
ANNEX TO FINANCIAL REPORT AND ACCOUNTS 2016



Contents

Introduction to the Annex	5	Special Funds for Specific Purposes	207
The Consolidated Fund	13	Dwelling Houses Loan Fund	209
Chief Minister's Department	17	Assisted House Purchase Scheme	215
Jersey Overseas Aid Commission	27	99 Year Leaseholders Fund	219
Community and Constitutional Affairs	33	Agricultural Loans Fund	223
Economic Development, Tourism, Sport & Culture	47	Tourism Development Fund	227
Education Department	57	Jersey Innovation Fund	231
Department of the Environment	71	Channel Islands Lottery (Jersey) Fund	235
Health and Social Services Department	81	Housing Development Fund	241
Department for Infrastructure	99	Criminal Offences Confiscations Fund	247
Social Security Department	113	Civil Asset Recovery Fund	251
Treasury and Resources Department	123	Social Security Funds	255
Non Ministerial Departments	137	Social Security Fund	257
States Assembly	149	Health Insurance Fund	267
General Revenue Income	157	Social Security (Reserve) Fund	275
Other Consolidated Fund Items	163	Long-Term Care Fund	281
Trading Operations	167	Glossary of Terms	287
Jersey Car Parking	169	Appendix A – Grants under £75,000	293
Jersey Fleet Management	177		
Special Funds Named in the Public Finances (Jersey) Law 2005	185		
Strategic Reserve Fund	187		
Stabilisation Fund	193		
Jersey Currency Fund	197		
Insurance Fund	203		

Introduction to the Annex

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

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

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

A copy of the 2016 Financial Report and Accounts can be found on the States of Jersey website (www.gov.je).

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

Explanation of the contents of Department/Fund Pages

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

Key Results

This section examines the highlights for the entity's performance. For departments and trading operations this will normally consider performance against the budget approved by the States, and changes from the previous year.

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

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

Service Analysis

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

Staff Full Time Equivalent Employees

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

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

Financial Statements

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

Trading Fund Balance

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

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



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

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

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

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

Effect of changes to Accounting Standards

Accounting Standards evolve with time, and the Minister for Treasury and Resources therefore decided to update the accounting standards adopted by the States on an annual basis. The JFReM is based on the UK version of the same document, which is prepared by HM Treasury and is subject to scrutiny by an Independent board, the Financial Reporting and Advisory Board. Since 2012, the JFReM has followed standards adopted by the UK Government with a one year delay.

Note 9.3 of the Accounts gives details of the impact of accounting differences between the 2015 JFReM and the 2016 JFReM and restates in detail the previous years’ financial statements where applicable.

Final Approved Budgets

Revenue Approvals

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

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

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

A summary is set out in the table below. (The MTFP budgets included in this table are those approved in the MTFP 2016 to 2019 and include the Transfer of Functions):

Department	Original 2016 MTFP £'000	Carry Forward from 2015 £'000	Allocation of Contingency £'000	Transfers between capital and revenue £'000	Departmental Transfers £'000	2016 Final Approved Budget Near Cash £'000	2016 Final Approved Budget Non Cash £'000	2016 Final Approved Budget £'000
Ministerial Departments								
Chief Minister	28,600.8	2,004.0	4,642.2	2,750.7	(84.3)	37,913.4	1,387.1	39,300.5
– Grant to the Overseas Aid Commission	10,337.7	6.0	–	–	–	10,343.7	–	10,343.7
Community and Constitutional Affairs	49,270.5	697.0	1,058.4	(39.8)	128.2	51,114.3	735.0	51,849.3
Economic Development, Tourism, Sport & Culture	19,144.4	731.0	398.9	–	–	20,274.3	111.8	20,386.1
Education	103,660.1	1,081.5	987.3	(307.3)	(33.3)	105,388.3	310.3	105,698.6
Department of the Environment	5,205.4	303.0	304.8	117.1	660.5	6,590.8	160.0	6,750.8
Health and Social Services	203,776.8	3,189.0	(534.0)	(750.0)	(762.5)	204,919.3	3,556.9	208,476.2
Social Security	189,479.2	6,074.0	80.6	–	168.6	195,802.4	187.4	195,989.8
Department for Infrastructure	40,137.1	2,377.0	2,311.5	(804.6)	107.6	44,128.6	37,002.3	81,130.9
Treasury and Resources	20,976.7	1,616.0	526.7	–	(256.2)	25,269.2	1.1	25,270.3
Non Ministerial States Funded Bodies								
– Bailiff's Chamber	1,563.9	19.5	60.0	–	–	1,643.4	–	1,643.4
– Law Officers' Department	7,797.8	357.5	338.4	–	–	8,493.7	21.9	8,515.6
– Judicial Greffe	6,616.1	321.0	–	–	(478.4)	6,458.7	5.8	6,464.5
– Viscount's Department	1,320.6	90.0	–	–	–	1,410.6	57.0	1,467.6
– Official Analyst	604.8	14.0	–	–	–	618.8	68.0	686.8
– Office of the Lieutenant Governor	738.4	70.0	–	–	549.8	1,358.2	–	1,358.2
– Office of the Dean of Jersey	25.8	–	–	–	–	25.8	–	25.8
– Data Protection Commission	267.4	41.5	–	–	–	308.9	6.3	315.2
– Probation Department	1,990.5	–	–	–	–	1,990.5	2.1	1,992.6
– Comptroller and Auditor General	777.2	35.0	–	–	–	812.2	–	812.2
States Assembly and its services	5,086.2	45.0	2,404.5	–	–	7,535.7	–	7,535.7
Allocations for Contingencies	42,939.9	10,075.2	(14,985.3)	–	–	38,029.8	1,187.0	39,216.8
Total	740,317.3	29,147.2	–	966.1	–	770,430.6	44,800.0	815,230.6

Notes:

1. Carry Forwards from 2015

Carry Forwards from 2015 were approved by Ministerial Decision (MD-TR-2016-0029: "2015 Year End Carry Forwards"), which approved the carry forward of £19 million of departmental underspends from 2015 to 2016 and the carry forward of £10.1 million to Allocations for Contingencies in 2016.

2. Allocations for Contingency

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

3. Additional Funding Approved in Year

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

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

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

4. Transfers between Capital and Revenue and Transfers between departments

From 2010, every effort has been made to prepare Business Plans/Medium Term Financial Plans to accurately estimate the split of Capital and Revenue budgets according to GAAP. However, where variations to these estimates occur in year, adjustments may still be required. Capital approvals in previous years were not necessarily fully GAAP compliant, and where these included approvals for revenue expenditure in 2016, budget adjustments have been required to bring the budget into line with accounting definitions.

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

Capital Approvals

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

	2016 £'000	2015 £'000
Previous Approvals	121,458	97,257
In Year Approval	74,844	65,192
Revenue to Capital Transfers	(966)	(2,360)
Other Transfers	227	(931)
Capital Expenditure	(40,857)	(45,609)
Amounts Returned to Consolidated Fund	–	(1,627)
Unspent Capital Approvals Carried Forwards	154,706	111,922

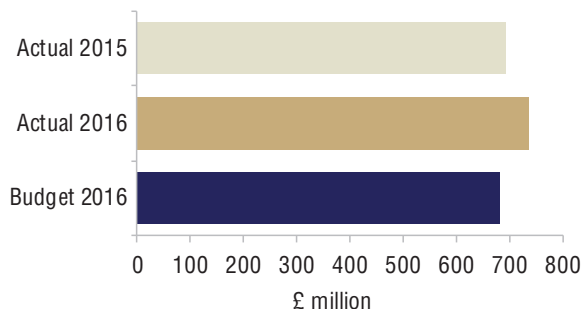
The Consolidated Fund

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

Key Results

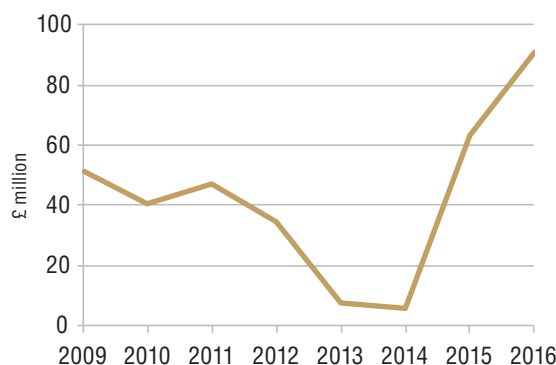
NET GENERAL REVENUE INCOME

£736.8 million



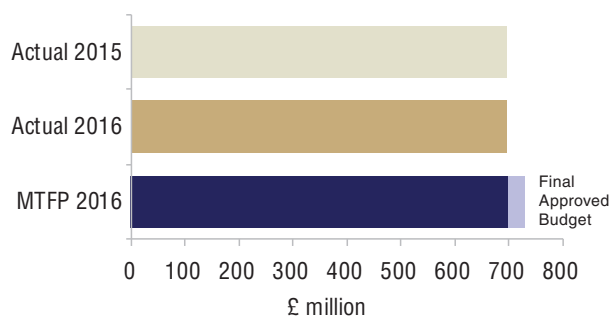
AVAILABLE CONSOLIDATED FUND BALANCE

£90.9 million



DEPARTMENTAL NET REVENUE EXPENDITURE (NEAR CASH)

£698.5 million



Consolidated Fund – Aggregated Statements

Aggregated Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Taxation Revenue	(573,440)	(544,252)
Duties, Fees, Fines and Penalties	(111,603)	(105,372)
Sales of Goods and Services	(80,569)	(79,782)
Investment Income	(24,843)	(18,508)
Other Income	(43,784)	(47,757)
Total Revenue	(834,239)	(795,671)
Expenditure: Near Cash		
Social Benefit Payments	181,167	176,065
Staff Expenditure	362,703	367,183
Supplies and Services	141,856	147,757
Administrative Expenditure	5,870	5,907
Premises and Maintenance	48,711	47,381
Other Operating Expenditure	1,701	2,575
Grants and Subsidies Payments	42,730	42,929
Impairments of Financial Assets	1,494	2,030
Finance Costs	13,783	(5,485)
Foreign Exchange (Gain)/Loss	(90)	147
Total Expenditure: Near Cash	799,925	786,489
Net Revenue Expenditure: Near Cash	(34,314)	(9,182)
Non Cash Amounts		
Donations of Property, Plant and Equipment	(98)	(153)
Staff Expenditure	(1,407)	324
Other Operating Expenditure	(434)	(406)
Depreciation and Amortisation	40,154	44,676
Impairments of Property, Plant and Equipment	19,324	26,211
Loss on Disposal of Non-Current Assets	3,434	12,878
Movement in Pension Liability	41,958	10,008
Total Non Cash Amounts	102,931	93,538
Net Revenue Expenditure	68,617	84,356
Other Comprehensive (Income)/Expenditure		
Reversal of Revaluation/(Revaluation) of Property, Plant and Equipment	10,031	(91,393)
Gain on Revaluation of Strategic Investments during the period	(3,000)	(45,200)
Gain on Revaluation of Other AFS Investments during the period	(5)	(22)
Actuarial Loss/(Gain) in respect of Defined Benefit Pension Schemes	113	(136)
Total Other Comprehensive (Income)/Expenditure	7,139	(136,751)
Total Comprehensive (Income)/Expenditure	75,756	(52,395)

Aggregated Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	2,192,338	2,223,811	2,175,217
Intangible Assets	5,391	6,828	8,226
Loans and Advances	2,805	3,201	3,572
Strategic Investments	1,064,071	1,061,071	1,015,871
Other Available for Sale investments	332	326	304
Investments held at Fair Value through SoCNE	89,550	98,076	178,562
Trade and Other Receivables	3,977	4,386	6
Total Non-Current Assets	3,358,464	3,397,699	3,381,758
Current Assets			
Inventories	8,013	7,969	7,504
Loans and Advances	290	478	807
Trade and Other receivables	135,621	121,810	121,249
Cash and Cash Equivalents	117,100	51,741	36,648
Total Current Assets	261,024	181,998	166,208
Total Assets	3,619,488	3,579,697	3,547,966
Current Liabilities			
Trade and Other Payables	(103,617)	(100,281)	(93,263)
Balance due to Other States Funds	(13,330)	(2,536)	(67,433)
Finance Lease Obligations	(1,275)	(1,185)	(1,030)
Provisions for liabilities and charges	(622)	(989)	(511)
Total Current Liabilities	(118,844)	(104,991)	(162,237)
Total Assets Less Current Liabilities	3,500,644	3,474,706	3,385,729
Non-Current Liabilities			
Finance Lease Obligations	(2,238)	(3,512)	(4,698)
Provisions for liabilities and charges	(5,259)	(5,275)	(5,541)
PECRS Pre-1987 Past Service Liability	(290,127)	(246,359)	(254,599)
Provision for JTSF Past Service Liability	(111,874)	(108,062)	(104,453)
Defined Benefit Pension Schemes Net Liability	(6,645)	(6,731)	(7,065)
Total Non-Current Liabilities	(416,143)	(369,939)	(376,356)
Assets Less Liabilities	3,084,501	3,104,767	3,009,373
Taxpayer's Equity			
Accumulated Revenue Reserves	2,278,839	2,291,357	2,321,928
Revaluation Reserve	508,493	519,247	438,504
Investment Reserve	297,169	294,163	248,941
Total Taxpayer's Equity	3,084,501	3,104,767	3,009,373



Consolidated Fund Balance

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

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

The Consolidated Fund excludes:

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

Available Consolidated Fund Balance

The balance calculated does not take into account withdrawals from the Consolidated Fund that have already been approved (and so are not available to spend). The balance must be adjusted for these to give the balance available, at the end of the year. With the move to four year planning under the MTFP, elements of this balance may be allocated by the States to fund expenditure in future years. 2017 expenditure has already been approved by the States in the MTFP 2016–2019 and the MTFP Addition 2017–2019.

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

For more information please refer to the Financial Report and Accounts 2016, page 196 for the Statement of Unallocated Consolidated Fund Balance, and page 212 for the Reconciliation of Movement in Unallocated Consolidated Fund Balance.

Chief Minister's Department

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

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£35,538,817

4.5% decrease
from 2015

£2,374,583

6.3% underspend
against Near Cash Final
Approved Budget

1. What resources we have used

Financial Inputs – Near Cash Approvals

Spending by the department is part funded by charges raised, with the balance being funded from general revenues.

The States approves the amount a department can spend on Revenue Expenditure during a year through the Medium Term Financial Plan. This is updated each year in the Annual Update to the Medium Term Financial Plan Annex to reflect any permanent changes in approvals since the original Medium Term Financial Plan.

MTFP approval (Updated)	Additional Approvals	Final Approved Budget
£28.6 million	£9.3 million	£37.9 million

The Medium Term Financial Plan approvals have been restated from those presented in the Medium Term Financial Plan 2016–2019 to reflect P.46 'Draft States of Jersey (Transfer of Functions No. 8) (Miscellaneous Transfers) (Jersey) Regulations 201-' approved by the States Assembly 16 December 2015 which reorganised responsibilities between a number of Ministerial Departments.

In 2016, adjustments to the budget presented in the Medium Term Financial Plan 2016–2019 totalling £9.3 million were made. Details of the changes are set out in the States Accounts as part of the Notes to the Statement of Outturn Against Approvals. The most significant variations were:

£4.7 million in respect of transfers from the eGovernment, Enterprise Systems and Computer Development capital projects to ensure compliance with Generally Accepted Accounting Principles (GAAP).

£1.4 million transferred from the Restructuring Provision for the Public Sector Reform Programme

£0.8 million from the Central Contingency to meet the costs resulting from the Committee of Inquiry into Historical Child Abuse.

£2.0 million of funding was carried forward from 2015, including £0.8m in respect of Public Sector Reform.

£0.4 million related to other minor one off adjustments detailed in the States Accounts as part of the Notes to the Statement of Outturn Against Approvals.

Departmental Income

Budget 2016	Actual 2016	Actual 2015 Restated
£1.9 million	£2.4 million	£2.4 million

MAJOR INCOME STREAMS

	£'000
Support to Departments	(1,288)
Licence Fees	(843)
Commission JT	(147)
Other	(178)
Total Income	(2,456)

The majority of departmental income is derived from recharges to other States Departments for the provision of centralised business support services including Human Resources and Information Services.

