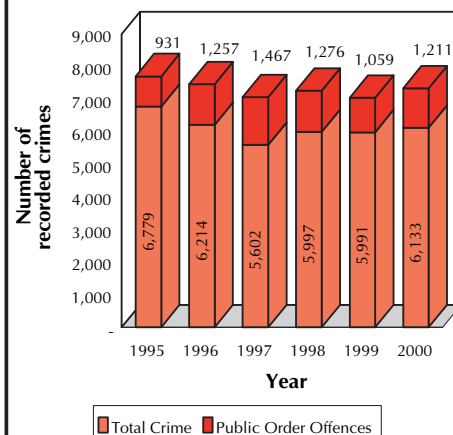
The transfer of inmates to United Kingdom prisons proved difficult during the early part of the year, however, following negotiations with Home Office officials, eight inmates were transferred to United Kingdom prisons during the last two months of the year. This new relationship will hopefully result in more speedy transfer of prisoners, but will result in higher expenditure in 2001.

STATES OF JERSEY FIRE AND RESCUE SERVICE

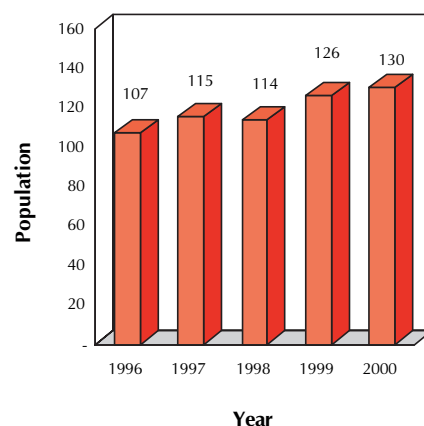
Net revenue expenditure for the Fire & Rescue Service was £4 million in the year 2000 of which staff costs were £3.4 million, equivalent to 85%.

Operational calls reduced by 13% to 2,020 in the year 2000, reflecting the Service's continued drive to reduce the number of non-emergency situations dealt with. Reducing these activities has allowed operational personnel, working with specialist Fire Safety Officers, to make a valuable contribution to the Community Fire Safety Programmes designed to improve public safety.

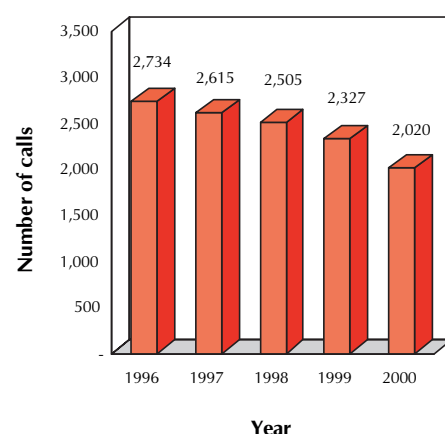
Total Crime and Public Order Offences 1995-2000



Daily Average Prison Population 1996-2000



Calls Received by the Fire Service 1996-2000





Home Affairs

The Joint Emergency Services Workshop, providing improved efficiency in maintenance and procurement, was set up during the year with all blue light vehicles and plant now being maintained by Fire Service engineering staff.

Improved efficiency and further controls on overtime spending led to savings in the budget of £147,000.

IMMIGRATION AND NATIONALITY

Gross revenue expenditure for the department was £1.27 million in the year 2000, of which staff costs were £972,000, equivalent to 77%. Income received was £377,000.

The introduction of seasonal labour from Poland in 2000 more than quadrupled the number of work permits issued to around 650. The number of passports issued reached an all time high of just under 12,000 in this, the first full year of the higher passport fees introduced in December 1999. There was also an increase in the number of documents legalised. These factors combined to produce an income £108,000 above budget. Against that, the increased workload in all areas cost an additional £12,000 in overtime, a large proportion of which was due to the successful detection of forged documents and potential illegal entrants.

DRIVER AND VEHICLE STANDARDS

Expenditure for the department was £697,000 in the year 2000, income was £799,000, giving a net surplus of £102,000.

However, the year 2000 again saw budgeted income fall short of its target. The shortfall was £66,500. The two main areas involved are the incomes from driving tests and hire cars, which were £32,000 and £41,000 less than the budget respectively.

The number of practical driving tests taken has not recovered since the introduction of the theory tests and the number of hire cars registered continues to fall in tandem with the reducing number of tourists.

The cumulative effects of annual reductions in budget are now being felt, with strict control on expenditure ever more essential.

PROBATION AND AFTER CARE SERVICE

Net revenue expenditure for the department was over £1.1 million in the year 2000, of which staff costs were £872,000, equivalent to 79%. £76,000 will be carried forward into 2001, which should allow the Service to continue operating without cutting core services.

Savings were achieved in the Staff budget as a result of some posts being vacant for part of the year. £40,000 was saved on premises, as a result of the reduction in some rents and the frequency of office cleaning being reduced. Savings have been achieved despite a record level of referrals to the Service.

CRIME AND COMMUNITY SAFETY STRATEGY

The newly formed Crime and Community Safety Strategy Office (CCSSO) is now responsible for the administration of the strategy. Reporting directly to the Director, Home Affairs the Executive Officer, CCSSO has implemented a new cost centre structure for all the strategy projects, and the final budget split between the Health and Social Services and Home Affairs Committees has been agreed.

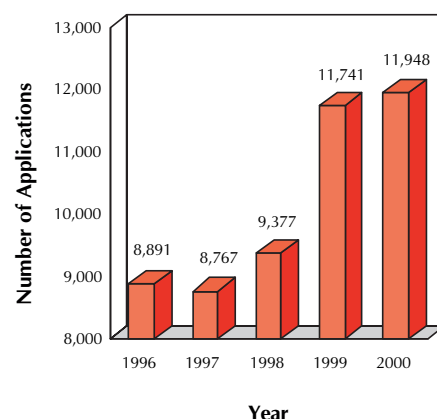
The strategy's budgeted expenditure in 2000 was £506,000 of which £264,000 has been spent. The unspent funds have been earmarked for 2001 in order to progress initiatives which could not commence in 2000.

MISCELLANEOUS

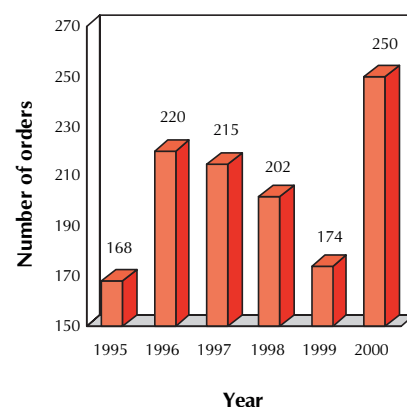
Total expenditure on this heading was £1.3 million in the year 2000.

Expenditure on the Defence Contribution, which covers the running costs of the Jersey Field Squadron, was £792,000. Expenditure on the Criminal Injuries Compensation Scheme was £300,000.

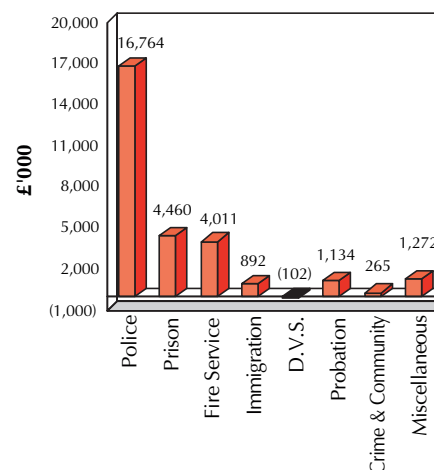
Passports Issued 1996 - 2000



Number of New Probation Orders 1995 - 2000



Net Expenditure - Service Analysis





Home Affairs

Net Expenditure - Service Analysis

2001 Estimate £	2000 Voted £		2000 Actual £	1999 Actual £
17,833,800	18,267,400	Police	16,763,670	15,619,793
4,884,000	5,080,200	HM Prison	4,460,252	4,140,004
3,976,000	4,158,700	Fire & Rescue Service	4,011,406	3,564,991
943,300	1,028,000	Immigration and Nationality	891,939	996,364
(172,500)	(173,000)	Driver and Vehicle Standards	(101,708)	(39,214)
1,129,300	1,210,100	Probation	1,134,417	-
476,400	505,700	Crime and Community Strategy	264,438	-
1,300,500	1,471,600	Home Affairs Miscellaneous	1,271,652	1,130,219
£ 30,370,800	£ 31,548,700	Total	£ 28,696,066	£ 25,412,157

Expenditure and Income Category

2000 Voted £		2000 Actual £	1999 Actual £
	Direct Expenditure		
23,785,600	Staff	22,815,089	20,781,524
1,976,800	Premises	1,485,145	883,190
2,445,100	Supplies and Services	2,278,194	1,883,838
380,500	Transport	375,764	328,770
2,101,600	Establishment	1,389,206	1,222,849
473,200	Court and Case Costs	473,216	334,000
114,600	Grants	110,442	100,000
229,100	Criminal Injuries Compensation Scheme	300,457	140,300
886,600	Defence Contribution	792,070	884,800
650,000	Cost of Inmates in UK Prisons	338,523	446,366
33,043,100		30,358,106	27,005,637
	Income		
230,000	Sale of Goods	347,868	344,157
122,300	Sale of Services	137,889	134,000
193,400	Immigration and Passport Receipts	290,718	216,933
76,200	Legalisation of Documents	86,629	82,315
187,500	Driving Tests	155,631	170,414
685,000	Vehicle Fees	643,305	645,661
1,494,400		1,662,040	1,593,480
£ 31,548,700	Net Revenue Expenditure	£ 28,696,066	£ 25,412,157

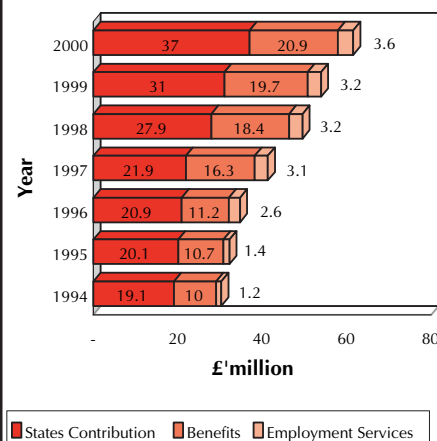


Employment and Social Security

The Committee has introduced two new benefits and progressed three key reports through the States in 2000 – as well as continuing its core services.

