

# Annual Report and Accounts 2022 – Executive Summary



## Financial statements 2022

The Government's Annual Report and Accounts 2022 show continuing progress on our aim for Long-Term financial sustainability and stability:

- Income was better than anticipated in previous forecasts – with General Revenues exceeding £1 billion for the first time.
- Expenditure was lower than estimated – particularly lower spend on Covid-19 response and amounts held in General Reserve not needed.
- The borrowing relating to the impact for Covid-19 has been completely repaid.

As we start to emerge from the pandemic, the Balance Sheet remains strong with Net Assets of £7.9 billion, despite challenging investment conditions impacting our investment returns.

- Latest estimates in the GP23 forecast a surplus of £45 million
- Better General revenues and lower spend (e.g., not spending all contingencies on Covid-19) resulted in an actual surplus of £104 million
- This reflects strong recovery post-Covid, but doesn't include the States Grant to the Social Security fund (reinstated from 2024)

### Group headlines

Deficit reduced from £95 million in 2021 to £63 million in 2022 (Excluding investment revaluations and the movement on pension debts)

- Revenue £1.5bn vs £1.4bn in 2021
- Expenditure £1.6bn vs £1.5bn in 2021
- Challenging environment led to reduction in the value of Investments by £213 million. This follows strong investment performance in 2021, with gains of £348 million.
- This moves the overall position to a £268m deficit (compared to £239m surplus in 2021)
- Nevertheless, our Balance Sheet remains strong with Net Assets of £7.9 billion, giving us a solid foundation to meet the future challenges we face.

## Performance report highlights

### Economic wellbeing

Following the election of the new Council of Ministers, a number of measures were approved unanimously by States Members to address the cost of living crisis in a mini budget, which included:

- A 12% increase in Income Tax thresholds and allowances
- A temporary reduction of 2% in Social Security contributions from 1 October to 31 December 2022
- Doubling the Cost of Living Temporary Support Scheme (COLTS) from £20 to £40 per person per month, August to December 2022
- Doubling the Community Cost Bonus (CCB) from £258.25 to £516.50 and extending eligibility to include households who paid less than £2,735 tax in 2021
- Increasing Income Support components, from January 2023, in line with September 2022 RPI figure
- Temporarily increasing cold weather payments to £70 a month from October to March 2023 regardless of the temperature

In addition,

- The Old Age Pension rate was increased in October 2022 in line with June 2022 RPI Pensioners of 7.7%, and the Minimum Wage was increased to £10.50 an hour
- The Combatting Financial Crime Strategy was launched
- The Cyber Emergency Response Team (CERT) continued to improve the Island's cyber resilience in the face of external threats
- An Outline Economic Strategy and frameworks for the Rural and Marine Economy were introduced.

### Community wellbeing

A number of housing initiatives were progressed, including;

- Consolidation of the Housing Advice Service to provide enhanced housing advice and support to Islanders
- Publication of the 'Modern Methods of Construction: Housing Delivery Innovation' report, which made six ministerial commitments, including the establishment of a Construction Sector Innovation Hub to support housing delivery
- Publication of the Action on Vacant Properties plan

Health and wellbeing had sustained focus:

- The 'big health and well-being conversation' took place to inform the new public health strategy and new campaigns were delivered including on cervical screening and smoking cessation
- Successful Covid-19 vaccine and winter seasonal illness campaigns were delivered
- Islanders were engaged on Assisted Dying to help inform policy

- The ‘Embrace our difference’ campaign was launched to better support and understand people with disabilities

And at the end of the year, the Public Service, partners and the community together responded quickly to the major incidents that impacted the Island.

## **Environmental wellbeing**

Key actions undertaken on the climate challenge included:

- Publication of the Carbon Neutral Roadmap, and creation of a Government of Jersey Decarbonisation Unit
- Positive sustainability measures were taken leading to reduced consumption of water and paper in government, and promotion of electric vehicles
- Successfully delivery of the e-bike grant scheme

Key improvements to the public built environment were made, not limited to:

- Refurbished Springfield sports centre (completed 2023)
- Les Quennevais skatepark (completed 2023)
- A new water play area at Coronation Park (Millbrook)
- Significant progress on the sewage treatment plant

The Bridging Island Plan was also unanimously adopted by the States Assembly in March 2022, providing the framework for ensuring a balance between needed development and protection of the Island’s natural environment and heritage.

## **Corporate performance**

2022 saw an Island-wide election, and support to the new Government included:

- Production of the Government Programme 2023-2026, including new Common Strategic Policy, Ministerial Plans, Government Plan and Delivery Plans
- Delivery of the 100 Day Action Plan, including a review of the Our Hospital Project

In terms of wider performance:

- In 2022, overall the measured customer satisfaction indicators for public services improved from 2021
- Despite the impacts of inflation, all departments met or came in under their budget targets, with the exception being Health and Community Services (HCS), which required reallocations to be made due to increased pressures
- A commissioned report highlighted a lack of quality assurance in Health and Community Services, and recruitment for a turnaround team got underway
- There was a small increase in staff numbers, focused primarily on front lines services
- Significant focus on the People Strategy, including workforce plans to address critical shortages, as well as improving diversity and volunteering.

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- Continued development of the Integrated Technology Solution (ITS) throughout 2022, to improve efficiency and effectiveness of government systems
- An independent review of the response to the pandemic was commissioned and delivered
- In line with the 100 Day Action Plan, the Cabinet Office was formed in Autumn 2022, which included a new Delivery Hub to assist with solving some of the more complex Island problems, with work starting in 2022 on recruitment to priority professions, and key worker accommodation
- Key capital developments included the modernisation of La Moye Prison (completed 2023) and commencement of the new government headquarters building.