Licence fees relate mainly to Ofcom wireless telegraphy licences.

Commission is received from JT in respect of discount based on usage.

Payment of £0.1 million from Department of Civil Aviation (DCA), is included in other income.

Performance against Near Cash Final Approved Budget

Near Cash Net Revenue Expenditure is the amount that Accounting Officers are held Accountable for.

Budget 2016	Actual 2016	Actual 2015
£37.9 million	£35.5 million	£37.2 million

KEY VARIANCES FROM BUDGET

	£'000
Public Sector Reform	1,396
Financial Services, Digital Competition and Innovation	478
Information Services	373
Other Variances	128
Net Underspend	2,375

Public Sector Reform

Underspends of £1.4 million within Public Sector Reform (PSR) mostly arose following delays to the Workforce Modernisation process, which subsequently impacted on other workstreams, and a delay in recruitment to various posts within the Corporate Change Portfolio Office.

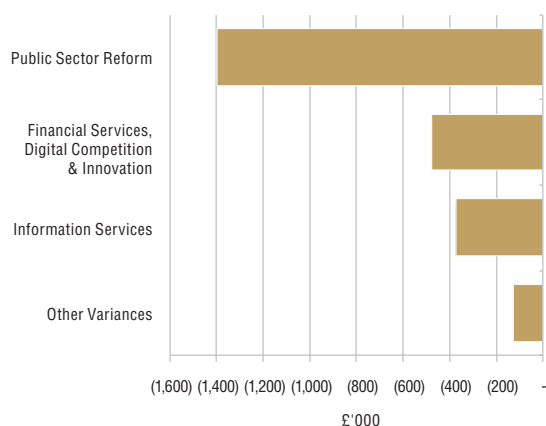
Financial Services, Digital Competition and Innovation

The £0.5 million underspend reflects windfall income and the careful management of budgets in 2016 in response to anticipated cost pressures in 2017.

Information Services

Information Services reduced expenditure by £0.4 million in 2016 due to internal budget transfers within the department in year and reduced spend in computer hardware in anticipation of increased costs within temporary staff due to the ongoing restructuring programme.

Underspend Breakdown



Staffing

At the year end the department employed the equivalent of 199.9 full time employees. This is a decrease of 22.2 (10%) from 2015, and this mainly relates to 11.5 FTE

temporary posts for FOI Implementation, 7.0 FTE posts for Safeguarding Partnership Board and Constitutional Affairs, which transferred to Community and Constitutional Affairs, with the balance being mainly VR reductions.

Non-Current and Current Assets

The department holds fixed assets including corporate storage servers, air conditioning units and uninterruptible power supply units as well as intangible assets in the form of software applications.

The cost of using Non-Current Assets is recorded through Non-Cash Expenditure.

NON CASH EXPENDITURE

Budget 2016	Actual 2016	Actual 2015
£1.4 million	£0.9 million	£1.0 million

Non cash expenditure was lower than budget in 2016 by £0.5 million as new JDE applications had not been installed as expected when the MTFP was drawn up.

Changes in Expenditure

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

KEY VARIANCES IN NET REVENUE EXPENDITURE (NRE) FROM 2015

	£'000
2015 NRE	37,206
Financial Services, Digital Competition and Innovation	528
Policy Unit	(1,706)
Public Sector Reform	(485)
Other Variances	(4)
2016 NRE	35,539

Chief Minister's Department net revenue expenditure decreased in 2016 by £1.7 million.

Financial Services, Digital Competition & Innovation

Spending increased by £0.5 million between 2015 and 2016 to enable: an expanded programme for Jersey Finance £0.2 million, work to reform data protection legislation to maintain EU adequacy £0.1 million and funding to support enforcement of competition law £0.2 million.

Policy Unit

The Policy Unit showed a reduction in spend of £1.7 million.

£0.9 million related to the Independent Jersey Care Inquiry with reduced legal costs compared to 2015. Legal fees were lower due to two reasons, firstly the reduction in hearing days compared to 2015, and secondly the Inquiry ruling not to include a Maxwellisation or fact checking process. Both of these processes had been anticipated and would have included a significant legal cost that has now not occurred.

£0.4 million was due to Safeguarding Board being transferred to Community and Constitutional Affairs.

£0.3 million spend in relation to Safeguarding Partnership Board made in 2015 was not repeated in 2016.

Public Sector Reform

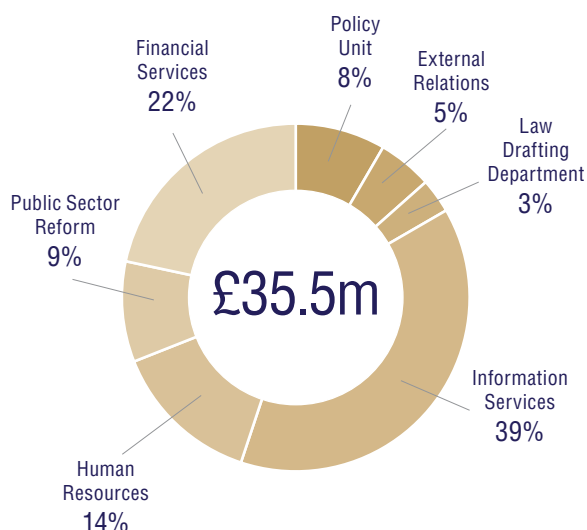
Expenditure on Public Sector Reform decreased during the year due to ongoing delays to the Workforce Modernisation process and reductions in other reform projects, offset by slightly increased expenditure of £0.1 million in eGovernment.

2. What we have spent funding on

Near Cash by Service Area

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	2015 Actual Restated £'000
1,821	2,810	Policy Unit	2,981	4,687
1,741	1,811	External Relations	1,798	1,925
7,579	8,173	Financial Services, Digital Competition and Innovation	7,695	7,166
979	1,075	Law Drafting Department	1,138	1,215
11,224	14,039	Information Services	13,666	13,405
5,111	5,288	Human Resources	4,939	5,001
146	4,718	Public Sector Reform	3,322	3,807
28,601	37,914	Net Revenue Expenditure	35,539	37,206

NEAR CASH BY SERVICE AREA BREAKDOWN



Financial Services, Digital Competition & Innovation

During 2016, responsibility for digital, competition & innovation policy transferred to the Chief Minister's Department to create the Financial Services, Digital Competition & Innovation (FSDCI) Team. The Team works to implement the Council of Ministers' economic objectives by supporting economic growth and raising productivity in the high value financial services and digital industries, and

by promoting innovation and competition in the economy as a whole.

Notable achievements in 2016 include:

- Developed the financial services regulatory regime through: a new policy on beneficial ownership and a central register of Directors, an Alternative Investment Fund Managers' Directive (AIFMD) regime compatible with EU market access and a Bank Recovery and Resolution Law;
- Supported the MONEYVAL review of Jersey to ensure continued compliance with international standards in financial services;
- Developed Jersey's financial services offering through amendments to the Trusts (Jersey) Law 1984, the Foundations (Jersey) Law 2009 and a new Limited Liability Partnership Law;
- Introduced a modern regime for regulation of virtual currency;
- Updated Jersey's intellectual property legislation to enhance compliance with the World Trade Organisation requirements;
- Published and monitored the implementation of the Competition Framework Review Action Plan;
- Completed a review of the Jersey Gas Market;
- Continued to progress the recommendations of the 2015 Innovation Review resulting reductions in the time taken to access licences for skilled labour and improvements



in the process for starting a business that have reduced turnaround times to a single day;

- Established the Cyber Security Task Force and drafted an Island-wide Cyber Security Strategy for release in early 2017;
- Agreed a deal with the BBC regarding TV licence fees for over 75s;
- Renewed the BBC Charter until 2026;
- Enacted legislation to combat cyber bullying.

Public Sector Reform

The Public Sector Reform Portfolio has a mandate to prepare the States of Jersey public services for unprecedented economic, social and environmental changes; providing a public service that is wrapped around the Customer and sustainable for the future.

States of Jersey services need to be efficient and affordable to meet future demographic, technological and financial pressures.

A variety of projects are underway as part of public sector reform. These involve changing services, buildings and the way we work. Services are under review against a set of principles to maintain high quality public services.

Our principles are to:

- start with the customer;
- provide the right services;
- have digital provision in mind;
- be collaborative across the States;
- design to anticipate of the needs of tomorrow, not just today.

Human Resources

The central Human Resources (HR) function provides strategic and transactional people management support to States Departments to enable the organisation to deliver current and future business services through its people.

In 2016 key activities included:

- Implementation of the HR Target Operating Model (TOM) including the development of the People Hub to support the delivery of operational HR services;
- Providing an operational business partnering expertise to departments to support business solutions and

underpinning support for ongoing organisational redesign to meet strategic objectives;

- Development and delivery of a dedicated Case Management team;
- Standardised Management Information (MI) reporting – Enhanced management information, monitoring and reporting on people metrics;
- Launch of Inspiring Managers Programme;
- Delivery of the Managers to Leaders Programme;
- Codes of Practice;
- Delivery of a wellness strategy;
- Improved Organisational performance through a whole system approach, Organisational Change toolkits and building on the sustainability of LEAN;
- Worked closely with the preferred supplier for the HRIS (human resources information system) to produce a detailed requirements spec for payroll and core HR;
- Continued reshaping and transformation of HR to support the future structure of the States organisation;
- Continued job evaluation of all States Services roles to inform the creation of a new reward framework;
- Continued delivery of a Voluntary Redundancy programme;
- Continued work on Workforce Modernisation which includes terms and conditions, pay, reward and job evaluation.

Other Services

The Policy Unit provides support to the Chief Minister, Council of Ministers, and Corporate Management Board. The Unit is also responsible for strategic and business planning, strategy and policy coordination, reporting and corporate governance and includes expenditure of the Economics and Statistics Units.

The Ministry for External Relations seeks to ensure Jersey's international responsibilities are realised and, the Island's unique constitution and autonomy are protected. Through offices in Jersey, Brussels, London and Caen, the Ministry develops beneficial relations with other jurisdictions and promotes the Island's international identity and trustworthiness in accordance with the Common Policy on External Relations agreed by the Council of Ministers. The past year has been notable for the UK's decision to leave the EU (Brexit). Jersey is well prepared thanks to extensive contingency planning undertaken ahead of the referendum. The Government's priority has been to ensure that Jersey's interests in

the EU and with the UK are understood and protected. Ministerial and officer working groups have been established to manage this process.

The Island became a Base Erosion and Profit Sharing (BEPS) Associate and a member of the BEPS inclusive framework last year. Jersey has also been nominated as member of the Organisation for Economic Co-operation and Development's Ad-Hoc Country-By-Country (CbC) reporting group and is a member of the 7-country Steering Group of the CbC Group (alongside Belgium, Brazil, Italy, China, Singapore and the United States.)

The Island hosted a number of important visitors, including the Rt. Hon Sir Oliver Head MP QC, Minister of Justice, with special responsibility for the Crown Dependencies. Ministers too, made a number of overseas visits to promote the Island's interests in key markets.

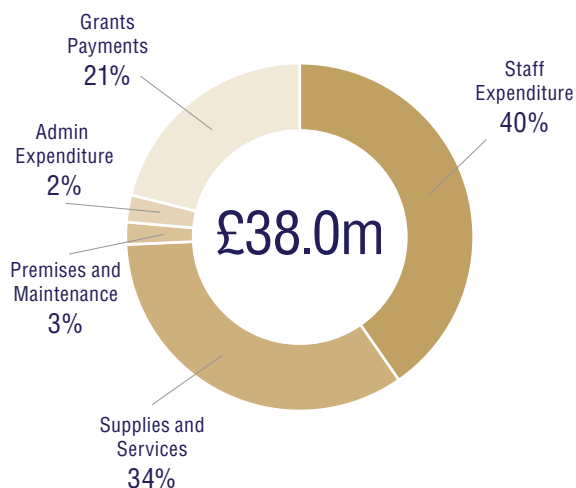
The Law Draftsman's Office drafts all legislation to be made by the States Assembly or a Minister. The Office also maintains the Revised Edition of the Laws of Jersey.

Also included in supplies and services are professional fees, legal fees and hired services, many of which relate to the Committee of Inquiry into Historical Child Abuse, and also Financial Services.

Grants are another important area of expenditure for the Chief Minister's Department, and during 2016 grants were awarded to Jersey Financial Services Commission, Channel Islands Brussels Office, Government of Jersey London Office and Bureau des Iles Anglo-Normandes.

Other expenditure includes operating expenses such as rents, electricity and other overheads.

Near Cash by Expenditure Type



Staff expenditure accounted for just under half of all spending in the Chief Minister's Department as the principal functions of the Department relate to the provision of professional support services to all other States departments.

Supplies and Services is the second largest category of expenditure. Included in this are software maintenance and licence fees, travel costs and purchase of computer hardware hence it amounts to the operational budget of the Department.

3. What we have achieved

Indicator 1 – Policy Unit

MTFP OBJECTIVE

Key Objective 1: The co-ordinated development and implementation of States policies.

PERFORMANCE

- (i) Supported the delivery of the Medium Term Financial Plan Addition in line with Strategic Plan policies;
- (ii) Wide ranging consultation undertaken to inform development of a long term vision and align delivery strategies across the States of Jersey;
- (iii) Issued full listing of Ministerial and Assistant Minister Responsibilities, and published full listing of all ministerial groups aligning policies;
- (iv) 30 new laws registered, 142 Regulations and Orders made.

Indicator 2 – Chief Minister and Council of Ministers – State Business 2006–2016

MTFP OBJECTIVE

Key Objective 3: Decision-making improved and debate better informed through the provision of accurate and timely professional advice and information.

PERFORMANCE

- (i) 36 statistical reports produced independently to preannounced release dates;
- (ii) 736 valid Freedom of Information requests processed;
- (iii) 20 public consultations supported in 2016;
- (iv) New independent Statistics Users Group established;
- (v) Economics Unit conducted distribution analysis for MTFP Addition, led implementation of the innovation and competition reviews and supported 2 Fiscal Policy Panel reports.

PUBLIC CONSULTATIONS

	CMD	Other
2012	3	26
2013	2	31
2014	6	19
2015	5	25
2016	7	13

CHIEF MINISTER AND COUNCIL OF MINISTERS – STATE BUSINESS 2006–2016

	2016
Chief Minister Propositions	30
Chief Minister Comments	0
Chief Minister Reports	16
COM Propositions	8
COM Reports	1
COM Comments	24
Chief Minister Questions	148

Indicator 3 – Human Resources

MTFP OBJECTIVE

Key Objective 2: An efficient and effective public sector fit for the purpose of delivering the Council of Ministers' strategic vision and priorities.

PERFORMANCE

- (i) Over 92% of staff roles matched in new job evaluation system;
- (ii) 711 staff trained as LEAN practitioners – cumulative value of £0.7 million in savings from completed projects;
- (iii) Community and Constitutional Affairs department created;
- (iv) External Relations, Economic Development and Financial Services co-located to provide coordinated advice.

Financial Statements

Statement of Comprehensive Net Expenditure

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	2015 Actual Restated £'000
Revenue				
(303)	(576)	Duties, Fees, Fines and Penalties	(843)	(795)
(886)	(885)	Sales of Goods and Services	(1,436)	(1,371)
(131)	(392)	Other Income	(177)	(194)
(1,320)	(1,853)	Total Revenue	(2,456)	(2,360)
Expenditure: Near Cash				
15,129	16,319	Staff Expenditure	15,333	17,999
6,379	13,885	Supplies and Services	12,903	12,346
621	653	Administrative Expenditure	783	732
596	966	Premises and Maintenance	958	814
1	1	Other Operating Expenditure	4	3
7,195	7,943	Grants and Subsidies Payments	8,014	7,672
29,921	39,767	Total Expenditure: Near Cash	37,995	39,566
28,601	37,914	Net Revenue Expenditure: Near Cash	35,539	37,206
Non Cash Amounts				
1,387	1,387	Depreciation and Amortisation	936	1,001
1,387	1,387	Total Non Cash Amounts	936	1,001
29,988	39,301	Net Revenue Expenditure	36,475	38,207
29,988	39,301	Total Comprehensive Expenditure	36,475	38,207

Statement of Financial Position

	2016 Actual £'000	2015 Actual Restated £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	3,018	2,578	3,675
Intangible Assets	2,177	2,751	1,648
Total Non-Current Assets	5,195	5,329	5,323
Current Assets			
Trade and Other Receivables	751	309	376
Total Current Assets	751	309	376
Total Assets	5,946	5,638	5,699
Current Liabilities			
Trade and Other Payables	(2,664)	(1,820)	(2,165)
Total Current Liabilities	(2,664)	(1,820)	(2,165)
Assets Less Liabilities	3,282	3,818	3,534
Taxpayer's Equity			
Accumulated Revenue Reserves	3,282	3,818	3,534
Total Taxpayer's Equity	3,282	3,818	3,534

Jersey Overseas Aid Commission

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

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£10,286,891

1.3% decrease
from 2015

£56,809

0.5% underspend
against Near Cash Final
Approved Budget

1. What resources we have used

Financial Inputs – Near Cash Approvals

Spending by the Commission is funded from tax revenues.