- States supplementation continues to increase and now accounts for £36 million – as originally forecast. The States now contribute about 30% of total contributions into the Social Security Fund.
- Family Allowances again showed a fall in both money and recipients. Numbers fell by 17% to 1,756, with a fall in monetary terms of nearly 7%, reflecting higher income levels.
- The large increase on Invalid Care Allowances expenditure reflects its uprating from October 1999. Furthermore, as predicted, the increased allowance has also led to additional beneficiaries – numbers rose from 115 in 1999 to 129 in 2000.
- Disability Transport Allowance continues to increase – numbers rose in 2000 by over 10% to 2,695. Expenditure will exceed £5 million in 2001, the original estimate put forward by the Committee. The Committee has recently published a consultation document showing the results of research undertaken to evaluate the effectiveness of this benefit.
- Childcare Allowances for the 5 to 12 year-olds were introduced in June 2000 in the form of discounted fees to parents, with the subsidy payable through the Jersey Childcare Trust direct to the providers. The scheme has proved very successful with about 250 children benefiting from subsidised after school and holiday provision at four centres.
- Housing Adaptations for the Private Sector, a scheme mirroring that run by the Housing Committee for States' tenants, was launched in September but, as of December, no grants had been finalised.
- In May, the Committee took its initial proposals to the States relating to a comprehensive review of Low Income Support. The States approved the way forward and the Committee was granted £200,000 to cover preliminary work. This has progressed steadily and the Committee will return to the States in 2001 with a progress report.
- Administration costs for all Non-Contributory Benefits equate to 3.9% of total benefit expenditure – slightly higher than for the Social Security and Health Funds but a little lower than last year. However, adding on costs recharged from other agencies (eg the Parishes for the administration of Non Native Welfare), over which the Committee has the control, administration costs rise to 5.2%.
- Training and Employment has underspent its budget due to a combination of factors – slippage in research and marketing projects, staff shortages and lower than anticipated take up of training grants. In March, the States approved the strategy for special needs employment in the Island and the Jersey Employment Trust has now been set up to co-ordinate activities.
- Although Health and Safety has managed to continue its proactive approach to encourage best practice, initiatives have been delayed due to a high level of reactive work arising.
- In December, the States approved the Committee's proposals for local employment legislation. Also, the Jersey Advisory and Conciliation Service was set up, to be operational by March 2001.
- The Department has commenced a Business Transformation Programme, incorporating a new computer platform, to ensure that future services match customer requirements.

Committee Net Expenditure
1994 - 2000





Employment and Social Security

Net Expenditure - Service Analysis

2001 Estimate £	2000 Voted £		2000 Actual £	1999 Actual £
		Contribution from the States		
40,000,000	34,811,700	Social Security Fund	36,160,824	30,091,947
1,060,000	935,000	Health Insurance Fund	918,028	911,259
		Non-Contributory Benefits		
5,650,000	6,000,000	Family Allowances	5,413,148	5,770,815
116,000	150,000	Dental Benefit Scheme	104,622	109,691
14,000	14,000	Death Grants	11,428	10,373
540,000	650,000	Milk at Reduced Rate	494,825	608,239
3,250,000	2,970,000	Attendance Allowances	2,941,241	2,771,499
1,900,000	1,740,000	Invalid Care and Disability Allowances	1,823,779	1,342,039
2,678,000	2,704,000	Non-Native Welfare	2,429,022	2,400,635
1,091,000	1,018,000	Christmas Bonus	1,007,902	941,279
5,650,000	4,685,000	Disability Transport Allowance	4,878,497	4,196,591
535,000	531,000	Childcare Allowances (0-5 yrs)	521,732	443,574
263,000	146,000	Childcare Allowances (5-12 yrs)	146,000	-
100,000	50,000	Housing Adaptations in the Private Sector	-	-
530,000	-	Financial Support for the Elderly	-	-
1,154,000	1,190,000	Administration for Non-Contributory Benefits	1,033,157	1,041,155
		Services Related to Employment		
3,537,500	3,395,000	Training and Employment	3,009,816	2,684,007
526,000	507,000	Health and Safety	388,955	403,380
505,500	522,000	Industrial Relations	240,930	150,779
£ 69,100,000	£ 62,018,700	Total	£ 61,523,906	£ 53,877,262

Expenditure and Income Category

2000 Voted £		2000 Actual £	1999 Actual £
	Expenditure		
1,475,000	Staff	1,305,400	1,380,552
81,500	Premises	275,787	16,872
813,600	Supplies and Services	504,097	326,887
5,800	Transport	6,591	5,471
352,100	Establishment	224,020	154,407
733,000	Indirect Administration Costs	733,350	800,165
35,746,700	States Contribution to Social Security and Health Funds	37,078,852	31,003,207
20,658,000	Non-Contributory Benefits	19,772,196	18,594,734
913,000	Training and Business Development	674,510	651,623
1,045,500	Workwise Scheme	951,301	948,694
200,000	Low Income Support - preliminary costs	2,552	-
62,024,200		61,528,656	53,882,612
	Income		
5,500	Agency Fees	4,750	5,350
£ 62,018,700	Net Revenue Expenditure	£ 61,523,906	£ 53,877,262



Housing

The Housing Committee is pleased to report on the 2000 Accounts which show a saving against the amount voted in 2000 of £881,300. In addition, the Housing Committee also agreed to transfer £150,000 to the Cottage Homes Committee in order to commence an urgently required roof replacement programme at the Victoria Cottage Homes.

The Committee wishes to carry forward the sum of £850,000 to the year 2001, so that it can continue to meet its commitments under the rental subsidy schemes and the maintenance programme for its 4,700 dwellings, whilst still abiding by the Committee's agreed Cash Limits for the years 2000 to 2002. The Committee is determined to maintain the level of service that it currently provides with the financial resources already allocated by the Finance and Economics Committee. To this end, the Committee will continue to take all reasonable steps to identify and implement efficiency savings.

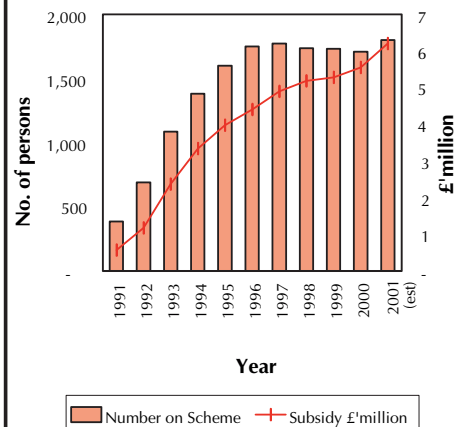
The number of claimants under the Private Sector Rent Rebate Scheme reduced slightly during 2000, with 1,708 applicants claiming £5.55 million. This small reduction in the number of claimants combined with increases in the general level of tenants' incomes resulted in a saving to the Committee of just over £350,000 against the 2000 estimate. The Committee's expenditure in this area, however, increased by 5.3% over 1999, as a result of the Committee's policy of gradually harmonising the subsidies paid to private sector tenants with those given to the Committee's own tenants, by increasing the 'fair' rent ceiling in the private sector scheme.

The Committee increased its rentals by 5% with effect from April, 2000, which resulted in gross rental income increasing to over £26 million and net rental income (gross rentals less abatement) increasing by 9% to £12.85 million. The problem of rent arrears continued to be a high priority for the Committee during 2000 and the Committee can report that the amount outstanding at the end of the year was 3.60% of the annual rent roll, compared to 3.76% in 1999.

A saving of over £600,000 against the amount voted for 2000 was also achieved on rental subsidies given to States' tenants under the Public Sector Rent Abatement Scheme. This saving was again partly due to increases in tenants' incomes, but also a result of more stringent verification procedures. During the second half of 2000, the Committee employed the services of two Fraud Investigation Officers, who within the first six months of their employment uncovered nearly £120,000 of savings under both the public and private sector subsidy schemes. The Committee is confident that the work of these officers will act as a deterrent to those contemplating making fraudulent claims in future and generate additional savings.

The Committee has been greatly concerned that, for many years, the funds available for the repair and maintenance of its 4,700 dwellings have been inadequate. The Committee addressed this under-funding in 2000 by redistributing over £500,000 of the savings on the rental subsidy schemes, identified above, to the maintenance of its dwellings. The Committee is pleased to report that over £4.1 million was spent in 2000 on the maintenance of its dwellings, an increase of 27% compared to 1999. The Committee has secured funding at this level for 2001 and 2002 and also continues to review the current maintenance procedures to ensure that best value is achieved from this funding.

Cost of Private Sector Rent
Rebate Scheme



Income from States
Rental Accommodation

	Gross £'million	Abatements £'million	Net £'million
1991	14.40	7.10	7.30
1992	16.90	9.00	7.90
1993	18.30	10.00	8.30
1994	19.40	10.40	9.00
1995	19.80	10.50	9.30
1996	20.60	10.80	9.80
1997	21.30	11.20	10.10
1998	22.70	11.80	10.90
1999	24.10	12.30	11.80
2000	26.20	13.30	12.90
2001 (est)	27.00	13.60	13.40



Housing

Net Expenditure - Service Analysis

2001 Estimate £	2000 Voted £		2000 Actual £	1999 Actual £
54,000	26,200	Administration of Housing Legislation	16,586	(15,671)
(6,311,500)	(5,303,500)	Social Housing Provision	(5,848,146)	(5,921,446)
6,335,800	6,033,000	Private Sector Rent Rebate Scheme	5,675,971	5,389,178
649,700	643,500	Central Services	673,489	388,584
£ 728,000	£ 1,399,200	Total	£ 517,900	(£159,355)

Expenditure and Income Category

2000 Voted £		2000 Actual £	1999 Actual £
	Expenditure		
2,243,900	Staff	2,261,851	2,114,057
3,008,200	Premises	3,128,995	2,802,291
187,200	Supplies and Services	189,208	147,551
108,100	Transport	104,497	92,225
281,200	Establishment	399,558	287,533
3,640,000	Maintenance of States Houses	4,146,628	3,260,304
13,958,200	Rent Abatements	13,343,537	12,299,915
5,900,000	Rent Rebates	5,546,689	5,266,612
29,326,800		29,120,963	26,270,488
	Income		
25,652,000	Rentals	26,188,728	24,078,466
2,143,600	Recharges	2,266,325	2,218,945
132,000	Miscellaneous	148,010	132,432
27,927,600		28,603,063	26,429,843
£ 1,399,200	Net Revenue Expenditure	£ 517,900	(£159,355)



House and Legislation

HOUSE COMMITTEE

The House Committee continued with its comprehensive review of the Standing Orders of the States of Jersey and promoted specific amendments during the course of the year in line with practices and procedures for the efficient functioning of the States Assembly, ahead of the Report of the Review Panel on the Machinery of Government in Jersey, chaired by Sir Cecil Clothier, KCB, QC.

The Committee pursued the promotion and monitoring of the Code of Practice on Public Access to Official Information following its introduction on 20th January 2000. It also continued to investigate the provision of States' Members facilities, and provided photocopying and facsimile machines in this respect; other facilities under ongoing review include a Members library and an improved IS/IT communication system, while the provision of improved longer term facilities is expected to develop in tandem with the refurbishment project of the States Building. The States Internet site, as developed under the e-government project, will be launched early in 2001.

The Committee has underspent its budget for 2000 primarily due to the transfer of funds from the Special Committee on Freedom of Information for the purpose of its work associated with the Code on Public Access to Official Information in 1999. This work is ongoing.

LEGISLATION COMMITTEE

In 2000, the Legislation Committee lodged 'au Greffe' twenty-one pieces of legislation and two projects, and presented two reports to the States, including the annual report of the Jersey Law Commission, which saw the appointment of additional members and a change of Chairmanship during the course of the year. The Commission has continued to pursue its work relating to its various Topic Reports.

The States approved significant draft legislation relating to such issues as Human Rights, the Rehabilitation of Offenders, and Maintenance Enforcement Orders, while the Committee consulted on five pieces of proposed legislation and pursued inclusion of six areas of new legislation within the 2001/2002 Legislation Programme. During the year, the Committee has considered further the issues of Succession Rights for Children Born out of Wedlock, Disqualification for Election, and Official Publications. While it is continuing with the work of the Working Party on Parish Rates, and that of the Franchise Working Party, it has established a new Working Party in connection with Parish Assemblies and Related Matters.

The Committee maintained its expenditure within budget during 2000, including that of the Jersey Law Commission.

Net Revenue Expenditure - Committee Analysis

2001 Estimate £	2000 Voted £		2000 Actual £	1999 Actual £
4,000	28,000	House	10,124	3,938
48,000	48,000	Legislation	4,494	6,958

Expenditure Category - House

2000 Voted £		2000 Actual £	1999 Actual £
28,000	Expenditure Supplies and Services	10,124	3,938
£ 28,000	Net Revenue Expenditure	£ 10,124	£ 3,938

Expenditure Category - Legislation

2000 Voted £		2000 Actual £	1999 Actual £
3,000	Expenditure Supplies and Services	2,888	2,000
45,000	Law Commission	1,606	4,958
£ 48,000	Net Revenue Expenditure	£ 4,494	£ 6,958



Sport, Leisure and Recreation

The success of the business decisions taken in the year 2000 by the Sport, Leisure and Recreation Committee in a competitive market are reflected in total income generated of £2.3 million, a surplus of £444,298 (23.7%) over 1999. This success is primarily due to increased income from charges, surpassing 1999 by over 25%, which can be attributed to the success of the Active Card, introduced at the beginning of the year and boasting a membership of 2,200 by the year end.

A total of £580,000 was generated through the Active Card which was launched following a thorough review of the health and fitness market and the requirements of potential members. A package has been developed, including the option of payment by direct debit, which balances price and benefits, whilst its success represents the quality of the promotion and the continued investment in the Committee's health and fitness facilities.

Income generated from Events (£117,586) reflects the success of a regular and diverse programme at Fort Regent and also the frequent use of Springfield Stadium for exhibitions and meetings. These factors have contributed to re-establishing Fort Regent as a major venue and in attracting the confidence of the local population.

The ability to generate additional income allows the Committee to operate within its Cash Limit and to fund the increased costs of maintenance as well as provide further funds to support its Social Policies. These will ultimately increase participation and improve opportunities at all levels in sport and recreation which is the Committee's prime objective.

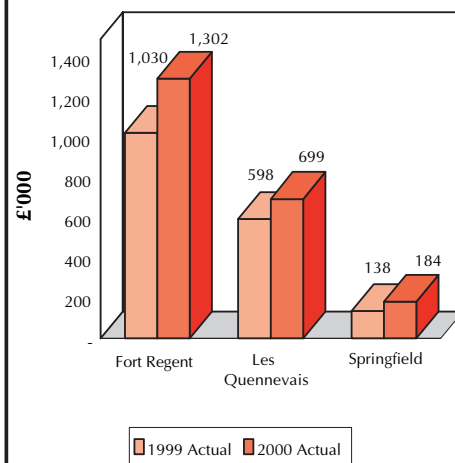
Significant areas of expenditure include:-

- the maintenance of facilities such as the refurbishment of buildings located at outdoor facilities, the replacement of safety fencing and the refurbishment of the Active Card changing rooms at Fort Regent (£900,000);
- the upkeep of sports playing surfaces and general grounds maintenance (£525,000);
- £145,800 to the Advisory Council which is granted on the basis of development plans submitted by clubs and associations; and
- over £100,000 used for commercial activities such as the branding and promotion of the Active Card and undertaking customer satisfaction surveys and a mystery shopper scheme as part of the commitment to providing excellent customer service.

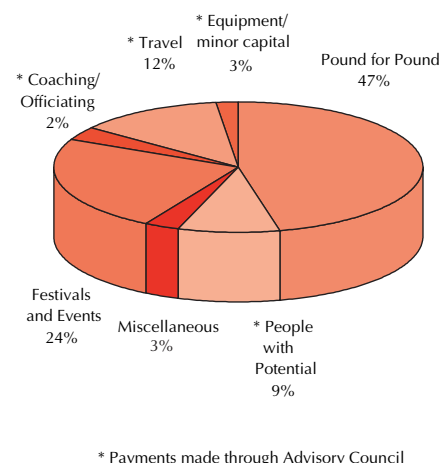
The Committee has had to invest in a number of major refurbishments in 2000 including the replacement of the arena floors (£310,000) and the extension of the cardio-vascular area at Fort Regent (£100,000) and the replacement of the backwash tank at Les Quennevais (£135,000). In addition, the Finance and Economics Committee gave approval to a loan of £300,000 to enable the Committee to extend the health and fitness area at Les Quennevais.

This investment will ensure that the standard of facilities maintained by the Committee will continue to meet increasingly demanding customer expectations, that stringent health and safety regulations can be met and that challenging income targets can be achieved.