The States approves the amount a department can spend on Revenue Expenditure during a year through the Medium Term Financial Plan. This is updated each year in the Annual Update to the Medium Term Financial Plan Annex to reflect any permanent changes in approvals since the original Medium Term Financial Plan.

MTFP approval (Updated)	Additional Approvals	Final Approved Budget
£10.3 million	£0.0 million	£10.3 million

In 2016 adjustments to the budget presented in the Annual Update to the Medium Term Financial Plan totalling £6,000 were made. Details of the changes are set out in the States Accounts as part of the Notes to the Statement of Outturn Against Approvals.

Performance against Near Cash Final Approved Budget

Near Cash Net Revenue expenditure is the amount that the Jersey Overseas Aid Commission is held Accountable for.

Budget 2016	Actual 2016	Actual 2015
£10.3 million	£10.3 million	£10.4 million

In 2016 Jersey Overseas Aid Commission were underspent.

Staffing

At the year end the department for Commission employed the equivalent of 2 full time employees. This is an increase of 0.5 FTE from 2015.

Non-Current and Current Assets

The Commission does not hold any fixed assets.

It holds current liabilities relating to the day-to-day operation of the Commission such as Trade Payables.

Changes in Expenditure

The total of Near Cash amounts represents the usage of resources by the Commission.

KEY VARIANCES IN NET REVENUE EXPENDITURE FROM 2015

	£'000
2015 NRE	10,425
Grants	(169)
Administrative Costs	21
Other Variances	10
2016 NRE	10,287

Grants totalling £10.15 million were made during the year, a decrease of £0.17 million compared with 2015. An increase in disaster aid (in support of Syrian refugees) was offset by a reduction in the number of single-year development grants. 2015 spending had also been bolstered by a one-off bequest to JOAC of £0.15 million.

2. What we have spent funding on

Total Grants Awarded

	£'000
Grant Aid	7,316
Disaster Fund	2,382
Local Charities	266
Work Projects	183
Total	10,147

The majority of the expenditure, £7.3 million, in 2016 comprised of direct grants to approved UK-based agencies, with all grants provided on the individual merits of projects covering clean water, health, sanitation, education, income generation, agriculture, gender equality and environmental schemes.

The Commission allocated £2.4 million (net of refunds) to emergency relief projects. This included exceptional grants in support of those affected by the Syrian Crisis, in response to what the EU calls 'the worst humanitarian crisis since World War II'.

Fifteen grants and one bursary totalling £0.27 million were made to Jersey-based organisations for aid projects overseas. Some charities, with an established record of project implementation with the Commission, were awarded grants covering the total funding required, whilst others were awarded grants on the basis of matching monies fundraised by the submitting organisation itself.

Community Work Projects involving Jersey volunteers were organised to Zambia and Uganda at a net cost, inclusive of materials and equipment, of just over £0.18 million.

Other operating costs remained low at just under £0.14 million, 1.3% of the total States grant awarded.

Financial Statements

Statement of Comprehensive Net Expenditure

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	2015 Actual £'000
Revenue				
–	–	Other Income	2	–
–	–	Total Revenue	2	–
Expenditure: Near Cash				
79	79	Staff Expenditure	92	81
13	13	Supplies and Services	8	11
2	2	Administrative Expenditure	38	17
10,244	10,250	Grants and Subsidies Payments	10,147	10,316
10,338	10,344	Total Expenditure: Near Cash	10,285	10,425
10,338	10,344	Net Revenue Expenditure	10,287	10,425
10,338	10,344	Total Comprehensive Expenditure	10,287	10,425

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Current Assets			
Trade and Other Receivables	539	–	–
Total Current Assets	539	–	–
Current Liabilities			
Trade and Other Payables	(761)	(1,343)	(805)
Total Current Liabilities	(761)	(1,343)	(805)
Taxpayer's Equity			
Accumulated Revenue Reserves	(222)	(1,343)	(805)
Total Taxpayer's Equity	(222)	(1,343)	(805)

Community and Constitutional Affairs

Community and Constitutional Affairs aims to improve the quality of life of everyone living in Jersey by helping create a safe, just and fairer society.

With effect from 1 January 2016, the Department for Community and Constitutional Affairs (CCA) was formally established by the States in order to facilitate closer working between relevant teams of the former Home Affairs Department and the Chief Minister's Department. The Department supports public services and policy responsibilities of the Chief Minister (in part), the Minister for Home Affairs, the Minister for Housing and the Chair of the Legislation Advisory Panel.

Details of the new Department were provided in a press release on 14 April 2015 and service transfers agreed in the MTFP 2016–2019 reflected the transfer of functions from the Chief Ministers Department.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£49,635,966

0.5% increase
from 2015

£1,478,319

2.9% underspend
against Near Cash Final
Approved Budget

1. What resources we have used

Financial Inputs – Near Cash Approvals

Spending by the department is part funded by charges raised, with the balance being funded from tax revenues.

The States approves the amount a department can spend on Revenue Expenditure during a year through the Medium Term Financial Plan. This is updated each year in the Annual Update to the Medium Term Financial Plan Annex to reflect any permanent changes in approvals since the original Medium Term Financial Plan.

MTFP approval (Updated)	Additional Approvals	Final Approved Budget
£49.3 million	£1.8 million	£51.1 million

The Medium Term Financial Plan approvals have been restated from those presented in the Medium Term Financial Plan 2016–2019 to reflect P.46 'Draft States of Jersey (Transfer of Functions No. 8) (Miscellaneous Transfers) (Jersey) Regulations 201-' approved by the States Assembly 16 December 2015 which reorganised responsibilities between a number of Ministerial Departments. In 2016, adjustments to the budget presented in the Medium Term Financial Plan 2016–2019 totalling £1.8 million were made. Details of the changes are set out in the States Accounts as part of the Notes to the Statement of Outturn Against Approvals.

The most significant adjustments were required to reflect:

- the carry forward of £0.7 million from 2015;
- additional funding of £0.5 million received to fund the States of Jersey Police costs in respect of the Independent Jersey Care Inquiry (IJCI);
- the cost of negotiated pay awards (£0.2 million) for Police and Prison officers.

Departmental Income

Budget 2016	Actual 2016	Actual 2015
£2.3 million	£2.8 million	£2.9 million

MAJOR INCOME STREAMS

	£'000
Passport Fees	(771)
Immigration Fees, Work Permits and Registration Fees	(404)
Legalisation of Documents	(278)
Prison Sales	(254)
Grants from COCF/DTCF	(149)
Property Rentals	(166)
Other income	(758)
Total Income	(2,780)

Passport fees and immigration fees are linked to UK fee levels.

There was an unexpected peak in Immigration fee income in the last quarter of 2016 and the express service for legalisation of documents, introduced in response to customer feedback, continued to generate additional income as planned.

Performance against Near Cash Final Approved Budget

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

Budget 2016	Actual 2016	Actual 2015
£51.1 million	£49.6 million	£49.4 million

KEY VARIANCES FROM BUDGET

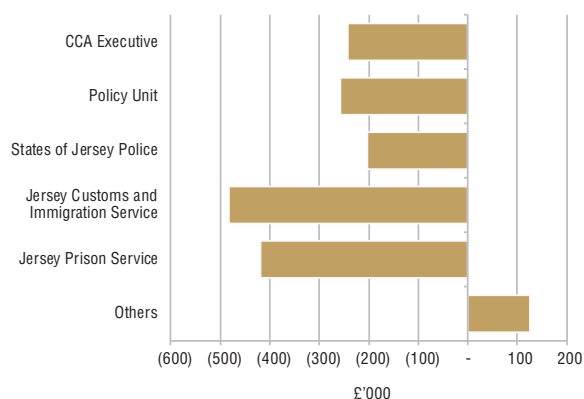
	£'000
CCA Executive	243
States of Jersey Police	202
Jersey Customs and Immigration Service	483
Jersey Prison Service	418
Other Variances	132
Net Underspend	1,478

The underspend includes an amount of £0.4 million that the Minister for Home Affairs has requested be transferred

to capital to provide for the essential refurbishment of J Wing at the Prison (MD-HA-2016-0059).

Other underspends are the result of prudent planning to carry forward funds to meet funding pressures in 2017 and the result of the slippage/timing of projects.

Underspend Breakdown



Staffing

At the year end the department employed the equivalent of 645.5 full time employees. This is an increase of 5.4 (0.8%) from 2015, and is due to the net transfer of staff from the Chief Minister's Department.

Non-Current and Current Assets

The department holds fixed assets of £4.9 million. It also holds current assets and liabilities relating to the day-to-day operation of the department such as Trade Receivables and Trade Payables.

The cost of using Non-Current Assets is recorded through Non-Cash Expenditure.

NON CASH EXPENDITURE

Budget 2016	Actual 2016	Actual 2015
£0.7 million	£0.6 million	£0.7 million

There is no significant change in depreciation charges between 2015 and 2016.

There has been a small gain on disposal of non-current assets due to the disposal of vehicles by the Jersey Field Squadron as agreed by the Accounting Officer.

Changes in Expenditure

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

KEY VARIANCES IN NET REVENUE EXPENDITURE (NRE) FROM 2015

	£'000
2015 NRE	49,398
Policy Unit	859
States of Jersey Police	(796)
Jersey Fire and Rescue Service	(186)
Emergency Planning	(56)
Jersey Customs and Immigration Service	(313)
Jersey Prison Service	566
Other Variances	164
2016 NRE	49,636

The department's NRE increased by £0.2 million between 2015 and 2016, an increase of 0.5%.

This variances in individual service areas includes the impact of the:

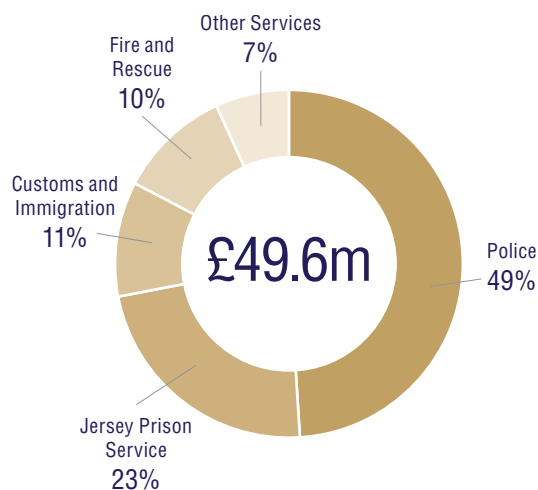
- transfer of functions from the Chief Minister's Department (Policy);
- transfer of expenditure from capital to revenue in accordance with Generally Accepted Accounting Principles (GAAP) accounting and voluntary release payments (Prison);
- delivery of savings as part of the Departmental Savings Programme.

2. What we have spent funding on

Near Cash by Service Area

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	2015 Actual £'000
889	1,037	CCA Executive	794	826
845	1,215	Policy Unit	958	99
24,202	24,517	States of Jersey Police	24,315	25,111
5,134	5,190	Jersey Fire and Rescue Service	5,146	5,332
187	154	Emergency Planning	90	146
5,696	5,734	Jersey Customs and Immigration Service	5,251	5,564
10,768	11,746	Jersey Prison Service	11,328	10,762
1,067	1,024	Jersey Field Squadron	1,273	1,096
483	497	Building a Safer Society	481	462
49,271	51,114	Net Revenue Expenditure	49,636	49,398

Near Cash by Service Area Breakdown



States of Jersey Police

The States of Jersey Police (SoJP) is here to support an Island where residents, businesses and visitors are safe and feel secure.

The MTFP2 process has required SoJP to examine its operations and prepare for a new environment in which it will have to reduce its workforce by approximately 10% over the period 2017–2019.

During 2016, SoJP made good progress towards these aims by:

- introducing a new Operating Model and making corresponding changes to its organisational structure in order to provide greater organisational flexibility;
- introducing a new approach to prioritising the demand for Police services using the THRIVE principles (by assessing the Threat, Harm, Risk, Investigate, Vulnerability, and Engagement Opportunities);
- progressing the transformational SMARTPolice project; this will use advanced technology to change current working practices and deliver efficiencies.

During 2016 the SoJP also sought public feedback via the Jersey Opinion and Lifestyle Survey (JOLS) which identified that:

- 9 out of 10 people feel safe;
- 8 out of 10 believe the SoJP is doing a good job.

Other findings from this survey, including the public's priorities for police activities, have been included in the 2017 Policing Plan.

Jersey Prison Service

Jersey Prison Service provides a healthy, safe, secure and stimulating environment for all who live and work within the Prison. Prisoners are encouraged to address their offending behaviour and to become involved in education and work-related training, which will enable them to live a law-abiding and purposeful life in custody and after release.

Supportive relationships with families are facilitated in order to maintain the positive links that will ensure a successful return to the community. In partnership with other agencies, the Prison provides effective ways to reduce crime and its resultant social and economic costs.

In order to deliver savings, the Jersey Prison Service imposed restrictions on the prison regime. In order to support this change the Prison Service installed telephones in cells; while losing none of the security measures, this has proved to be a very successful initiative. Prisoners have much greater access to family, friends and external support agencies such as the Samaritans or their Advocates. The reduction in recreation time was implemented without an adverse prisoner reaction and the greater access to a telephone has made the initial introduction to the prison a less stressful experience for new admissions.

Jersey Fire and Rescue Service

The mission of Jersey's Fire and Rescue Service (JFRS) is to: *'Save and protect life, property and the Island's environment'*.

Underpinning the Service's mission are three aims:

- reduce fires and their impact;
- resolve emergencies quickly and effectively;
- provide value for money.

The Service achieves its aims by integrating the four risk management strategies of *Prevent*, *Protect*, *Prepare* and *Respond*. The Service enacts the duty of the Minister to:

- promote fire safety (*Prevent*);
- ensure fire safety in higher risk premises (*Protect*);
- train and equip to be ready to respond (*Prepare*);
- deal with emergencies when they occur (*Respond*).

Mobile technology is being used to give Fire Safety officers remote access to all their fire safety files so that they can amend them whilst undertaking inspections as opposed to the previous paper based system that required

officers to return to their workstation computer to make the amendments and then print them off for filing.

The Assistant Minister for Home Affairs approved the JFRS 2017–2020 Integrated Risk Management Plan which explains how the JFRS aims to deliver its services to the community by integrating prevention, protection, preparedness, response and service support activity through the careful and flexible management of resources.

Jersey Customs and Immigration Service

The Service is committed to providing a strong and effective border control in order to protect Jersey from the threats of:

- illegal immigration and the movements of prohibited goods;
- loss of government revenue from the evasion of import tax or duty;

whilst honouring the island's external Customs, Immigration, Passport and Nationality obligations and, wherever practical, meeting the principals of free movement for people and goods.

The Customs payment system CAESAR, which allows individuals and businesses to pay Customs duties and import GST online, was upgraded in 2016. The project was funded by eGov and sought to address the issue of an outdated user interface and to provide accessibility for mobile devices. As a consequence of the enhancements the user experience has been improved, freight companies benefit from not having to warehouse detained items for lengthy periods and the number of enquiries has reduced.

Policy

Constitutional Affairs and Justice Policy

The Constitutional Affairs and Justice Policy team supports the Chief Minister on constitutional matters and justice policy and resources. The team also supports the Home Affairs Minister in their responsibility for overseeing criminal justice policy and provides the executive function for the Legislation Advisory Panel.