Total Income from Major Facilities



Committee Grants





Sport, Leisure and Recreation

Net Expenditure - Service Analysis

2001 Estimate £	2000 Voted £		2000 Actual £	1999 Actual £
223,300	225,300	Administration	226,312	199,463
1,128,500	1,319,000	Fort Regent Leisure Centre	1,007,537	1,204,297
395,800	380,300	Les Quennevais Sports Centre	304,759	338,579
181,900	132,400	Springfield Stadium and Community Centre	139,145	111,796
		Sports Playing Fields and		
468,300	468,000	Miscellaneous Facilities	529,422	373,571
278,800	277,900	Sport and Recreational Development	276,543	238,927
576,300	538,000	Grants and Pound for Pound Support	536,034	496,076
106,600	113,000	Support Services	109,208	124,914
472,200	425,500	Technical Services	389,638	518,893
269,300	88,100	Commercial Services	124,703	91,689
299,000	267,000	Finance and Information	261,103	247,993
£ 4,400,000	£ 4,234,500	Total	£ 3,904,404	£ 3,946,198

Expenditure and Income Category

2000 Voted £		2000 Actual £	1999 Actual £
	Expenditure		
3,092,400	Staff	3,035,867	2,852,125
1,664,200	Premises	1,737,273	1,588,332
564,100	Supplies and Services	657,147	579,454
35,500	Transport	24,730	21,640
283,800	Establishment	237,797	289,512
531,500	Grants and Sponsorship	530,639	489,886
6,171,500		6,223,453	5,820,949
	Income		
1,402,800	Charges	1,712,098	1,365,787
78,000	Events	117,586	102,695
228,900	Rentals	258,890	194,523
227,300	Miscellaneous	230,475	211,746
1,937,000		2,319,049	1,874,751
£ 4,234,500	Net Revenue Expenditure	£ 3,904,404	£ 3,946,198



Other Committees

ETAT CIVIL

The Register Office has again proved to be a popular venue for weddings with 541 marriages being solemnised during the year 2000. This is 68% of the total number of marriages registered in the Island during the year. These figures are slightly down on those for 1999. The number of non-resident couples coming to the Island to be married was also down on those for the last year by 57 to 287.

Following the purchase of a small computer system in 1999 the Register Office has started to create a data base of all the births, deaths and marriages registered in the Island since 1842. In addition to the usual seasonal staff required to assist with marriages during the busy summer months it has been necessary to employ additional part-time staff to assist with the computer project. This has resulted in an increase in staff costs for the year.

The Committee has also been involved in the planning of the 2001 census. The Committee intends this census to provide detailed and comprehensive information on the Islands population that will assist the States with its strategic planning. Of the £125,000 allocated to the Census for 2000 only £20,708 was spent during the year. The balance has been carried forward and added to the sum allocated for 2001.

Despite the pressures faced by the Committee the overall effect on the 2000 cash limit is a saving of £17,800.

OVERSEAS AID

The Committee's policy is directed towards the eradication of poverty and over 80% of expenditure is by way of grants to some 65 agencies both large and small. Over 250 projects were submitted to the Committee for grants totalling in excess of £5.5 million. All awards of grant are based on the individual merits of the project and not the size of the agency, the projects supported being in the main in areas of clean water, health, sanitation, education, agriculture and livestock, and revolving credit schemes for small businesses. The Committee also received enquiries from 70 other agencies trusts etc. seeking funding nearly all of whom were rejected or pointed in other directions.

Due to extremes of weather there were extensive floods and large areas affected by drought, it was fortunate that the Committee increased its provision for Disasters and Emergencies. During the course of the year £619,710 was awarded from this budget compared with £381,300 in the previous year. In 2000 £549,593 (1999 £168,975) was spent due to natural disasters and £70,117 (1999 £212,325) arising from human conflict.

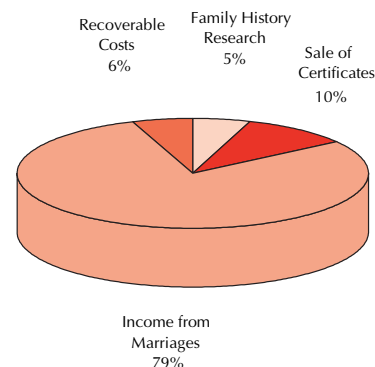
In 1999 the States voted an additional £1,000,000 from the General Reserves for relief in Kosovo of which £800,000 was spent that year and £200,000 in the year 2000.

Community Work Projects were organised by the Committee for Ecuador, Uganda, and Zambia, involving 36 local residents and at a net cost inclusive of materials and equipment of £315,105.

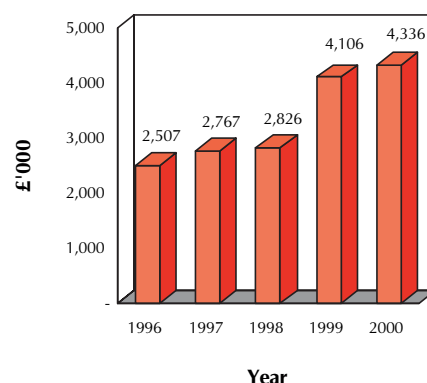
The Committee seek to encourage other organisations in raising funds for Overseas Aid and has established a small budget from which funds may be paid to such bodies approved by the Committee. The projects must meet the Committee's established criteria and the funding is on a £ for £ basis up to a maximum of £3,500. Since the inception of this scheme during the year 2000 the Committee have made grants to three organisations totalling £10,500, and a further £9,000 to three other bodies has been approved subject to their raising the necessary funds.

Administration costs at £29,364 remain exceptionally low due to the honorary services of our work project helpers and our executive officer and represent 0.7% of the grant.

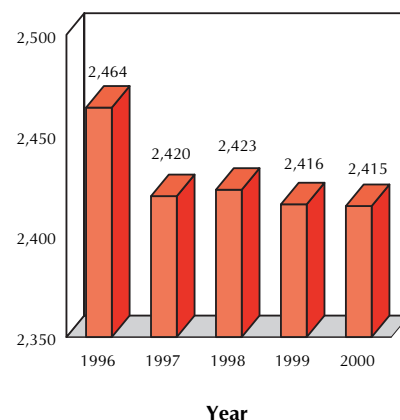
Etat Civil Summary of Income



Overseas Aid Grant Expenditure



Number of Gambling Permits Granted





Other Committees

GAMBLING CONTROL

With an expansion of global gambling, the Committee received an increase in the number of enquiries particularly in connection with gambling on the Internet.

The department's workload increased as a result of this, and was balanced by a lesser time involvement in the administration of the Channel Islands Lottery. An additional 10% of work-time was therefore re-allocated to the Gambling Control department, the cost of which was absorbed within the Committee's existing budget figure.

The income derived from gambling permits issued by the Committee and from Bookmaking Licenses also increased. The income for the year as a whole was £57,522 – 13.9% above the budgeted figure of £50,500.

COTTAGE HOMES

The Cottage Homes provide 87 units of accommodation for elderly persons. During 2000, the Committee identified the need to replace the roofs on three of the oldest buildings at Victoria Cottage Homes at a cost of £150,000. The funding for this work has been provided by the Housing Committee through a vote transfer.

The Committee has faced a number of delays to the start of this work and hence this sum remained unspent at the end of 2000. The Committee wishes to carry the whole of its unspent budget forward to 2001, so that the work can commence in the spring.

The Committee's income was less than budgeted due to a number of units remaining empty as a result of water penetration due to the poor condition of the roofs at the Homes.

HARBOURS AND AIRPORT – LA COLLETTE RECLAMATION SCHEME

On behalf of the States, Jersey Harbours administers land at La Collette which is used mainly for activities relating to the landing, storage and distribution of the Island's energy needs as well as bulk cement. In carrying out the duties of a landlord, Jersey Harbours requires the companies to have adequate third party insurance, maintain the properties in good order and take appropriate safety measures. Jersey Harbours is responsible for maintaining the access road to the fuel farm, paying professional fees associated with the properties and providing for the overall safety of the site with particular respect to fire safety, evacuation and emergency pollution response.

The principal non-marine users of the land are the Jersey Electricity Company, Jersey Gas, Shell UK/Fuel Supplies (CI), Petroleum Distributors, Total and Ronez. Income from property rentals in 2000 totalled £333,235 from which an administration and insurance charge was deducted. One new lease was taken up in June 2000 giving rise to additional rental income during 2000 of £7,720 with the remaining increase over 1999 income relating to the application of cost of living to certain leases.

SPECIAL COMMITTEE TO CONSIDER THE RELATIONSHIP BETWEEN COMMITTEES AND THE STATES

The expenditure in 2000 related to administration only – no legal advice was required by the Panel last year.

The budget remains at its current level of £10,000 to ensure that funds are available should legal advice be required.

Expenditure and Income Category

1999 Actual £		2000 Actual £
	Expenditure	
250,658	Staff	268,251
217,000	Premises	185,119
13,059	Supplies and Services	9,697
29,317	Establishment	16,039
223,981	Miscellaneous	207,313
-	Census	20,708
4,082,998	Overseas Aid	4,306,486
4,817,013		5,013,613
	Income	
291,178	Hire and Rentals	299,725
305,035	Fees	254,771
596,213		554,496
£ 4,220,800	Net Revenue Expenditure	£ 4,459,117



Other Committees

Net Expenditure - Service Analysis

2001 Estimate £	2000 Voted £		2000 Actual £	1999 Actual £
282,400 (82,400)	279,600 (60,000)	Etat Civil Expenditure Income	163,401 (65,466)	151,713 (71,301)
£ 200,000	£ 219,600		£ 97,935	£ 80,412
£ 4,554,000	£ 4,405,500	Overseas Aid	£ 4,335,869	£ 4,106,268
36,500 (50,500)	41,800 (50,500)	Gambling Control Expenditure Income	37,222 (57,522)	33,727 (53,788)
(£ 14,000)	(£ 8,700)		(£ 20,300)	(£ 20,061)
325,800 (144,800)	470,100 (140,400)	Cottage Homes Expenditure Income	299,191 (131,783)	324,595 (132,722)
£ 181,000	£ 329,700		£ 167,408	£ 191,873
-	-	Broadcasting (Note 1) Expenditure	-	56,888
-	-	Income	-	(47,224)
-	-		-	£ 9,664
194,000 (315,000)	114,000 (235,000)	Harbours and Airport - La Collette Reclamation Scheme Expenditure Income	114,000 (299,725)	114,000 (291,178)
(£121,000)	(£121,000)		(£185,725)	(£177,178)
-	-	Committee of Inquiry Contract 620 : Elizabeth marina	-	152
-	-	Beauvoir	-	828
-	72,400	Building Costs	62,169	26,621
-	£ 72,400		£ 62,169	£ 27,601
£ 10,000	£ 10,000	Special Committee to Consider the Relationship between Committees and the States	£ 1,761	£ 2,221

Note 1: The responsibility and Cash Limit was transferred in 2000 to the Industries Committee.



Harbours

In 2000 Jersey Harbours achieved a net surplus of £1,087,900 a 22% increase on the 1999 surplus of £893,000. Turnover in 2000 showed a 5% increase on the 1999 figure which resulted mainly from an 8% increase in Marina income offsetting a 1% reduction in Harbour Dues income (despite a 2.5% price increase). In particular passenger activity was down in total by 5% on 1999. Freight inwards was down by 1% (main contributor being fuel with a reduction on 1999 of 3% otherwise freight imports were up) and freight exports were also down by 4%.

Multiple use of berths and the increased take-up of berth contracts by visiting yachtsmen accounts for the increase in Marina fees and the apparent reduction in short term visitors using the marinas. With 24,318 visitors in 2000 these were down on 1999 by 9% although the proportions remained roughly the same with 55% coming from France, 32% from the UK and the remainder from other Channel Islands and elsewhere.

Both Moorings and Property income appear to have increased considerably since 1999, however, this is due to the impact of accruals accounting to this income for the first time in 1999. In real terms Moorings income exceeded budget by only 3.5% and Property by 5.5% (60% of rentals are index-linked and are uplifted annually). Due to almost a 100% take-up of parking spaces following the Immigration Department's move from the Albert Pier, income from Services was up by 24%.

Increased income from Ships Registry is reflected by the fact that the total number of transactions has gone up since 1999.

Total expenditure in 2000 (£6.8 million) although 2% higher than in 1999 showed a real reduction in operational expenditure of over 1% with minor savings on staff costs despite a pay award of 5.5%. Due to a restructuring of the accounts in 2000 expenditure is more identifiable and accurate with the bulk of non-staff expenditure still going towards maintenance of Premises and Plant.

The total payments to the States of Jersey in 2000 amounted to £2.8 million, an increase on 1999 of 6%. Total capital repayments amounted to £1,170,000 compared with £967,300 in 1999. This can be attributed to the inclusion of an accelerated capital repayment of £275,100 in the 2000 accounts which equates to the savings achieved from delayed Minor Capital projects.

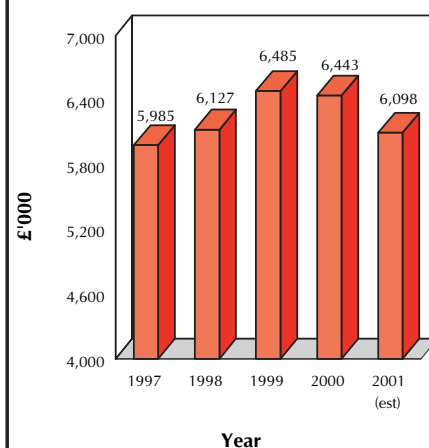
At the end of 2000 there was a balance of £2,176,900 in the Trading Fund an increase on 1999 of £789,100. Projects undertaken in 2000 from the Trading Fund included work on Elizabeth Terminal to create a passenger & vehicle search facility, completion of the CCTV installation in St Helier Harbour and work on upgrading the Pilot boat to meet Port Marine Safety Code requirements. The work on Elizabeth Terminal and the Pilot boat will continue in 2001.

Work planned to go ahead in 2000 and since delayed included the creation of an access gangway for the Tanker Berth and the fitting of hydraulic brow gangways at the Elizabeth Harbour. Also delayed until 2001 was the lease-purchase of a new crane (budgeted capital cost £950,000).

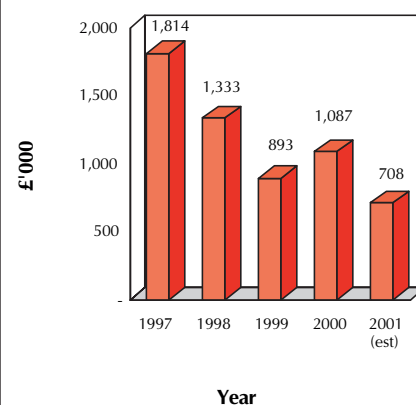
Expenditure Analysis

	2000 Actual £'000	1999 Actual £'000
Corporate / Support Services	2,369	2,286
Piers & Quays	654	606
Estate Management	635	618
Marine Services	489	550
Other	570	718
Commercial Operations	2,348	2,492
Elizabeth Marina	238	363
St Helier Marina	307	232
La Collette Marina	134	207
Other	39	28
Marinas and Moorings	718	830
Property Management	351	320
Regulatory	575	478
Heritage	62	31
Minor Capital / Contingency	356	171
Total Operating Expenditure	6,779	6,608

Harbour Dues 1997 - 2001



Summary of Net Surpluses 1997 - 2001



Harbours



Operating Account

2001 Estimate £	2000 Revised Estimate £		2000 Actual £	1999 Actual £
		Income		
6,097,500	6,591,400	Harbour Dues	6,443,517	6,485,615
1,303,300	1,271,500	Marina Fees	1,413,745	1,311,096
170,700	165,900	Moorings Fees	171,656	95,992
77,700	74,400	Other Fees	79,331	72,605
1,189,100	1,165,800	Property Rentals	1,229,844	1,048,340
456,900	423,300	Services	492,815	396,137
176,200	128,700	Recharges	159,760	125,470
92,000	88,100	Ships Registry	91,756	85,974
42,500	77,600	Sundry Income	90,889	75,642
(16,700)	(16,000)	Charges against Income	(17,304)	(26,356)
9,589,200	9,970,700		10,156,009	9,670,515
		Expenditure		
3,966,700	3,777,300	Staff	3,845,095	3,715,263
2,155,900	2,214,700	Premises / Plant	1,787,753	2,248,992
31,300	28,100	Transport	35,119	28,343
122,900	222,000	Supplies and Services	330,987	87,365
454,000	447,900	Administration	406,142	351,083
10,400	10,000	Grants	15,300	10,000
100,000	100,000	Contingency / Non - Recurring Items	2,045	(3,570)
236,000	631,400	Minor Capital Assets	356,329	171,050
7,077,200	7,431,400	Total Expenditure	6,778,770	6,608,526
2,512,000	2,539,300	Gross Operating Surplus	3,377,239	3,061,989
		Less:		
520,100	568,800	Interest on Outstanding Capital Loans	568,748	617,879
567,800	572,100	Repayment of Outstanding Capital Loans	572,011	577,696
534,500	550,800	Interest on Elizabeth Marina Development	550,667	583,788
181,900	190,100	Repayments of Capital Elizabeth Marina	322,883	168,829
-	-	Accelerated Capital Repayment	275,071	220,808
1,804,300	1,881,800	Capital Servicing	2,289,380	2,169,000
707,700	657,500	Net Surplus	1,087,859	892,989
		Less:		
300,800	277,000	Financial Return paid to the States	492,179	446,494
£ 406,900	£ 380,500	Transfer to Trading Fund	£ 595,680	£ 446,495

Harbours



Trading Fund

2001 Estimate £	2000 Revised Estimate £		2000 Actual £	1999 Actual £
1,506,265	1,387,865	Balance brought forward 1st January	1,387,865	795,798
177,200	70,000	Add: Interest	214,797	136,847
-	-	Adjustments for prior year commitments	-	-
406,900	380,500	Transfer from profits	595,680	446,494
600	-	Other Income	124,539	72,828
584,700	450,500	Total Additions	935,016	656,169
535,000	435,000	Less: Capital Expenditure	145,949	64,102
71,300	-	Interest on Leased Assets	-	-
95,000	-	Principal on Leased Assets	-	-
701,300	435,000	Total Expenditure	145,949	64,102
£ 1,389,665	£ 1,403,365	Balance carried forward 31st December	£ 2,176,932	£ 1,387,865

Payments to the States of Jersey

2001 Estimate £	2000 Revised Estimate £		2000 Actual £	1999 Actual £
1,804,300	1,881,800	Capital Servicing	2,289,380	2,169,000
300,800	277,000	Financial Return (Note 1)	492,179	446,494
2,105,100	2,158,800	Total Payments to the States	2,781,559	2,615,494

Note 1: As agreed during the 2000 - 2002 budget setting process, the return to the Treasury will remain at 50% of the net surplus (after deducting the rental payment for Maritime House of £103,500 in 2000 and £106,100 in 2001) pending further discussions regarding future capital requirements from the Harbours Trading Fund.