The department has been closely involved in the development of an updated Criminal Procedure Law, Bail Law and Sexual Offences Law, all of which are expected to be presented to the States Assembly in 2017. A further notable development has been the passing of legislation



to allow for the introduction of an Independent Prison Monitoring Board.

Social Policy

The Social Policy team are responsible for the delivery of a wide range of cross-departmental policy projects. Current projects include the development of a disability strategy, the oversight of compliance with the UN Convention on the Rights of the Child (UNCRC) and the introduction of equal marriage legislation.

In addition, the team has involvement with various safeguarding functions for both children and vulnerable adults including the Safeguarding Partnership Board and supporting the introduction of the regulation of care legislation in the Island.

1001 Critical Days

The Policy Director supports the Minister for Home Affairs in promoting the 1001 Critical Days agenda in Jersey. This work highlights the importance of acting early to enhance the outcomes for children. It recognises that many children and young people do not have the start in life that they need and deserve which leads to high costs for society.

Partnerships and increased collaborative working between all perinatal services including the many voluntary and community services have improved the experiences of the services for families and expectant mothers.

Housing Policy

The Strategic Housing Unit supports the Minister for Housing and is responsible for the coordination and delivery of housing policy in Jersey. The Unit is tasked with the delivery of the Jersey Housing Strategy, including the supply of new affordable homes, the development of initiatives to encourage home ownership, and improvements to the standard of housing. The Unit also has policy oversight of the Affordable Housing Gateway, the point of access into social housing.

Other Services

Other Services include the CCA Executive, Jersey Field Squadron, Building a Safer Society, the Office of the Superintendent Registrar and support for associated independent functions/arms-length bodies.

CCA Executive

The CCA Executive's function is to provide the Secretariat for the Minister and Assistant Minister for Home Affairs

and co-ordination of the Finance function for the whole of Community and Constitutional Affairs.

Jersey Field Squadron

The Jersey Field Squadron RE (M) (The Royal Militia of the Island of Jersey), is an Army Reserve Unit within the British Army Order of Battle. It is also the Island's Defence Contribution to the UK in accordance with the Inter-Governmental Agreement (IGA) between the States of Jersey and the Ministry of Defence signed in 1988.

Building a Safer Society

Working in partnership is increasingly acknowledged as generating solutions to problems that single agencies cannot solve, improving the services that users receive, and enhancing the coordination of services across organisational boundaries. The Building a Safer Society (BaSS) strategy works across agencies in the public, private and voluntary sectors to provide comprehensive and workable solutions to some very serious social and community safety issues. It is an excellent example of a multi-agency commitment to co-operate in partnership to tackle serious social issues.

The updated Community Safety and Substance Misuse Strategy for Jersey 2016–2019 (R111/2016) was presented to the States in November 2016.

Office of the Superintendent Registrar

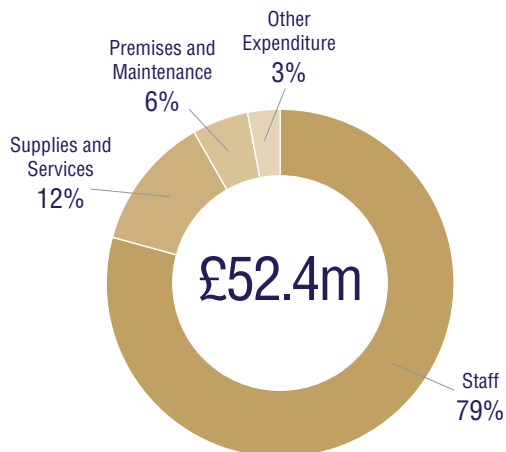
The Office of the Superintendent Registrar oversees the accurate registration of births and deaths, marriages and civil partnerships in the Island in accordance with the Marriage and Civil Status (Jersey) Law 2001 and the Civil Partnership (Jersey) Law 2012. Other laws also have a significant bearing on the work of the office, including the Legitimacy (Jersey) Law 1973 and the Adoption (Jersey) Law 1961.

Independent functions/arms-length bodies

The department provides support and oversight of the following associated independent functions/arms-length bodies:

- Jersey Police Authority;
- Jersey Police Complaints Authority;
- Criminal Injuries Compensation Board;
- Safeguarding Partnership Board;
- Prison Board of Visitors.

Near Cash by Expenditure Type



Staff costs represent an average of 79% of the Department's gross expenditure.

The balance of expenditure is on supplies, services, premises and maintenance to support the provision of emergency services and to deliver the Department's core function, to ensure the safety of our community.

The split of expenditure by type has not changed significantly since 2015.

3. What we have achieved

MTFP Objective 2 – Underpin the vision of a safe and caring community by providing:

(a) States of Jersey Police

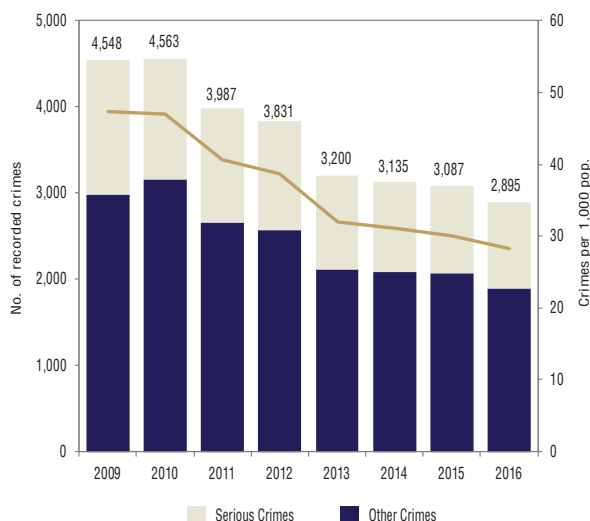
A Police Service which will work in partnership to:

- protect our community from harm;
- bring offenders to justice.

PERFORMANCE

LEVELS OF RECORDED CRIME

2,895 crimes were recorded in Jersey last year. This figure represents a 6% reduction on 2015 and is the lowest crime rate since modern records were started in 1981.

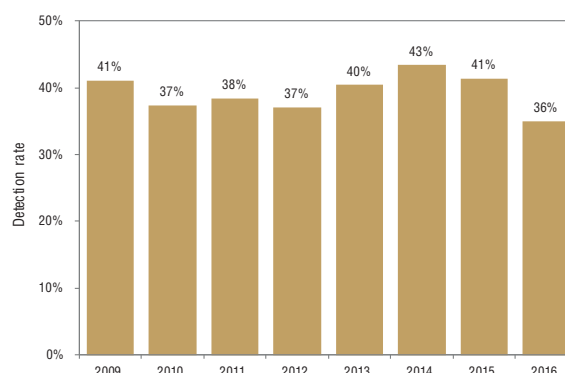


CRIME DETECTION RATES

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

Jersey's overall 'clear up' rate (sanction plus administrative detections) was 36% in 2016 compared to 41% in 2015.

SANCTION DETECTION RATE



(b) Jersey Fire and Rescue Service

A Fire and Rescue Service which will work in partnership to:

- eliminate preventable fire casualties,
- reduce the effect of fire,
- respond effectively to emergency calls,
- assist in safeguarding property and the environment.

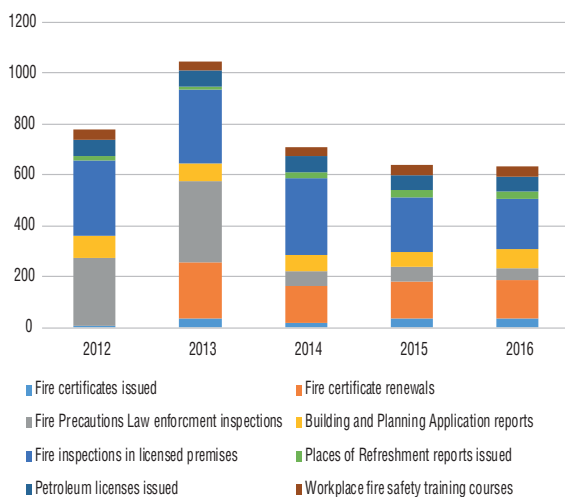
PERFORMANCE

ACTIONS TAKEN BY SERVICES DURING THE YEAR

PROTECT

Fire safety engineering and enforcement is, broadly, aimed at protecting people who resort, in large numbers, to public, commercial or industrial premises or where large numbers of people sleep in shared accommodation which is either not purpose built or its safety environment is the responsibility of a third party (i.e. a landlord or manager). The overall number of main protection interventions fell in 2016 by just over 0.5% on 2015.

PROTECTION ACTIVITY

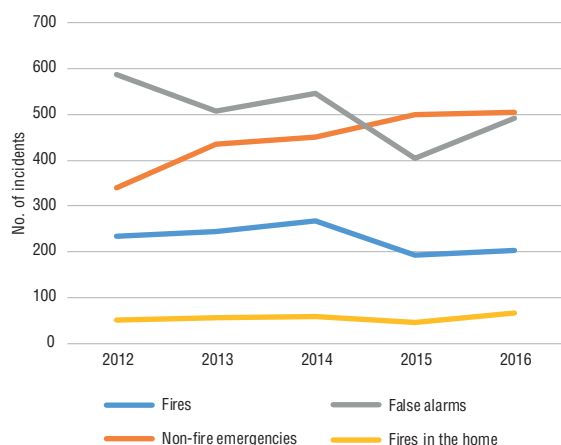


RESPOND

For non-fire emergencies, no duty is placed upon the Minister in relation to prevention but the Service must be ready to deal with any emergency that might cause harm to people, property or the environment. The modern role of the Fire and Rescue Service is very broad and complex. Fire represents less than 20% of the emergency activity of the Service and so, for the most part, it is less able to influence the demand placed on it.

As can be seen from the chart, the principle performance indicators relate to the number of emergencies with the fire related indicators being most important because of the service's statutory role in reducing their occurrence and impact. In 2016 the overall number of emergency interventions was up 9.4% on the previous year.

RESPONSE ACTIVITY



(c) Customs and Immigration

A Customs and Immigration Service which will work in partnership to:

- protect Jersey from the threat of illegal immigration and the import/export of prohibited or restricted goods,
- collect Customs and Excise duties, including import Goods and Services Tax (GST),

while preventing loss of government revenue from fraud or evasion, honour the Island's external Customs, Immigration, Passport and Nationality obligations.

PERFORMANCE

EFFECTIVE BORDER CONTROL

Description	Actual 2016	Average 2011–2015
Value of Drugs Seized	£3.7m	£1.9m
Refusals (commercial transport)	17	18
Entry Clearance Referrals	726	656
Revenue Collected	£62.3m	£57.2m
Passports Issued	10,236	10,348
Document Legalised	7,230	8,398
Income (passports/fees)	£1.5m	£1.3m

(d) Jersey Prison Service

A Prison Service which will work in partnership to:

- Keep in custody those persons committed to the Prison by the Courts in a safe, decent and healthy environment,
- reduce re-offending by providing constructive regimes for prison inmates, which address offending behaviour and improve educational and work skills.

PERFORMANCE

PRISONER ESCAPES

The Jersey Prison Service contributes to providing a safe society by ensuring that those committed to custody remain in custody until the sentence is served or they are released by order of the Courts.

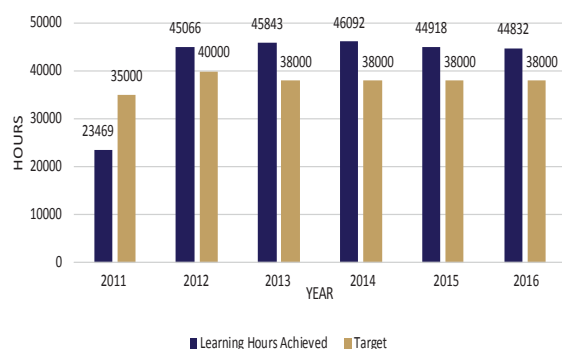
The Service is committed to providing opportunities for prisoners' personal development in both practical skills, educational or vocational qualifications and to address offending behaviours. This is in order that they may make a more positive contribution to society.

The target of no escapes has been consistently achieved over the period below.

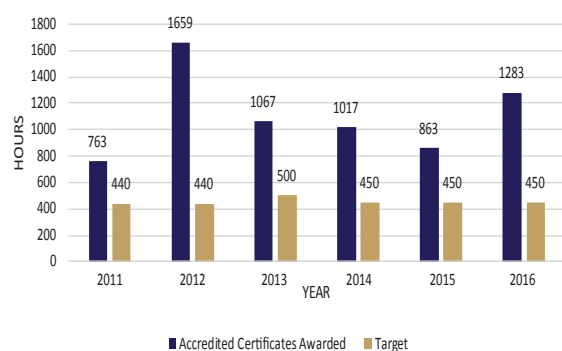
	2011	2012	2013	2014	2015	2016
Prisoner Escapes	0	0	0	0	0	0

PROVISION OF CONSTRUCTIVE REGIMES TO ADDRESS OFFENDING BEHAVIOUR

HMP LA MOYE – LEARNING HOURS



HMP LA MOYE – ACCREDITED CERTIFICATES



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

An accredited behavioural change programme, “*Building Better Relationships*”, was introduced to address the perpetrators of domestic violence. 6 prisoners completed the course.

Other behavioural change programmes delivered in 2016:

Addressing Substance-Related Offending – Secure (ASRO-S) – 6 prisoners completed the programme.

Thinking Skills Programme – To cause prisoners to consider the consequences of their actions. – 15 prisoners (10 male and 5 female) completed the course.

MTFP Objective 3 – *To ensure effective development and delivery of partnership agreements*

PERFORMANCE

REDUCE THE IMPACT OF CRIME ON THE COMMUNITY

Data from the BaSS 2015 Annual Report presented to the States in November 2016 (R111/2016).

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

The BaSS Strategy is designed to reduce the impact on our community caused by crime, anti-social behaviour and substance misuse. To this end it provides grants to fund evidence based initiatives in both the public and voluntary sector which meet the outcomes expected for the strategy. These initiatives are monitored and evaluated and can prove success.

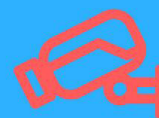
REDUCING CRIME

PUBLIC DISORDER
AND ANTI-SOCIAL
BEHAVIOUR

crime reduction

30.6 recorded crimes per **1,000** population

a **46%↓**
reduction since 2005



community safety

93% of people felt **SAFE** or fairly safe
in their neighbourhood



67%↓
reduction in recorded burglaries

youth court

decrease in cases from

344 in **2009**

to **90** in **2015**



probation

64.3%

Of individuals with reduced risk of
reoffending after probation order



Financial Statements

Statement of Comprehensive Net Expenditure

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	2015 Actual £'000
Revenue				
(1,353)	(1,353)	Duties, Fees, Fines and Penalties	(1,550)	(1,466)
(723)	(723)	Sales of Goods and Services	(863)	(953)
(41)	(190)	Other Income	(367)	(490)
(2,117)	(2,266)	Total Revenue	(2,780)	(2,909)
Expenditure: Near Cash				
41,872	42,370	Staff Expenditure	41,344	40,832
5,482	6,478	Supplies and Services	6,472	6,690
922	922	Administrative Expenditure	949	1,138
2,630	3,128	Premises and Maintenance	3,343	2,917
306	306	Other Operating Expenditure	102	318
164	164	Grants and Subsidies Payments	172	382
–	–	Impairments of Financial Assets	1	3
12	12	Finance Costs	33	27
51,388	53,380	Total Expenditure: Near Cash	52,416	52,307
49,271	51,114	Net Revenue Expenditure: Near Cash	49,636	49,398
Non Cash Amounts				
735	735	Depreciation and Amortisation	570	675
–	–	Gain on Disposal of Non-Current Assets	(3)	(6)
735	735	Total Non Cash Amounts	567	669
50,006	51,849	Net Revenue Expenditure	50,203	50,067
50,006	51,849	Total Comprehensive Expenditure	50,203	50,067

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	4,889	4,767	4,468
Intangible Assets	84	167	312
Total Non-Current Assets	4,973	4,934	4,780
Current Assets			
Inventories	73	61	55
Trade and Other Receivables	181	158	354
Cash and Cash Equivalents	3	5	3
Total Current Assets	257	224	412
Total Assets	5,230	5,158	5,192
Current Liabilities			
Trade and Other Payables	(5,021)	(3,984)	(3,359)
Total Current Liabilities	(5,021)	(3,984)	(3,359)
Assets Less Liabilities	209	1,174	1,833
Taxpayer's Equity			
Accumulated Revenue Reserves	209	1,174	1,833
Total Taxpayer's Equity	209	1,174	1,833

Economic Development, Tourism, Sport & Culture

The responsibilities of Economic Development, Tourism, Sport and Culture (EDTSC) include:

- *working closely with partners across all sectors of Jersey's economy to support their development and diversification*
- *oversight of Jersey Business who provide support for both new and established businesses*
- *through Locate Jersey encouraging inward investment, the relocation of appropriate business to Jersey and the relocation of high-net worth individuals who will contribute both economically and socially*
- *oversight of Visit Jersey who promote Jersey as a visitor destination*
- *the enforcement of consumer protection laws and the provision of a comprehensive consumer and business advisory service*
- *a range of regulatory functions across different sectors of the economy including retail, maritime, hospitality and gambling*
- *the development of strategies for the development of sport and leisure*
- *the management of sport and leisure facilities*
- *liaison with, and support for trusts and voluntary organisations for the promotion of sport, culture and heritage*
- *working closely with partners across the cultural and heritage sectors to support development and diversification*

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£19,768,366

9.5% decrease
from 2015

£505,992

2.5% underspend
against Near Cash Final
Approved Budget

1. What resources we have used

Financial Inputs – Near Cash Approvals

Spending by the department is part funded by charges raised, with the balance being funded from tax revenues.