Airport

Financial year 2000 saw continued change at Jersey Airport. A significant feature was the large-scale consultation on the proposal to incorporate the Airport into a limited liability company. The outcome of this was a decision not to proceed; incorporation being deemed 'not appropriate'. The principal reason for this was a recognition that the Airport was an important strategic asset to the Island and as such was not able to operate with complete commercial freedom. There were also some significant underlying funding issues, which needed to be given further consideration. As a result a group was established by the Policy & Resources Committee to review the role of the Airport within the Island context from which the most appropriate form of funding and method of operation would evolve. The work of this group is still ongoing.

However, one clear theme that remains is the need for the Airport to be more commercial in its approach to its business. It is therefore pleasing to note that the net surplus in 2000 increased by 29% (£1.29 million) to £5.72. In comparing 2000 with 1999 it is necessary to take into account two accounting changes in 2000:–

- DOE sales and repairs are no longer shown as a net income figure – income and expenditure are now shown separately.
- Income and expenditure relating to Security Services are brought into account for the first time.

These changes distort a comparison of total income and expenditure between 1999 & 2000. However if they are excluded:–

- Total income increased by £921,400 (5.0%).
- Total expenditure decreased by £348,200 (2.8%).

Key features are:–

Income

- Revenue Passenger numbers fell by 2% compared to 1999.
- The Heathrow route was lost from October 2000.
- The agreed second instalment of £1.50 was added to the Passenger Landing supplement from April 2000.
- The airlines negotiated with the Finance & Economics Committee a subsidy to mitigate the impact of increases in Airport Dues from 1st April 2000. This subsidy was paid direct to the Airport. A sum of £416,109 was received during the year. The subsidy ceases on 31st March 2001.
- Eurocontrol income received was the first under the new 'cash limited' arrangement. Income is £872,000 less than in 1999, partly because 1999 included a final adjustment of £358,600 in respect of the cost recovery arrangement.

Expenditure

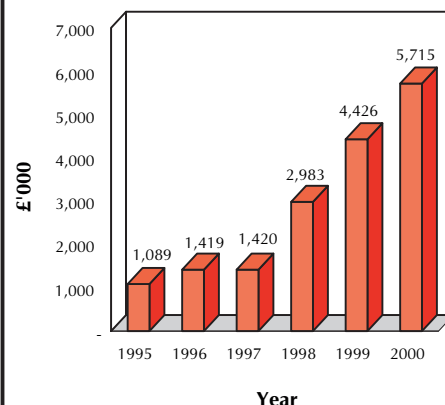
- The overall reduction in the level of expenditure is pleasing given the impact of the 2000 Pay Award of 5.5%, and the fact that approximately £250,000 had to be spent on emergency remedial work relating to asbestos in the 1937 building.

A number of initiatives were undertaken during the year aimed at improving the finances of the Airport in order that it might be better able to fund its capital investment programme. These included:–

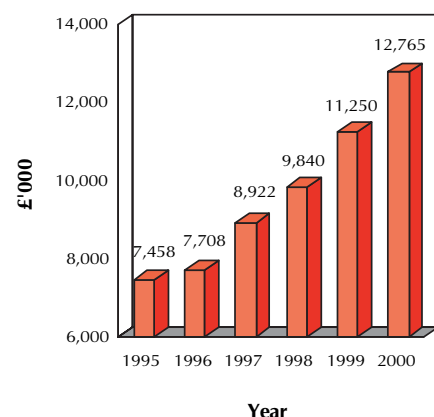
- The proposed introduction of Duty Free.
- A review of concessions to identify potential areas of improvement and additional opportunity.
- An external review of the capital investment programme.

The Airport is committed to improving its overall financial position and achieving 'best value' in the services it provides.

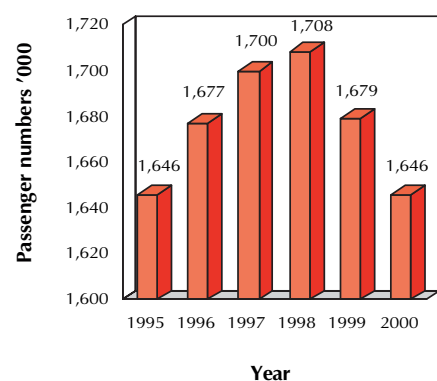
Summary of Net Surpluses



Income from Airport Dues



Passenger Numbers
(excluding transits)



Airport



Operating Account

2001 Estimate £	2000 Revised Estimate £		2000 Actual £	1999 Actual £
		Income		
12,594,000	12,480,000	Airport Dues	12,765,388	11,250,306
735,000	735,000	Airport Services	787,059	733,571
3,500,000	3,400,000	Aeronautical Services	3,472,844	4,344,842
1,346,000	1,344,800	Security Services	1,367,435	-
1,115,000	1,115,000	Concessions	1,150,698	1,084,161
725,000	725,000	Rentals	805,306	775,279
975,000	60,000	DoE Sales and Repairs	738,914	71,450
60,000	60,000	Other	241,363	57,231
21,050,000	19,919,800	Total Income	21,329,007	18,316,840
		Expenditure		
369,500	346,300	Organisation Development	159,861	203,486
212,500	204,800	Directorate	191,542	193,238
1,081,000	878,700	Support Services	741,908	822,229
5,100,000	4,820,000	Aviation Operations	4,955,715	4,739,884
2,625,500	2,314,700	Engineering Services	2,321,498	2,450,994
1,583,500	1,490,200	Customer Services	1,331,664	1,368,426
1,346,000	1,423,000	Security Services	1,367,435	-
2,637,000	2,572,300	DoE - Aeronautical Services	2,282,497	2,485,051
915,000	-	DoE - Communication Services	723,380	-
297,000	314,000	Minor Capital Assets	149,078	218,605
200,000	200,000	Reserve for Contingencies	-	-
16,367,000	14,564,000	Total Expenditure	14,224,578	12,481,913
4,683,000	5,355,800	Gross Operating Surplus	7,104,429	5,834,927
		Less:		
609,000	609,000	Interest on outstanding loans	589,309	608,481
800,000	800,000	Repayment of outstanding loans	800,000	800,000
1,409,000	1,409,000	Capital Servicing	1,389,309	1,408,481
3,274,000	3,946,800	Net Surplus	5,715,120	4,426,446
		Less:		
-	-	Financial Return made to the States	-	-
£ 3,274,000	£ 3,946,800	Transfer to Trading Fund	£ 5,715,120	£ 4,426,446

Note: In addition to the above expenditure, £213,000 has been incurred in 2000 in respect of the investigation and associated consultancy arising from the contamination of the Airport Fire Training Ground.

Airport



Trading Fund

2001 Estimate £	2000 Revised Estimate £		2000 Actual £	1999 Actual £
8,429,519	7,912,719	Balance brought forward 1st January	7,912,719	4,606,788
275,000	275,000	Add: Interest	398,028	213,246
3,274,000	3,946,800	Transfer from Profits	5,715,120	4,426,446
3,549,000	4,221,800	Total Additions	6,113,148	4,639,692
6,288,500	3,705,000	Less: Capital expenditure	2,147,092	1,263,873
-	-	VR/VER	-	69,888
6,288,500	3,705,000	Total Expenditure	2,147,092	1,333,761
£ 5,690,019	£ 8,429,519	Balance carried forward 31st December	£ 11,878,775	£ 7,912,719

Payments to the States of Jersey

2001 Estimate £	2000 Revised Estimate £		2000 Actual £	1999 Actual £
-	-	Financial Return	-	-
-	-	Accelerated Capital Repayments made from the Trading Fund	-	-
-	-	Total Payments to the States	-	-



Telecommunications Board

Vision

The Board's Vision is to be Jersey's Leading Provider of Communications Solutions. In the course of realising this Vision the board will continue to be able to grow shareholder value.

The strategies to achieve this vision are built on three key elements, namely:-

- Customer Service Excellence
- Innovative New Products and Services
- Value for Money

Major business Achievements

Noted below is a short commentary on some of the major milestones attained this year as part of realising the Board's vision:-

Value for money

During the year we were able to achieve further reductions in the cost of our connections to the outside world. We were able to pass these savings onto our customers in a variety of ways. In call prices we delivered significant price reductions on calls to the UK, JT GSM, Ireland and a number of important international destinations. In addition, we were able to reduce the price of off-island bandwidth for both Private circuits and Internet Backbone connections.