The States approves the amount a department can spend on Revenue Expenditure during a year through the Medium Term Financial Plan. This is updated each year in the Annual Update to the Medium Term Financial Plan Annex to reflect any permanent changes in approvals since the original Medium Term Financial Plan.

MTFP approved (Updated)	Additional Approvals	Final Approved Budget
£19.1 million	£1.2 million	£20.3 million

The Medium Term Financial Plan approvals have been restated from those presented in the Medium Term Financial Plan 2016–2019 to reflect P.46 'Draft States of Jersey (Transfer of Functions No. 8) (Miscellaneous Transfers) (Jersey) Regulations 201-' approved by the States Assembly 16 December 2015 which reorganised responsibilities between a number of Ministerial Departments. In 2016, adjustments to the budget presented in the Medium Term Financial Plan 2016–2019 totalling £1.2 million were made:

- £110,250 from Contingency for Public Sector Reform
- £731,000 Carry Forward for Sport, Culture and Rural
- £288,686 for Redundancy Payments

Details of the changes are set out in the States Accounts as part of the Notes to the Statement of Outturn Against Approvals.

Departmental Income

Budget 2016	Actual 2016	Actual 2015
£5.3 million	£5.2 million	£5.7 million

MAJOR INCOME STREAMS

	£'000
Sports Centres	(3,610)
Playing Fields	(880)
Licence Fees	(390)
Other	(345)
Total Income	(5,225)

There was a small reduction against budget of £0.05 million and a reduction of £0.5 million against 2015 mainly due to the transfer of the Ships Registry to Ports of Jersey (£0.2 million) and due to the closure of the the Market Lottery Office.

Performance against Near Cash Final Approved Budget

Near Cash Net Revenue Expenditure is the amount that Accounting Officers are held Accountable for.

Budget 2016	Actual 2016	Actual 2015
£20.3 million	£19.8 million	£21.8 million

KEY VARIANCES FROM BUDGET

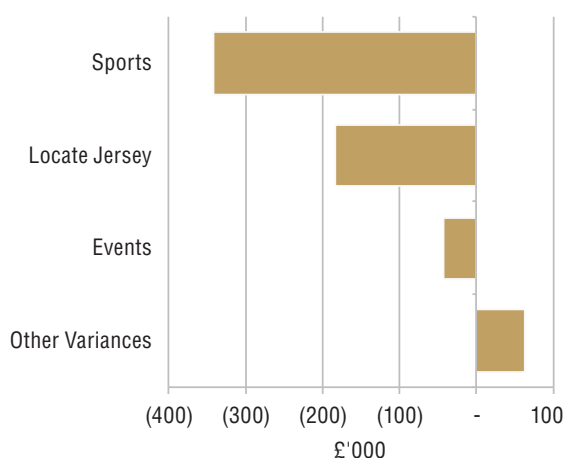
	£'000
Sports	342
Locate Jersey	184
Events	43
Other Variances	(63)

Net Underspend	506
-----------------------	------------

In 2016 Net revenue expenditure was under budget by £0.5 million and lower than in 2015 by £2 million.

There is an underspend in Sport due to a late start on the Public Sector Reform review expected to cost £0.1 million, fewer sports grants were paid to recipients totalling £0.1 million with the remaining variance due to a number of small underspends. Locate Jersey reduced promotional marketing and travel expenditure resulting in an underspend of £0.2 million.

Underspend Breakdown



Staffing

At the year end the department employed the equivalent of 106.4 full time employees. This is an increase of 76.8 from 2015, and is mainly due to the transfer in of the Sport and Culture staff from the Education Department in 2016.

Non-Current and Current Assets

The department also holds current assets and liabilities relating to day-to-day operations such as Trade Receivables and Trade Payables.

The cost of using Non-Current Assets is recorded through Non-Cash Expenditure.

Budget 2016	Actual 2016	Actual 2015
£0.1 million	£0.2 million	£0.1 million

Changes in Expenditure

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

KEY VARIANCES IN NET REVENUE EXPENDITURE (NRE) FROM 2015

	£'000
2015 NRE	21,840
Sport	(877)
Tourism	(746)
Rural	(420)
Other Variances	(29)
2016 NRE	19,768

The decrease in Net Revenue Expenditure (NRE) from 2015 to 2016 was £2.1 million (9.5%). This was mainly due to:

Sport

Jersey was the host nation for the 2015 Island Games and grants of £0.7 million were paid to the 2015 Island Games Organising Committee. The remaining variance is due to a number of small underspends.

Tourism

There was a decrease in expenditure compared to 2015 of £0.7 million which was mainly due to a one off top up grant of £0.5 million paid to the Tourism Development Fund, as outlined in the MTFP 2015.

Rural

The decrease of £0.4 million compared with 2015 expenditure is due to a reduction of grants paid in the Rural Initiative Scheme of £0.3 million and a small reduction of Single area Payments and Quality Milk Payments of £0.1 million.

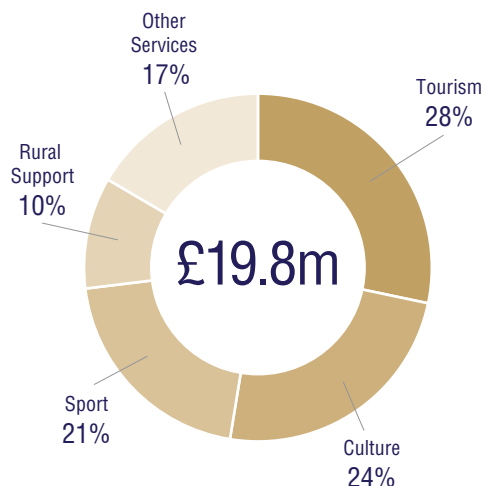
Full details of grants paid by the Department in 2016 of over £75,000 are shown in Note 9.12 of the Financial Report and Accounts. Grants under £75,000 are shown in Appendix A to this Annex.

2. What we have spent funding on

Near Cash by Service Area

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	Restated 2015 Actual £'000
2,309	2,405	Economic Growth and Diversification	2,072	2,040
5,625	5,832	Tourism	5,594	6,340
1,350	950	Policy and Regulation	1,202	1,221
1,862	1,900	Rural Support	2,050	2,470
3,312	4,393	Sport	4,051	4,928
4,686	4,794	Culture	4,799	4,546
–	–	Skills	–	295
19,144	20,274	Net Revenue Expenditure	19,768	21,840

NEAR CASH BY SERVICE AREA BREAKDOWN



Tourism

Visit Jersey leads on the promotion of Jersey as a destination for all visitors. They also provide information about events, activities, attractions, restaurants and accommodation.

Culture

Arts organisations, which comprise the Jersey Arts Trust, the Jersey Opera House and the Jersey Arts Centre, are funded by the States through annual revenue grants and self-generated income from a variety of sources including ticket sales and sponsorship.

The Jersey Arts Trust works with artists of all forms and develops the arts in the Island by providing small grants to individuals and organisations. Working locally and through competitions, events and programmes, it encourages participation in the arts and opportunities for artists to develop skills.

The Island's two main cultural venues, the Jersey Opera House and Jersey Arts Centre, host a wide range of genres from mainstream to alternative. Specifically, the Jersey Opera House provides quality drama, dance, ballet, concerts, musicals, opera, comedy, pantomime and children's shows and the Jersey Arts Centre a wide range of contemporary and classical performances and visual arts including theatre, exhibitions, music, film, workshops and courses, presentation and events.

The Jersey Heritage Trust is partly funded by a States of Jersey annual grant in addition to income derived from sponsorship, donations and membership fees. Jersey Heritage sites remain the most visited attractions in Jersey with the coin hoard exhibition at La Hougue Bie and Ice Age



Jersey at the Jersey Museum, in particular, continuing to attract much attention. Other popular sites include Elizabeth Castle, Mont Orgueil Castle, Hamptonne Country Life Museum, the Jersey Archive, and the Maritime Museum.

Sport

The Sports Division includes three of Jersey's main sports centres – Fort Regent, Les Quennevais and Springfield – plus a variety of other sports facilities and playing fields spread throughout the Island. The division also has responsibility for sports development, grants, and community sports.

Active Card sports membership provides unlimited use of gyms, pools and classes at all three sports centres. Membership options include flexible monthly, six monthly and annual packages as well as the ability to freeze membership for a time. The Active card remains very popular with Island residents with 4859 members at the year end.

Exercise Referral is an exercise programme through which health professionals, including GP's, refer up to 1,000 people per year for guidance and support in exercise and physical activity to help their recovery from illness or operations or improve their health.

Rural Support

Rural Support is responsible for the development and implementation of strategies, legislation and policy that will ensure a viable future and growth for the rural economy, including the agriculture and fisheries industries based on the principles of sustainable development. Activities include:

- the development of export markets;
- promotion of locally produced food through the Genuine Jersey brand; and
- protecting and promoting the Jersey Royal brand.

The Rural Development programme provides direct and indirect aid through the:

- Single Area Payment scheme;
- Quality Milk Payment scheme;
- Rural Initiative Scheme; together with
- grant funding to the Royal Jersey Agricultural and Horticultural Society for the provision of Artificial Insemination and Milk Recording services.

Ongoing growth in the rural economy will be consistent with the philosophy that the future is increasingly about the public sector facilitating greater self-reliance and independence.

Policy and Regulation

Policy and Regulation is responsible for the development and administration of a diverse range of laws, policies and the undertaking of regulatory activity across all areas of the Department's portfolio, together with the development and enforcement of consumer protection laws.

Key areas of development in 2016 were:

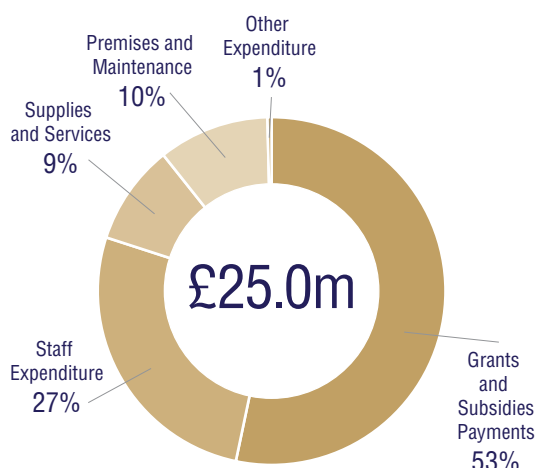
- Changes to the Tourism law to simplify reporting requirements for hotels etc.
- Policy development work on a replacement to the current Tourism (Jersey) Law 1948
- Development of shipping legislation to maintain compliance with international standards
- Continuation of development of the Liquor Licensing (Jersey) Law to bring the legislation up to date so that it accurately reflects the activity of the trade and the States policy objective
- Development work to enhance the performance of the Aircraft Registry
- Development of the Consumer Protection (Unfair Practices) (Jersey) Law to provide equivalent levels of UK and EU consumer protection to Jersey consumers.
- Changes to the Price Indicators (Jersey) Regulations to remove barriers to business
- Enforced a broad range of consumer protection legislation through a range of activities including: testing and verification of 970 weights and measures equipment in use for trade, assisted and advised in 1025 consumer cases, investigated and gave appropriate business compliance advice in 178 cases, issued 1025 licences, registration certificates or permits and delivered consumer protection talks and initiatives to 2,430 members of the public.

Economic Growth and Diversification

Support for high growth and high value businesses with the aim of creating new businesses resulting in employment opportunities for local job seekers.

Key areas of activity are Locate Jersey and Jersey Business which are investing to grow the economy whilst stimulating growth of the Jersey economy by encouraging creation and growth of local enterprises and promoting Jersey as a destination for high value business.

Near Cash by Expenditure Type



Grants and Subsidies

A large proportion of the Department's budget (53%) is invested in growing and diversifying the economy through a combination of grants and subsidies.

There was a small increase in grants paid in 2016 compared to 2015 of £0.4 million.

This was mainly due to grants given for the NatWest Island Games in 2015 of £0.7 million, the Tourism Development Fund of £0.5 million and the Jersey Conference Bureau of £0.2 million but not repeated in 2016. There were also reductions of grants paid to:

- Rural Initiative scheme £0.3 million;
- Single Area Payments & Quality Milk Payments £0.1 million; and
- Skills grants £0.3 million.

offset by additional funding for Visit Jersey of £2.5 million

The overspend of £0.3 million against final approved budget is mainly due to additional funding to Dairy Service support £0.2 million and Visit Jersey £0.1 million.

Staff Expenditure

The decrease of £1.0 million compared to 2015 is mainly due to changes as a result of the move of Tourism from a fully integrated function of the department to a grant funded body Visit Jersey Ltd which started operating in April 2015. The element that relates to Tourism staff in 2015 is £1.2 million offset by £0.2 million net additional voluntary redundancy payments made in 2016.

Supplies and Services

The reduction of £2.1 million compared to 2015 is due to the change in expenditure recognition reflecting that Tourism was a fully integrated function of the department up to April 2015 when Visit Jersey Ltd. was created and the expenditure was then recognised as part of a grant payment.

3. What we have achieved

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

MTFP OBJECTIVE

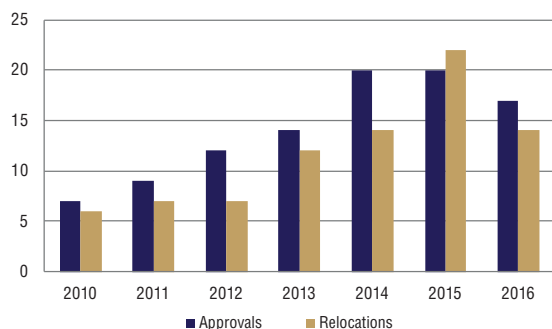
Key Objective 3: Create new businesses and employment in high-value sectors.

PERFORMANCE

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

In 2016 the number of HNWI approvals was 17 and in the year, 14 HNWI relocated to the Island.

HNWIs MOVING TO JERSEY



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

Advertising and promotion is used to promote Jersey as a destination for HNWI Individuals who are then helped through the application process and encouraged to invest in Jersey.

Number of business licences granted to inward investment companies and the number of jobs created (all sectors including finance)

MTFP OBJECTIVE

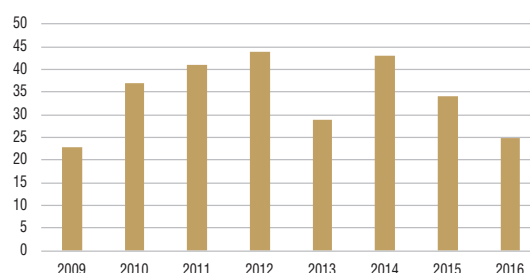
Key Objective 3: Create new businesses and employment in high-value sectors.