New Products and Services

2000 saw a number of new services being launched both for fixed and mobile services. The main ones were:-

- Broadband Services.
Two new products for the business community, Capital Connect and Corporate Connect. For the residential customer, JT Rapid "always on" high speed Internet access.
- Mobile Services.
Text messaging was launched mid year followed in late September by JT Freedom, a prepaid mobile service. This particular service proved extremely popular and demand was more than double our expectations.
- Co-location.
In conjunction with XKO Plc we opened a co-location centre with world-class facilities demonstrating our commitment to be a major supplier of e-business services in Jersey.

Financial Performance

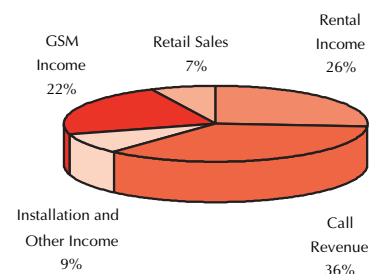
Net turnover after interconnection costs rose by £5.59 million over 1999 and is £1.46 million (2.9%) better than forecast. With the exception of Retail Sales, all areas of income showed improvements over 1999 and were ahead of expectation. It was very pleasing to see call revenue perform better than expected despite the very significant price cuts referred to above.

Expenditure overall was in line with expectations with savings in operational costs offsetting the increased customer acquisition costs for mobile.

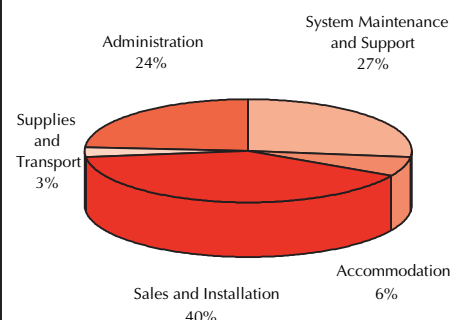
The Gross Operating Surplus of £19.9 million was £394,000 (2%) greater than 1999. The resultant transfer to the Trading Fund was £886,000 (4.6%) better than expected, which, combined with the £2.98 million under-spend on Capital expenditure may obviate the need to overdraw the Trading Fund in 2001, as was originally anticipated.

The contribution to the States of Jersey was restored to a more normal commercial level than previous years in the Board's opinion, at £3.5 million and for 2001 is based on a percentage of profits.

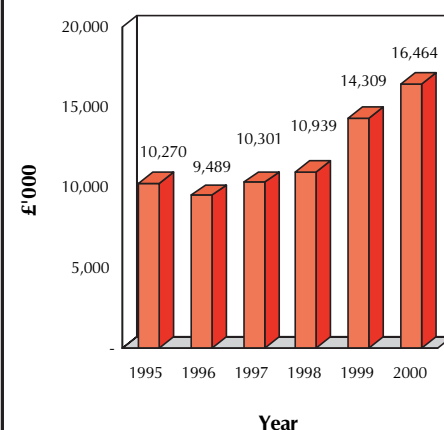
Analysis of Turnover



Analysis of Operating Costs



Summary of Net Surpluses



Telecommunications Board



Operating Account

2001 Estimate £	2000 Revised Estimate £		2000 Actual £	1999 Actual £
		Income		
14,339,000	14,129,000	Rental Income	14,188,904	13,256,002
17,307,000	18,335,000	Call Revenue	19,435,090	19,326,675
5,651,000	4,637,000	Installation and Other Income	4,905,063	3,819,806
16,143,000	12,246,000	GSM Income	12,306,853	8,762,454
3,665,000	3,501,000	Retail Sales	3,807,928	4,317,374
57,105,000	52,848,000		54,643,838	49,482,311
		Less:		
2,943,000	2,572,000	Interconnection Receipts and Payments	2,912,285	3,339,139
54,162,000	50,276,000	Total Income	51,731,553	46,143,172
		Expenditure: Operating Costs		
11,114,000	9,806,000	System Maintenance and Support	8,431,426	6,777,187
11,788,000	10,922,000	Sales and Installation Costs	12,710,767	10,446,983
848,000	975,000	Supplies and Transport	1,008,163	1,201,227
2,446,000	2,073,000	Accommodation Costs	1,917,068	1,100,982
7,253,000	7,422,000	Administration	7,700,393	7,046,569
33,449,000	31,198,000	Total Expenditure	31,767,817	26,572,948
20,713,000	19,078,000	Gross Operating Surplus	19,963,736	19,570,224
		Less:		
-	-	Interest on outstanding capital loans	-	261,153
-	-	Repayments of outstanding capital loans	-	5,000,000
-	-	Capital Servicing	-	5,261,153
20,713,000	19,078,000	Net Surplus	19,963,736	14,309,071
		Less:		
4,690,000	3,500,000	Financial Return made to the States	3,500,000	-
£ 16,023,000	£ 15,578,000	Transfer to Trading Fund	£ 16,463,736	£ 14,309,071

Telecommunications Board



Trading Fund

2001 Estimate £	2000 Revised Estimate £		2000 Actual £	1999 Actual £
562,000	1,078,000	Balance brought forward 1st January	1,077,781	3,962,927
-	-	Add:		
-	-	Release of Prior Year Provisions	410,000	-
16,023,000	15,578,000	Adjustment for Prior Year Commitments	-	68,877
		Transfer from Profits	16,463,736	14,309,071
16,023,000	15,578,000	Total Additions	16,873,736	14,377,948
16,411,000	15,163,000	Less:		
-	-	Capital Expenditure	12,180,189	11,314,433
651,000	584,000	Accelerated Capital Repayments	-	5,517,290
521,000	347,000	Finance Lease Repayments	437,285	290,186
		Interest	257,543	141,185
17,583,000	16,094,000	Total Expenditure	12,875,017	17,263,094
(£998,000)	£ 562,000	Balance carried forward 31st December	£ 5,076,500	£ 1,077,781

Payments to the States of Jersey

2001 Estimate £	2000 Revised Estimate £		2000 Actual £	1999 Actual £
4,690,000	3,500,000	Financial Return for the Year	3,500,000	-
-	-	Accelerated capital repayments made from the Trading Fund	-	5,517,290
-	-	Repayment of Outstanding Capital Loans	-	5,000,000
£ 4,690,000	£ 3,500,000	Total Payment to the States	£ 3,500,000	£ 10,517,290



Postal Administration

The Postal Committee is pleased to report on the 2000 Accounts which shows the following main highlights:–

- a surplus of £3.8 million, the ninth year in succession that surpluses have shown a year on year increase;
- the financial contribution to the States of £2 million, an increase of 24% on the 1999 payments of £1.6 million;
- turnover of £22 million, an increase of 12% on the 1999 turnover of £19.8 million;
- a balance in the Trading Fund at 31 December 2000 of £4.2 million which is earmarked for future capital expenditure;

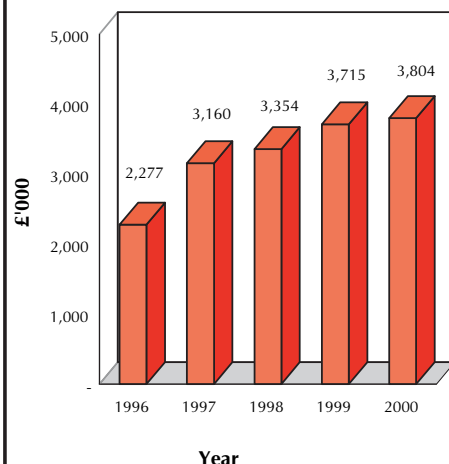
During 2000, the Jersey Post Office continued to invest in the redevelopment of the mailing house, Broad Street, accommodation improvements at Postal Headquarters and the automation of the Sorting Office. Volumes of letter mail increased by 4.8% from 66.5 million in 1999 to 69.8 million in 2000, with most of the increase arising from increased business postings and new postings secured by the Mailing House. Other financial highlights for 2000 were:–

- £1.8 million of the surplus remained after the financial return had been passed to the States, this has been transferred to the Trading Fund;
- capital expenditure totalling £1.3 million was spent from the Trading Fund in 2000, including ongoing expenditure on new equipment at the Headquarters at Rue des Près, the Mailing House and Information Systems.

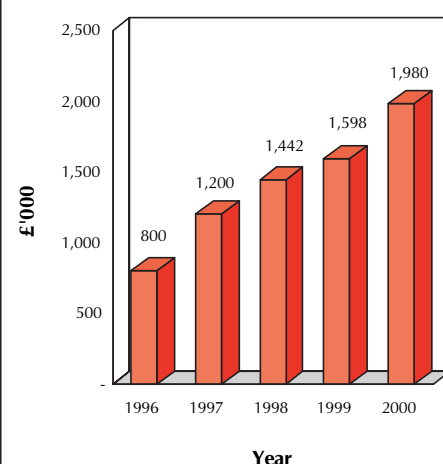
In 2000 a significant amount of resource has been employed in successfully implementing an organisation change programme preparing Jersey Post to maximise the benefits of the commercial freedom it will be given on incorporation. Significant investments have also been made in E-Commerce activities including electronic bill payment, presentation at ProMail, Jersey Post's fulfilment, and mailing house division. This service will commence in 2001 for both Government and private clients.