PERFORMANCE

Attracting inward investment to Jersey is a key priority in improving Jersey's prosperity, creating new jobs and helping to diversify the economy.

In 2016 the number of potential job opportunities created was 200 of which 82.5% were for entitled for work staff as defined by the Control of Housing and Work (Jersey) Law 2012.

BUSINESS LICENCES GRANTED – ALL SECTORS



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

Advertising and promotion is used to promote Jersey as a destination for high value business who are then helped through the application process and encouraged to invest further in Jersey.

Sports

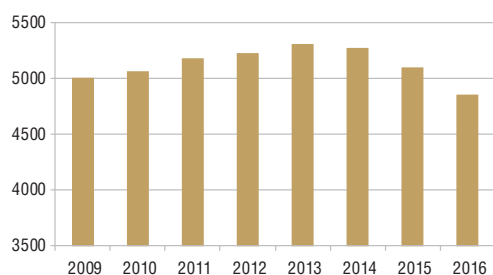
MTFP OBJECTIVE

Key Objective 3: Work in partnership with local and national organisations, promote healthy lifestyles and to increase opportunities for the local community to participate in sport and leisure activities.

PERFORMANCE

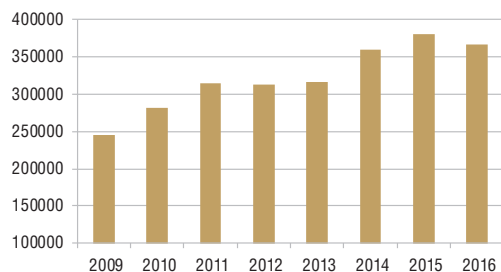
Sport is a powerful tool to strengthen social ties and networks. Participating in physical activity is not only good for individual children and adults, it also has a positive impact on our community, particularly in terms of social cohesion, economic activity and the cost of medical care.

NUMBER OF ACTIVE CARD MEMBERS



2016 saw a decrease in Active card members. Market share and income however remains stable. Corporate memberships suffered the most. Monthly gym passes and memberships on direct debit remain strong. No member offers or deals were done in 2016.

NUMBER OF ACTIVE CARD SWIPES

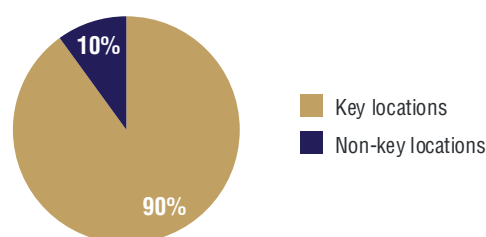


Active Card swipes provides a measure of activity levels and whether gym users are engaged in the product. Attendance remains high with members swiping in over 1.45 times per week but was slightly down in 2016.

Community Development projects are delivered in areas that have been identified as 'key locations' within the community. The aim of these projects is to work with, and

for the local residents and associations that exist within those particular areas. By breaking down the barriers to participation it is hoped the young people will benefit from the values within sport and assist them in reaching their full potential. Projects also provide opportunities for young people who do not play sport for school or a club to participate in a structured environment.

PERCENTAGE OF PARTICIPANTS AT NEIGHBOURHOOD SPORTS PROJECTS WHO LIVE IN KEY LOCATIONS IN THE COMMUNITY

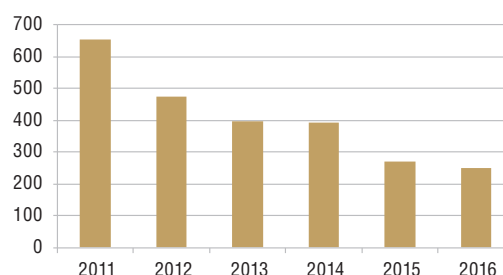


Free after school sessions were delivered in 2016 in squash, badminton and circuit training.

- 104 free sessions were delivered.

Community Sport works with key partners to deliver sports activities to identified groups. By providing positive activities in 'key locations' in the community the aim is to reduce the risk of anti-social behaviour and improve relationships between the police, local residents and young people

NUMBER OF CALLS TO POLICE REGARDING ANTI-SOCIAL BEHAVIOUR



2016 saw a reduction in the number of calls to police relating to youth anti-social behaviour for the 10th year in a row; while at the same time the number of young people attending community sports projects remained high.

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

Levels of delivery and choice have been increased during the year with corresponding impact on social and health outcomes.

Financial Statements

Statement of Comprehensive Net Expenditure

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	Restated 2015 Actual £'000
Revenue				
(522)	(522)	Duties, Fees, Fines and Penalties	(371)	(367)
(4,565)	(4,565)	Sales of Goods and Services	(4,547)	(4,716)
(187)	(187)	Other Income	(307)	(612)
(5,274)	(5,274)	Total Revenue	(5,225)	(5,695)
Expenditure: Near Cash				
6,553	7,069	Staff Expenditure	6,670	7,719
2,409	2,669	Supplies and Services	2,327	4,421
39	40	Administrative Expenditure	71	96
2,677	2,722	Premises and Maintenance	2,578	2,394
19	19	Other Operating Expenditure	7	5
12,706	13,014	Grants and Subsidies Payments	13,322	12,883
–	–	Impairments of Financial Assets	(1)	(2)
15	15	Finance Costs	19	19
24,418	25,548	Total Expenditure: Near Cash	24,993	27,535
19,144	20,274	Net Revenue Expenditure: Near Cash	19,768	21,840
Non Cash Amounts				
112	112	Depreciation and Amortisation	195	90
112	112	Total Non Cash Amounts	195	90
19,256	20,386	Net Revenue Expenditure	19,963	21,930
19,256	20,386	Total Comprehensive Expenditure	19,963	21,930

Statement of Financial Position

	2016 Actual £'000	Restated 2015 Actual £'000	Restated 2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	2,741	2,936	1,203
Total Non-Current Assets	2,741	2,936	1,203
Current Assets			
Inventories	–	–	91
Trade and Other Receivables	452	430	996
Cash and Cash Equivalents	5	7	8
Total Current Assets	457	437	1,095
Total Assets	3,198	3,373	2,298
Current Liabilities			
Trade and Other Payables	(2,065)	(1,834)	(3,611)
Total Current Liabilities	(2,065)	(1,834)	(3,611)
Assets Less Liabilities	1,133	1,539	(1,313)
Taxpayer's Equity			
Accumulated Revenue Reserves	1,133	1,539	(1,313)
Total Taxpayer's Equity	1,133	1,539	(1,313)

Education Department

The Education Department provides learning opportunities that begin at nursery and continue through statutory, further and higher education to adulthood. This supports our commitment to encourage lifelong learning that enables everyone to realise their potential.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£101,262,728

1.1% decrease
from 2015

£4,125,640

3.9% underspend
against Near Cash Final
Approved Budget

1. What resources we have used

Financial Inputs – Near Cash Approvals

Spending by the department is part funded by charges raised, with the balance being funded from tax revenues.

The States approve the amount a department can spend on revenue expenditure during a year through the Medium Term Financial Plan (MTFP). This is revised each year in the Annual Update to the MTFP Annex to reflect any permanent changes in approvals since the original MTFP.

MTFP approval	Additional Approvals	Final Approved Budget
£103.7 million	£1.7 million	£105.4 million

In 2016 there were adjustments totalling £1.7 million to the original budget approved by the States. Details of the changes are set out in the States Accounts as part of the Notes to the Statement of Outturn Against Approvals.

The most significant changes were:

- Approval of carry forwards of £1.1 million
- Funding for Voluntary Release Scheme of £0.3 million
- Additional funding for 2016 teachers' pay award of £0.6 million
- Additional funding from Restructuring Provision to explore closer working in secondary education of £0.1 million
- Minor capital transfers of (£0.3 million)
- Transfer to other departments of (£0.1 million)

Departmental Income

Budget 2016	Actual 2016	Actual 2015 Restated
£15.2 million	£16.3 million	£15.7 million

Income from fee-paying provided schools increased by £0.33 million (3.2%) compared to 2015 due to annual school fee increases at Victoria College, Victoria College Preparatory, Jersey College for Girls and Jersey College for Girls Preparatory. Pupil numbers across these schools remained unchanged from 2015 at around 2,100.

Highlands College fees increased by £0.2 million (7.6%) compared to 2015 due to annual fee increases of around 2.5% for full and part-time vocational, higher education and adult education courses and a full year's income from Café Connect (£0.25 million) which was introduced in September 2015. Student numbers across all courses are around 6,000 each year with more than half of these taking adult education courses.

Other income of £2.5 million mainly represents income generated by:

- Schools from hire of premises, provision of canteen services, breakfast clubs and after school clubs (£0.8 million)
- Youth Service from partnership agreements with the 12 parishes and charities including the Prince's Trust which part-fund senior and sessional youth workers (£0.8 million)
- Nursey fees from additional hours over and above the 20 free hours available in term time to all parents (£0.3 million)
- Jersey Music Service from lessons and the hire of instruments (£0.2 million)

MAJOR INCOME STREAMS

	£'000
Fee-Paying Provided Schools	(10,782)
Highlands College	(3,107)
Other	(2,453)
Total Income	(16,342)

Performance against Near Cash Final Approved Budget

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

Budget 2016	Actual 2016	Actual 2015 Restated
£105.4 million	£101.3 million	£102.4 million

KEY VARIANCES FROM BUDGET

	£'000
Non Fee-Paying Provided Schools	1,281
Fee-Paying Provided Schools	222
Further and Higher Education	2,443
Other	179
Net Underspend	4,125

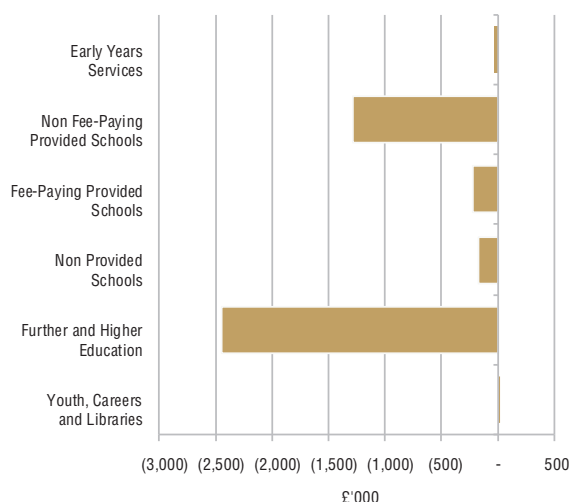
The underspend in non fee-paying provided schools reflects the Delegated Financial Management arrangement that allows States primary and secondary schools to carry forward funds to manage the differential between the academic and financial year. School funding is determined largely by pupil numbers which can fluctuate and have a significant impact on budgets. Allowing schools to carry forward underspends enables them to more effectively manage these changes over a longer period and plan for one-off minor capital projects.

Fee-paying provided schools comprise Victoria College and Jersey College for Girls and their respective preparatory schools. The same Delegated Financial Management arrangement applies to these schools, which, together with prudent planning and spending, provides the schools with the ability to manage minor school improvement works and minimise fee increases in future years.

Higher Education university grant payments are dependent on a combination of factors including the number of students opting to attend university, courses and universities chosen, and financial considerations including the level of household income and means testing of tuition fees and living expenses. The underspend of £2.4 million against budget reflects changes in these factors exacerbated by the total number of students

registering with Student Finance to access higher education showing a downward trend in recent years (1,275 in 2015-16 compared to 1,307 in 2009-10) and more people opting to study for degrees on-island (155 in 2015-16 compared to 32 in 2009-10). The UK government's cap of £9,000 per year on UK tuition fees, introduced in 2012, has recently been lifted and could potentially result in significantly higher UK tuition fees and consequently grant payments by the department from Autumn 2017.

Underspend Breakdown



Staffing

At the year end the department employed the equivalent of 1,552.9 full time staff. This is a net increase of 4.1 (0.3%) from 2015 representing additional teachers, early years keyworkers and professional partners offset by staff reductions from the Voluntary Release scheme.

Non-Current and Current Assets

The department holds fixed assets of £2.2 million including plant, machinery, furniture and fittings (£0.4 million), antiques and works of art (£0.8 million) and assets under the course of construction (£0.5 million).

Capital project expenditure of £0.6 million in relation to minor capital was transferred from assets under the course of construction to plant, machinery, furniture and fittings during the year including £0.2 million for a new 3G artificial pitch at Grouville school.

The department also holds current assets and liabilities relating to the day-to-day operation of the department such as trade receivables and trade payables.

The cost of using Fixed Assets is recorded through Non-Cash Expenditure.

NON CASH EXPENDITURE

Budget 2016	Actual 2016	Actual 2015
£0.3	£0.3	£0.0
million	million	million

Changes in Expenditure

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

KEY VARIANCES IN NET REVENUE EXPENDITURE (NRE) FROM 2015

	£'000
2015 NRE	102,417
Departmental savings programme	(1,213)
Pay award	617
Voluntary Release Scheme	286
Social Benefit Payments	(688)
Grants and Subsidies Payments	(349)
Other Variances	193
2016 NRE	101,263

As part of the measures adopted by the States to balance the consolidated fund by 2019, the department has been asked to deliver £6.7 million in recurring efficiency savings by 2019. The department's allocation of £1.2 million in 2016 was delivered through efficiency savings across all service areas including higher education, skills, libraries and support areas.

A 1% pay award for 2016 was agreed with head teachers, deputy heads and teachers. Total additional spend on staff costs as a result was £0.6 million for the department. Other pay groups including civil servants, manual workers and Youth Service workers have yet to agree a pay offer and negotiations are ongoing.

The Voluntary Release (VR) scheme introduced in 2015 to support organisational change was re-opened in January 2016 and remains open for the foreseeable future. The department only approves applications for voluntary redundancy or early retirement that do not have an impact on the continued delivery of frontline services. The total cost of VR packages in 2016 was £0.3 million and will achieve recurring savings of £0.2 million per annum.

Social Benefit payments, which represent student university grants for tuition and living expenses, decreased by £0.7 million in 2016 as a result of a combination of factors as referred to previously.

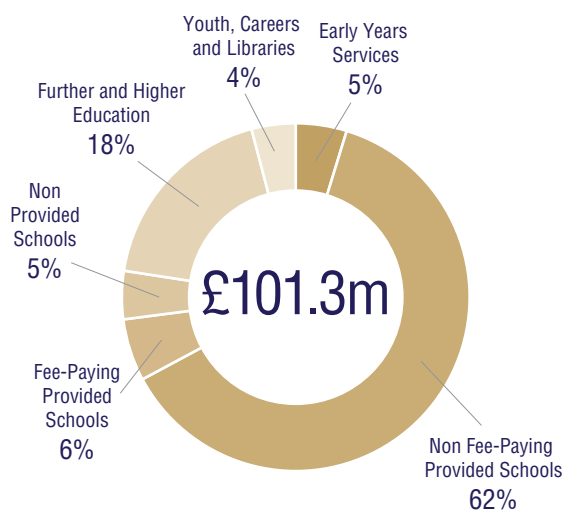
Grants and subsidies decreased by £0.3 million as a result of the continued phasing out of grants to independent preparatory schools (part of the comprehensive spending review 2011–2016) and a minor reduction in payments to the non-provided schools as a result of lower pupil numbers for the academic year 2015–16.

2. What we have spent funding on

Near Cash by Service Area

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	2015 Restated Actual £'000
4,826	4,826	Early Years Services	4,799	4,530
63,155	64,500	Non Fee-Paying Provided Schools	63,219	62,836
5,958	6,081	Fee-Paying Provided Schools	5,859	5,650
4,678	4,709	Non Provided Schools	4,535	4,796
20,891	21,146	Further and Higher Education	18,703	20,336
4,152	4,126	Youth, Careers and Libraries	4,148	4,269
103,660	105,388	Net Revenue Expenditure	101,263	102,417

NEAR CASH BY SERVICE AREA BREAKDOWN



Service Area

Non Fee-Paying Provided, Fee-Paying Provided and Non Provided Schools

The total number of pupils in the Island's education system (Nursery to Year 13) was 13,821.

Of the primary schools registered in Jersey, 24 are States schools (22 non fee-paying provided and two fee-paying provided), three are non-provided private schools which receive funding through grants and subsidies and four further schools are non-maintained. The two fee-paying provided States schools are academically selective i.e. they admit some or all pupils based on certain academic selection criteria. Specific admission criteria are determined by the non-maintained schools.

As at January 2016, 17 of the 24 States primary schools offered nursery provision (for children aged three to four years). This increased to 18 States primary schools in September 2016.



During the past academic year (2015/2016), a total of four additional classrooms were added to States non fee-paying provided primary schools to accommodate the growing number of pupils requiring places. The average size of States primary schools has grown from 253 to 267 pupils in the past five years.

The secondary schools in Jersey are made up of seven States schools (five non fee-paying and two fee-paying) and two non provided private schools which receive funding through grants and subsidies. Of the nine secondary schools, three are academically selective. The size of secondary schools ranges from 474 pupils to 854 pupils.

The Education Business Plan 2015–2018 identified four key priorities to improve education:

Standards – raising standards and improving outcomes for Jersey’s children and young people;

Curriculum – to reshape the Island’s curriculum so that children and young people can not only achieve recognised qualifications but also understand and learn from Jersey’s history and culture, and benefit from a vocational programme aligned to the Island’s economy and economic needs;

Families – to focus resources, and services to support families, particularly vulnerable families, to intervene early and ensure that all children are able to engage with learning, make progress and succeed;

Autonomy – to secure the freedom and autonomy schools need to be imaginative, confident and ambitious in the strategies they adopt to raise standards over a sustained period and empower head teachers to lead rather than manage their schools.

These projects support the priorities of the States of Jersey Strategic Plan to “Improve Education” and have been allocated additional funding for the period of the next Medium Term Financial Plan 2017–2019.

Jersey Premium is a new school improvement commitment funded through MTFP 2016–2019. Schools are provided with additional funding and support to help raise the attainment of pupils most likely to under achieve. This programme was trialled in 2016 in selected primary and secondary schools and will be rolled out across the Island in 2017. Additional funding of £0.8 million was received in 2016 for the scheme. This rises to £1.8 million in 2017.

Following extensive public consultation, a planning application to build a new Les Quennevais secondary school on fields south of Rue Carrée in St Brelade was submitted in 2016. The school opened in 1965 to serve a maximum of 450 pupils in the west of the Island. However, with the building falling into a greater state of disrepair, facilities becoming more and more out of date and the school now accommodating nearly 700 pupils, £40 million has been reserved in the Medium Term Financial Plan 2017–2019 to create a new school on a separate site.

Jersey Music Service

The Jersey Music Service provides music tuition to approximately 900 pupils in schools and operates music centres that involve activities and ensembles in a large range of genres for children of all ages. It has strong partnership links with the Jersey Academy of Music, Jersey Chamber Orchestra and the Jersey Symphony Orchestra and offers tuition in 21 different instruments.

Further, Vocational and Tertiary Education

Further Education includes: Highlands College, Skills Jersey and the Trackers Apprentices Scheme.

Highlands College provides 30 full-time and 70 part-time vocational courses, 9 higher education on-island degree courses and over 270 adult education leisure classes for around 6,000 students. A major development in recent years has been the launch of an online prospectus for adult education courses providing the ability to enrol and pay online. Since its launch over 1,800 user accounts have been created and around 24% of enrolments have been made online.

Trackers supports islanders aged 16 years and over in their chosen apprenticeships, through mentoring and funding, across 22 different industries. Funding provides training and qualifications specific to the industry as well as a dedicated mentor to effectively coach the student using techniques such as personal reflection, performance review, goal setting and action planning. The scheme has been hugely popular since its launch in December 2012, successfully mentoring 132 apprentices to Level 2 and 36 apprentices to Level 3 qualifications. One of the ongoing remits of the programme is to explore new industries that can be supported through the apprenticeship model and in 2016 new apprenticeships were set up in cyber security and beauty therapy.



Higher Education

There has been a decline in the number of students attending UK and overseas universities and an increase in the cheaper on-Island provision offered by the University College Jersey at Highlands. Of the 1,200 students registering with Student Finance in 2015/2016 for higher education, 84% are in the UK, 14% on Island and 2% overseas). Student loan debt is currently at approximately £3 million from the existing loan system of up to £1,500 a year towards tuition fees. There has been significant public debate over the financing of higher education. A range of other options is being explored, including increasing the number of degree courses available at the University College Jersey and alternative provision to the UK.

Youth Service

The Youth Service provides a broad range of personal and social development opportunities targeted at young people aged 9 to 25 with the core focus aimed at the 12 to 18 age group. There are 21 projects in total including 14 centre-based youth projects, Crabbé Activity Centre, St Aubin's Fort, Move on Café, Special Needs Youth Work and the recently refurbished St James Centre for Youth Arts and a new headquarters for the Youth Service. In addition the Youth Service is the delivery partner for all Prince's Trust programmes, which support young people aged 16 to 25, and the Duke of Edinburgh Award programmes available to 14 to 24 year olds. The YES (Youth Enquiry Service) project is also supported by the Youth Service and provides information, advice, and counselling to anyone aged 14 to 25. The Youth Service has partnerships with the 12 parishes which contribute around £265,000 per annum towards the funding of youth work staff. The Youth Service also has partnerships with other trusts and charities which also contribute to the funding of youth work staff. There were approximately 55,000 visits by young people to the various youth projects throughout the year.

Careers Jersey

Careers Jersey offer impartial advice and guidance free of charge to people of any age and consists of three teams.

Advice and Guidance: The team of qualified advisers offer one-to-one careers advice and guidance appointments regardless of age, qualification or career stage. The team help with career planning and decision making and also provide information on training and skills courses, advice on CVs and application forms and support with interview preparation. The team also provide outreach support to several different organisations including

The Bridge, Prison, Prince's Trust and States of Jersey departments. The team held around 1,350 one-to-one careers guidance appointments in 2016.

Education Liaison: The team's main objective is to develop effective links between schools, colleges, universities, training providers and industry. This team provide information to students, parents and teachers on careers within a variety of industry sectors. The team are also responsible for delivering career sessions in schools, meeting regularly with careers teachers from each of the Island's secondary schools and advising on appropriate opportunities to graduates through email and social media.

Work Related Learning: The team organise a wide range of activities to ensure that young people are able to make informed choices about their study options leading to future employment, gain essential employability skills and give them a taste of the work place whilst still in education. These include Trident work experience, the Young Enterprise Company programme and work shadowing schemes (Institute of Directors, marketing and construction).

Public Libraries

Around 400,000 visits were made during the year to the Island's three public libraries, which are the main Town Library, the Les Quennevais Branch and the Mobile Library. On average around 400,000 items are borrowed from the Jersey library annually. The Children's Library continues to be a well used and vital resource in supporting childhood literacy. In 2016 2,236 children registered for the Summer Reading Challenge, which 74% completed in full – compared to 58% in the UK. In November work started to redecorate and refurbish the Children's Library, a task not undertaken for over 25 years. The old shelving has been replaced with brighter, child-friendly and flexible shelving; building in capacity to stage large events in the Children's Library. Jersey Library's physical services continue to be well used, alongside the growing digital services. Over 20,000 items were added to the Library's collections in 2016 and staff handled around 90,000 enquiries from the public during the year, with marked growth in family history and local studies enquiries. The Library continued to develop its work within the community maintaining the House and Homes delivery service and revising the Mobile Library's route to ensure as many people as possible have access to Jersey Library's resources.

Following the introduction of full self-service for stock loans and the creation of a public meeting room and gallery space in the Library in 2015, work in 2016 focused on creating a rolling programme of events to promote



Library services and resources. Jersey Library held its inaugural Local History Fayre, as well as its first Health and Well-Being Month during 2016, alongside a range of other events including World Book Day, World Book Night, the Summer Reading Challenge, Coding Week and the Festival of Words. 2016 also saw the launch of Book Blast, a reading group for 7 to 11 year olds and the roll-out of new online resources, including digital comics and market research facilities, as the Library continues to develop its services to support literacy, learning and culture for everyone in Jersey.

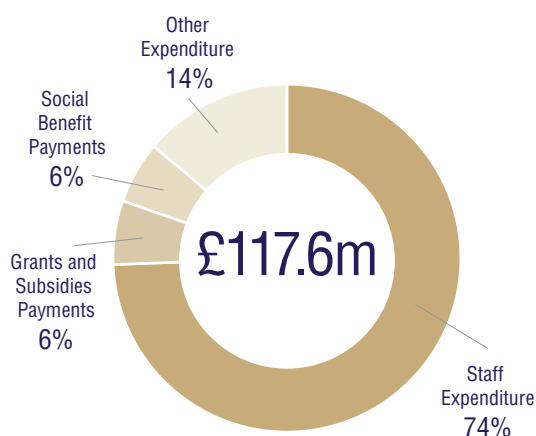
In December 2016 Jersey Library launched the Eagle Lab, sponsored by Barclays. The Lab includes 3D printers, 3D scanners, a laser cutter, vinyl cutter and hot press. This equipment can be used by local businesses, designers, enthusiasts, schools and community groups. Barclays also provided new computer equipment to support coding training and other activities in the Children's Branch and Mobile Libraries. The Eagle Lab includes co-working space, which will serve as a venue for desk hire, seminars and workshops. In 2017 Jersey Library will work in partnership with Barclays, Digital Jersey and Jersey Business to put together a rolling programme of events, workshops and seminars to help underpin and develop local business and digital skills.

Grants and subsidies payments represent payments to the non-provided schools; Beaulieu Convent, De La Salle and FCJ Primary.

Social benefit payments include student grants for university tuition fees and maintenance to help towards living expenses, accommodation, travel, food and books. Funding is based on a means-tested assessment and covers around 1,200 students who have registered with Student Finance.

Supplies and services costs account for most of the remaining spend by the department and includes items such as computer hardware and software purchases, teaching materials and hired services.

Near Cash by Expenditure Type



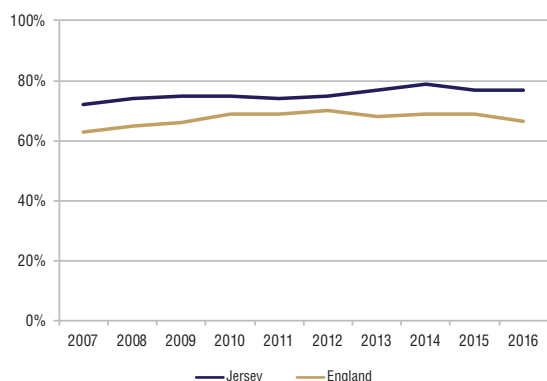
The majority of the department's expenditure budget (74%) is spent on staff. Of this, 97% is spent on staff working predominantly with young children and the general public (teachers, teaching assistants, lecturers, student finance officers, youth service workers, careers advisers, trackers mentors, librarians etc.) or who provide direct support services such as educational psychologists, education welfare officers and school caretakers.

3. What we have achieved

Secondary Schools GCSE and A-Level Results

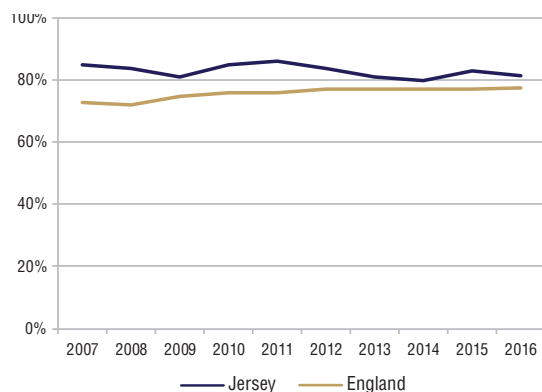
The percentage of GCSE entries where grade A* to C was achieved remained the same as 2015 at 77%. This compared to a drop in England from 69% to 67%.

% OF GCSE EXAMINATION ENTRIES WITH A*-C PASSES



Provisional results indicated that A-level performance remained at a similar level in 2015/16 compared to the previous year, with 81% of entries resulting in grades A* to C in 2016, compared to 83% previously.

% OF A-LEVEL EXAMINATION ENTRIES WITH A*-C PASSES



Actions taken by Department in the year

The main focus of the Education Business Plan is to raise standards. All endeavours under the other three pillars of the plan – curriculum, families and autonomy – must also serve the improvement of educational outcomes.

Key actions in 2016 include:

- The embedding of the new Jersey Curriculum in all schools, with significant improvements in curriculum provision in locally important subjects, including a doubling of the number of classes taught French in primary schools; revised geography and history programme and a swimming programme. The appointment of a new Mathematics advisory teacher and two teachers of Jërriais;
- The re-launch of the Early Years Childhood Partnership (EYCP) to better co-ordinate the work of all providers, States departments and third sector organisations;
- A new Early Years curriculum and assessment approach has been implemented;
- The implementation of a new Primary Assessment Framework in all schools, based on the new Curriculum;
- An overhaul of the moderation system to ensure the validity of teachers' assessments of pupils;
- An enhanced Data Team (Insight) and the procurement of a new Management Information System (MIS) for schools, which went live in February 2017;
- The development of a new Secondary Assessment Framework, based on flightpaths to GCSE success; a new and original Jersey Framework for School Review has been written and piloted in three schools. The Framework is being revised in light of pilots, before full implementation with a strong focus on raising standards and the school improvement functions of the department;
- The Jersey Premium initiative piloted 50 projects in 19 schools, ahead of full implementation in 2017, reaching 2,350 pupils;
- 60 senior leaders have been trained in School Review; heads and deputies are participating in the States-wide Managers to Leaders programme; a third cohort of Aspiring Leaders; a further 40 Middle Leaders qualified in the Jersey Programme for Middle Leaders (JPML);
- Six headship appointments were made, with strong evidence of the impact of leadership training programmes in the successful candidates who were appointed.

States of Jersey Schools

Class Sizes

In January 2016, class sizes in States primary schools ranged from 14 to 30 pupils in a class. The average class size was 24.6 across all States primary schools. This compares to an average class size in State-funded primary schools in England of 27.1 in January 2016.

The Education Department's policy is to aim for primary schools to be allocated not more than 26 pupils per class. However, for capacity or educational reasons the Chief Education Officer and the Education Minister may approve the allocation of up to 30 pupils in a class.

In January 2016, more than a quarter of primary classes in States schools exceeded the target of 26 pupils per class. This was due to a demographic spike in birth numbers coming through. However no States primary school had a class with more than 30 pupils.

In States secondary schools, class sizes ranged from 15 to 27 pupils. The average class size in January 2016 was 21.4. In England the comparable figure for State-funded secondary schools is 20.4.

Jersey Premium, EAL and SEN

The overall percentage of pupils of compulsory school age in States schools that were known to be eligible to receive Jersey Premium funding in January 2016 was 21.7%, representing 2,165 pupils.

The percentage of pupils with English as an Additional Language (EAL) and Special Educational Needs (SEN) were 21.4% and 19.0% respectively.

Attendance

For the academic year 2014/2015 overall pupil attendance was unchanged compared to 2013/2014 and at the joint highest level recorded for at least six years.

ATTENDANCE RATES FOR PUPILS IN STATES SCHOOLS

Year	Primary	Secondary
2014/2015	96.1%	93.2%
2013/2014	96.1%	91.0%
2012/2013	95.5%	90.7%
2011/2012	95.9%	90.8%
2010/2011	95.3%	89.8%
2009/2010	95.3%	89.1%
2008/2009	95.6%	89.6%
2007/2008	95.6%	89.8%

Unauthorised absence in secondary schools (1.0% of all sessions) decreased marginally compared to the previous year. The most common reasons for pupil absence were illness, family holidays and study leave.

The overall absence rate for secondary school pupils was higher in Jersey than in England due predominantly to the proportion of sessions missed due to study leave. Overall absence of secondary school pupils increases with each curriculum year group.

In secondary schools, the persistent absentee rate is similar in Jersey and England for year groups 7 to 10; for Year 11 pupils the persistent absentee rate is 13 percentage points higher in Jersey.

Overall absence in primary schools was similar in Jersey and England. The persistent absentee rate for primary schools is lower in Jersey than in England.