Although the 2000 Accounts indicate another successful year for the Jersey Post Office, there are a number of underlying trends and commercial and business risks which are affecting postal businesses, both within Jersey and world-wide. These trends include increased competition, an expected reduction in physical mail and increased electronic transactions affecting both postal and counter services. The sub post office service is regarded as essential to the Island and received significant subsidy from other business areas which are now under threat.

Summary of Net Surpluses



Agreed Financial Return





Postal Administration

Operating Account

2001 Estimate £	2000 Revised Estimate £		2000 Actual £	1999 Actual £
		Income		
19,764,000	18,385,000	Postal Service	19,196,519	16,989,032
737,000	676,000	Agency and Counter Services	777,885	752,610
1,565,000	1,768,000	Philatelic Service	1,824,414	1,531,620
217,000	226,000	Other	267,526	557,310
22,283,000	21,055,000	Total Income	22,066,344	19,830,572
		Expenditure		
11,932,000	11,041,000	Postal Services	11,467,010	10,234,427
1,255,000	1,230,000	Counter Services	1,457,267	1,274,579
1,031,000	1,181,000	Philatelic Services	1,074,416	1,017,503
3,753,000	3,660,000	Support Services	4,261,823	3,257,873
35,000	215,000	Minor Capital Assets	-	206,547
18,006,000	17,327,000	Total Expenditure	18,260,516	15,990,929
4,277,000	3,728,000	Gross Operating Surplus	3,805,828	3,839,643
-	-	Less: Interest on Outstanding Capital Loans	-	124,085
4,277,000	3,728,000	Net Surplus	3,805,828	3,715,558
2,119,000	1,980,000	Less: Financial Return made to the States	1,980,000	1,597,700
£ 2,158,000	£ 1,748,000	Transfer to Trading Fund	£ 1,825,828	£ 2,117,858



Postal Administration

Trading Fund

2001 Estimate £	2000 Revised Estimate £		2000 Actual £	1999 Actual £
2,022,000	3,624,000	Balance brought forward 1st January	3,624,035	3,012,033
80,000	100,000	Add: Interest	68,895	106,366
-	-	Prior year commitments no longer required	-	31,500
2,158,000	1,748,000	Transfer from profits	1,825,828	2,117,858
2,238,000	1,848,000	Total Additions	1,894,723	2,255,724
3,523,000	3,400,000	Less: Capital Expenditure	1,293,768	846,436
-	-	Accelerated capital repayment	-	780,000
50,000	50,000	Other	-	17,286
3,573,000	3,450,000	Total Expenditure	1,293,768	1,643,722
£ 687,000	£ 2,022,000	Balance carried forward 31st December	£ 4,224,990	£ 3,624,035

Payments to the States of Jersey

2001 Estimate £	2000 Revised Estimate £		2000 Actual £	1999 Actual £
2,119,000	1,980,000	Financial Return	1,980,000	1,597,700
-	-	Accelerated capital repayment made from the Trading Fund	-	780,000
£ 2,119,000	£ 1,980,000	Total Payment to the States	£ 1,980,000	£ 2,377,700

Notes: The financial return agreed for 2001 comprises 43% of the budgeted net surplus plus a lump sum of £280,000.



Public Services Car Parks Trading Account

The Public Services Committee's Car Parks Trading Account was established, with the agreement of the Finance and Economics Committee, with effect from January 1998.

The annual maintenance and policing of car parks is financed through the Operating Account from the income derived from scratchcards, season tickets and excess charges etc. In addition, a payment of £1.5 million per annum is made to the Public Services Committee in respect of rent for the multi-storey car parks. This arrangement for reimbursing the Committee for the lost income caused by the transfer of the Car Parks Section to a Trading Account was also agreed with the Finance and Economics Committee. Surpluses from the Operating Account are transferred to the Trading Fund to finance larger maintenance projects and the development of new and existing car parks.

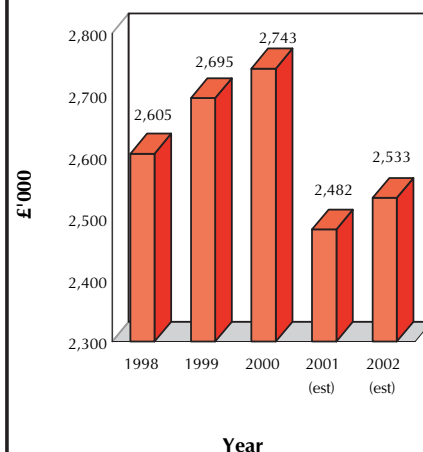
The first major project funded from the Trading Account has been the concrete degradation repair at the Green Street multi-storey car park. This project, which will extend the life of the car park by 15 years, involves undertaking structural repairs to the degraded concrete and installing a system to pass a low voltage electric current through the car park (cathodic protection). The estimated cost of these repair works including fees is £2.1 million.

Charges increased on 1st February 2001 to 39 pence per hour (£65 for a monthly season ticket) and will continue to increase in line with the States anti-inflation Strategy target. These increases will be necessary if the funds are to be made available to meet the demands of the Trading Account. These demands include the planned repair and refurbishment of existing car parks over their useful life and the development of new and existing car parks to meet the demands of the parking public. In particular, the Committee is considering two schemes, the extension to Green Street multi-storey car park and the car park that forms part of the Town Park Development. There may also be a requirement to fund part of the redevelopment of the present Esplanade surface car park. A full financial appraisal of the Trading Account has been undertaken to determine the fundability of these proposed major projects. Consideration will have to be given to the amount of work and expense that the Trading Account can support whilst maintaining parking charges at an acceptable level to the public.

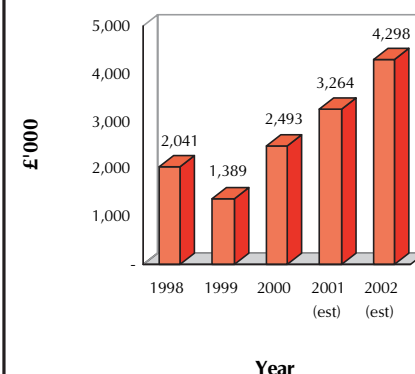
During 2000 the Operating Account generated income of almost £3.8 million, despite the on going reduction of in excess of 10% in the utilisation of car parking spaces following the charge increase in March 1998. Premises costs in 2000 were lower than in 1999 when substantial maintenance and safety related expenditure was incurred.

The balance of the Trading Fund, approximately £2.5 million, will be used to fund the completion of concrete degradation works at Green Street multi-storey car park, maintain existing car parks and to develop new facilities. In addition, the Committee will be investigating methods of improving both the safety and the security of the car parks, for which it is responsible for.

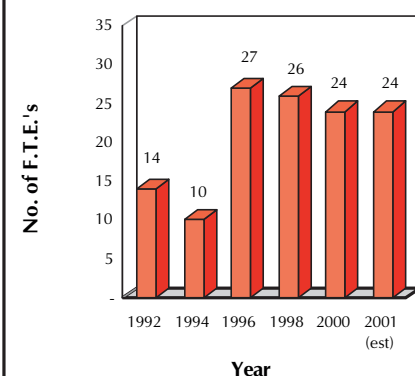
Net Operating Surplus



Accumulated Fund Balances



Staff Numbers



Traffic Wardens were transferred to PSD in 1996.



Public Services Car Parks Trading Account

Operating Account

2001 Estimate £	2000 Revised Estimate £		2000 Actual £	1999 Actual £
3,808,500	3,716,100	Total Income	3,771,678	3,802,569
608,500	585,300	Expenditure		
343,300	303,300	Staff	551,720	533,894
137,000	80,000	Premises	215,014	313,162
16,700	13,400	Supplies and Services	68,157	95,246
220,600	220,600	Transport	13,967	13,196
		Establishment	179,955	152,171
1,326,100	1,202,600	Total Expenditure	1,028,813	1,107,669
2,482,400	2,513,500	Net Operating Surplus	2,742,865	2,694,900
1,500,000	1,500,000	Appropriation Account		
		Payment for Rent	1,500,000	1,500,000
1,500,000	1,500,000	Total Appropriation	1,500,000	1,500,000
£ 982,400	£ 1,013,500	Transfer to Trading Fund	£ 1,242,865	£ 1,194,900

Trading Fund

2001 Estimate £	2000 Revised Estimate £		2000 Actual £	1999 Actual £
2,052,315	1,388,815	Balance brought forward 1st January	1,388,815	2,040,814
982,400	1,013,500	Add: Transfer from Profits	1,242,865	1,194,900
982,400	1,013,500	Total Additions	1,242,865	1,194,900
-	350,000	Less: Green Street Multi-Storey Car Park - Concrete Degradation	138,838	1,846,899
-	350,000	Total Expenditure	138,838	1,846,899
£ 3,034,715	£ 2,052,315	Balance carried forward 31st December	£ 2,492,842	£ 1,388,815