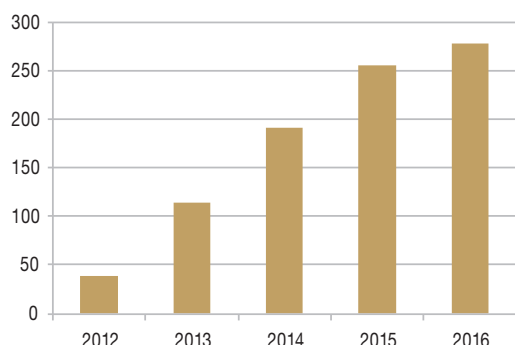
Trackers Apprentice Scheme

PERFORMANCE

The Trackers Apprentice Scheme was launched in December 2012 with 38 apprentices in nine traditional industry areas including construction and hairdressing.

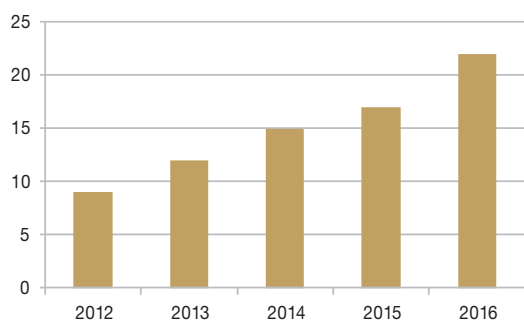
By December 2016, there were 278 apprentices in the scheme across 22 industry areas.

NUMBER OF TRACKERS APPRENTICES



Retention rates for apprentices were 100% in 2013, 96% in 2014, 98% in 2015 and 98% 2016.

NUMBER OF INDUSTRY AREAS COVERED BY TRACKERS



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

Trackers has expanded the opportunities for apprentices and industries and now includes brewing, bricklaying, health care, culinary arts, cyber security, dental nursing, digital, electrical, general building, green keeping, hairdressing, hospitality management, motor vehicle, painting and decorating, plumbing, veterinary nursing and welding and fabrication. A retail apprenticeship launched in January 2017 and research continues on a finance apprenticeship. The foundation apprenticeship continues to flourish with the third year foundation programme now also up and running.

Special Educational Needs (SEN) and Education Support Team (EST)

PERFORMANCE

The Education Support Team has continued to improve and develop the following key initiatives introduced during 2015:

- Extension of Sensory Services to include 0 to 3 year olds;
- Review and redesign of the role and contribution of school-based counselling services;
- Established SEN Advisory teacher to support the operational function of the SEN service;
- Revision of the Education Other Than At School (EOTAS) policy for the 42 children now being home schooled;
- Introduction of the Early Help Approach alongside a review and redesign of Island wide Multi-Agency Support Teams (MASTs) to ensure co-ordinated, multi-agency needs-led approach to supporting vulnerable learners, schools and the community;
- Established the Autism and Social Communication Inclusion Team (ASCIT) to support school placement stability for learners with this profile of need;
- Introduced and established Maybo training as a new Island-wide approach to supporting learners with high level challenging behaviour;

The Education Support Team has successfully delivered on the following new key initiatives during 2016:

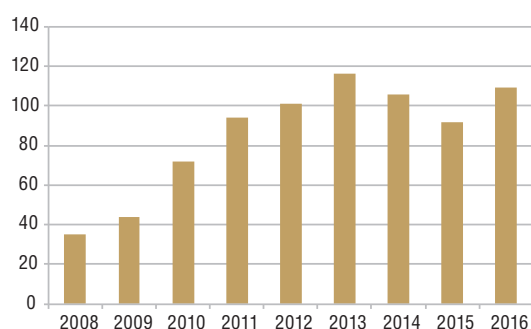
- Established an Early Years Intervention Team (EYIT);
- Established a forum for parents with children with special educational needs;
- Created, in partnership with Every Child our Future (ECOF) a charity based reading programme in schools;
- Appointed family support workers to work across all schools;
- Continued overall improvement in attendance rates for pupils in States primary and secondary schools.

University College Jersey (UCJ)

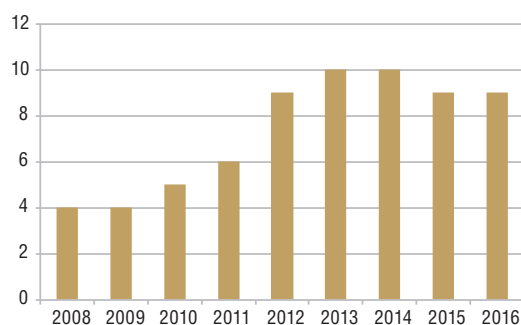
PERFORMANCE

UCJ is the higher education department of Highlands College. The UCJ team has been delivering degree level education to Jersey students for over 20 years, and the department has grown to accommodate more than 200 full and part time students from all ages and walks of life. Degrees are delivered in partnership with UK universities (Plymouth University and London South Bank University). Studying in Jersey is a low-cost alternative to University in the UK.

UCJ STUDENTS REGISTERED WITH STUDENT FINANCE

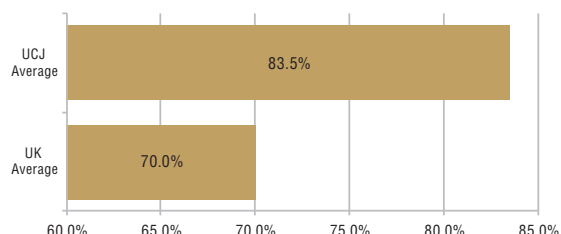


NUMBER OF DEGREE COURSES AVAILABLE AT UCJ



Year on year degree students achieve academic results which far exceed the UK average.

ACADEMIC ACHIEVEMENT PROPORTION OF ALL GRADUATES ACHIEVING A 2.1 AND ABOVE



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

- Written a new degree in Psychology and Criminology which is ready for launch in September 2017;
- Started writing a new Social Work degree which is due to start in September 2018;
- Completed integration of higher education provision into one department (previously under separate faculty heads);
- Completed rationalisation of degree provision which included the redesign of some degrees to integrate shared common modules. This is more cost effective.

Financial Statements

Statement of Comprehensive Net Expenditure

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	Restated 2015 Actual £'000
Revenue				
(18)	(18)	Duties, Fees, Fines and Penalties	(15)	(14)
(15,022)	(15,022)	Sales of Goods and Services	(16,115)	(15,507)
(132)	(170)	Other Income	(212)	(133)
(15,172)	(15,210)	Total Revenue	(16,342)	(15,654)
Expenditure: Near Cash				
9,344	9,344	Social Benefit Payments	6,986	7,750
86,072	87,203	Staff Expenditure	87,510	87,140
10,654	11,000	Supplies and Services	10,201	9,799
1,033	1,181	Administrative Expenditure	655	565
5,080	5,190	Premises and Maintenance	5,291	5,577
26	26	Other Operating Expenditure	29	79
6,613	6,644	Grants and Subsidies Payments	6,786	7,135
–	–	Impairments of Financial Assets	137	13
10	10	Finance Costs	10	13
118,832	120,598	Total Expenditure: Near Cash	117,605	118,071
103,660	105,388	Net Revenue Expenditure: Near Cash	101,263	102,417
Non Cash Amounts				
310	310	Depreciation and Amortisation	321	153
–	–	Donations of Property, Plant and Equipment	(29)	(117)
–	–	Loss on Disposal of Non-Current Assets	7	2
310	310	Total Non Cash Amounts	299	38
103,970	105,698	Net Revenue Expenditure	101,562	102,455
103,970	105,698	Total Comprehensive Expenditure	101,562	102,455

Statement of Financial Position

	2016 Actual £'000	Restated 2015 Actual £'000	Restated 2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	2,050	1,872	1,446
Intangible Assets	120	206	247
Total Non-Current Assets	2,170	2,078	1,693
Current Assets			
Trade and Other Receivables	4,744	5,024	4,307
Cash and Cash Equivalents	22	23	29
Total Current Assets	4,766	5,047	4,336
Total Assets	6,936	7,125	6,029
Current Liabilities			
Trade and Other Payables	(6,679)	(6,433)	(6,432)
Total Current Liabilities	(6,679)	(6,433)	(6,432)
Assets Less Liabilities	257	692	(403)
Taxpayer's Equity			
Accumulated Revenue Reserves	257	692	(403)
Total Taxpayer's Equity	257	692	(403)

Department of the Environment

The Department of the Environment is responsible for protecting and enhancing the Island's built and natural environment and is divided into 2 core business areas, the Planning and Building Services Division and the Environment Division.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£6,107,943

3.2% increase

from 2015

£482,854

7.3% underspend

against Near Cash Final
Approved Budget

1. What resources we have used

Financial Inputs – Near Cash Approvals

Spending by the department is part funded by charges raised, with the balance being funded from tax revenues.

The States approves the amount a department can spend on Revenue Expenditure during a year through the Medium Term Financial Plan. This is updated each year in the Annual Update to the Medium Term Financial Plan Annex to reflect any permanent changes in approvals since the original Medium Term Financial Plan.

MTFP approval (Updated)	Additional Approvals	Final Approved Budget
£5.2 million	£1.4 million	£6.6 million

In 2016 adjustments to the budget presented in the Annual Update to the Medium Term Financial Plan totalling £1.4 million were made. This was made up of 2015 carry forwards (£0.3 million), the transfer in of the environmental health and countryside rangers functions (£0.7 million), voluntary release scheme funding (£0.1 million) and budgetary transfers from capital to revenue to ensure compliance with accounting principles (£0.3 million).

Departmental Income

Budget 2016	Actual 2016	Actual 2015
£4.5 million	£4.3 million	£4.4 million

The majority of income raised by the department relates to Planning and Building application fees. These fees offset the costs of providing these regulatory functions, and are largely dependent on the volume of development and construction work taking place.

The next largest income stream comes from the provision of meteorological information, which is mostly made up from Service Level Agreements with Ports of Jersey, as well as the States of Guernsey.

Other income is generated from regulatory water resources & waste license fees and search fees.

MAJOR INCOME STREAMS

	£'000
Planning application fees	(1,458)
Building application fees	(1,305)
Meteorological information	(799)
Other	(755)
Total Income	(4,317)

Performance against Near Cash Final Approved Budget

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

Budget 2016	Actual 2016	Actual 2015
£6.6 million	£6.1 million	£5.9 million

KEY VARIANCES FROM BUDGET

	£'000
Staff savings across the department	429
Net income shortfall	(147)
Unallocated provision underspend	21
Energy Policy Grants underspend	73
Planning Policy underspend	59
Other Variances	48
Net Underspend	483

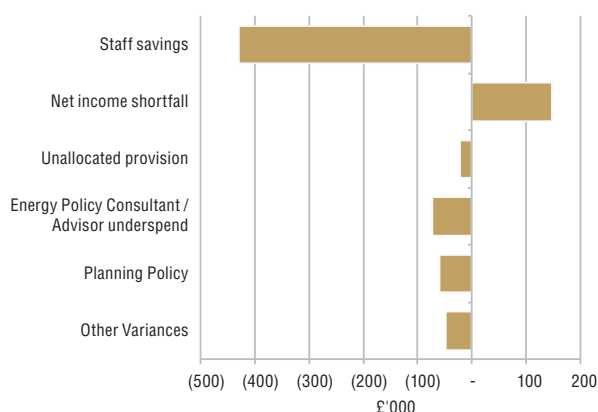
The main individual contributor to the underspend against budget is from staff savings due to unfilled vacancies during the year; some of which was planned due to an expected shortfall in planning and building income.

Though the department suffered income pressures in relation to Planning and Building, there were a number of other non-staff savings across the department.

The department maintains a “Departmental Unallocated Provision” to provide for unexpected costs, such as income shortfalls and court costs.

There were a number of incomplete projects at the end of 2016 for which a carry forward request is being submitted. This will allow the projects to be delivered without impeding work scheduled for future years. These projects relate to community building, water management plans and digital implementation of the planning process.

Underspend Breakdown



Staffing

At the year end the department employed the equivalent of 111.7 full time employees. This is an increase of 4.5 (4.2%) from 2015. This increase is due to the transfer into the department of the Countryside Rangers (3) and Environmental Health team (11), and a reduction in existing staff resources of 9.5 full time equivalent posts.

Non-Current and Current Assets

The department holds non-current assets, which are primarily specialised software for Planning and Building, the Marine enforcement vessel (the Norman Le Brocq) and the Meteorological radar.

It also holds current assets and liabilities relating to the day-to-day operation of the department such as Trade Receivables and Trade Payables.

The cost of using Fixed Assets is recorded through Non-Cash Expenditure.

NON CASH EXPENDITURE

Budget 2016	Actual 2016	Actual 2015
£0.2 million	£0.1 million	£0.1 million

Changes in Expenditure

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

KEY VARIANCES IN NET REVENUE EXPENDITURE (NRE) FROM 2015

	£'000
2015 NRE	5,920
Planning application fees	115
Building application fees	(111)
Miscellaneous Income	86
Grants Income	64
Environmental Health costs	683
Countryside Rangers costs	69
Met dept expenditure	(118)
VR Costs	(181)
Energy Grants Expenditure	(392)
Other	(27)
2016 NRE	6,108

The main difference to 2015 is due to the Environment Health and Countryside Rangers operations transferring into the Department of Environment during 2016. The net expenditure of these two areas were £683 thousand and £69 thousand respectively.

The second largest variance is the reduction in energy grant expenditure due to a reduction in the programme and reprioritisation of budgets within the Department.

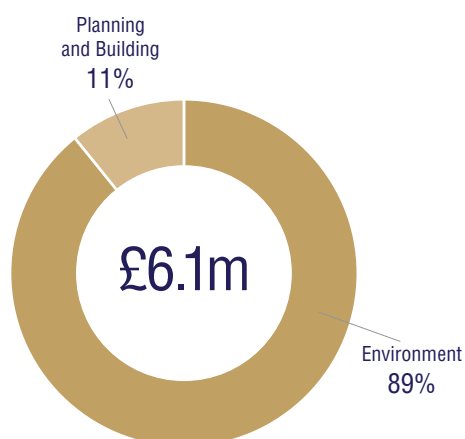
Other differences between 2016 and 2015 is reduced grant income and miscellaneous income. There was also an increase in building application fee income; offset by a decrease in planning application fee income.

2. What we have spent funding on

Near Cash by Service Area

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	2015 Actual £'000
654	788	Planning and Building	660	984
4,551	5,803	Environment	5,448	4,936
5,205	6,591	Net Revenue Expenditure	6,108	5,920

NEAR CASH BY SERVICE AREA BREAKDOWN



Planning and Building

Planning and Building Services is made up of three main sections:

Development Control – responsible for the regulation of the development and use of land in the Island. This involves the consideration of development plans in line with established policies including the Island Plan, Planning Guidance and comments from interested parties, as well as investigating and enforcing controls regarding planning and building legislation.

Building Control – sets and monitors the standards for the design and construction of buildings in the Island, ensuring that they are safe, healthy, accessible and sustainable for current and future generations.

Policy, Projects and the Historic Environment – responsible for the development and maintenance of the Island Plan, the policy framework that underpins the planning system in Jersey. This section is also responsible for the designation of buildings and places of special architectural, archaeological and historic interest.

Environment Management and Rural Economy

The Environmental Management and Rural Economy section performs various functions that support farmers, growers, the dairy and agriculture industries and other government departments, including both advisory and scientific services.

As well as this, this section protects and champions the Island's biodiversity, marine resources and ecosystems in line with international and local commitments.

The section also manages the 70 km of footpaths, 10 km of bridle paths, 12 car parks and access tracks, and paths that cover the 550 hectares of public land managed within the Natural Environment team's portfolio.

This section is also responsible for regulating the commercial and leisure fishing activities that take place in the 800 square miles of Jersey's waters.

Environmental Policy and Awareness

Environmental Policy and Awareness are responsible for developing environmental policy, to meet both Jersey and international requirements.

The section is also responsible for the delivery of environmental awareness programmes, such as the eco active campaign, encouraging environmentally responsible behaviour across all sectors.

This section also administers the Energy Efficiency Service, providing energy efficiency advice and the Community Buildings Programme, a grant funded scheme to improve energy efficiency in charities and not-for-profit organisations that provide services to vulnerable members of the community.

Other Services

The other main areas of the Department include:

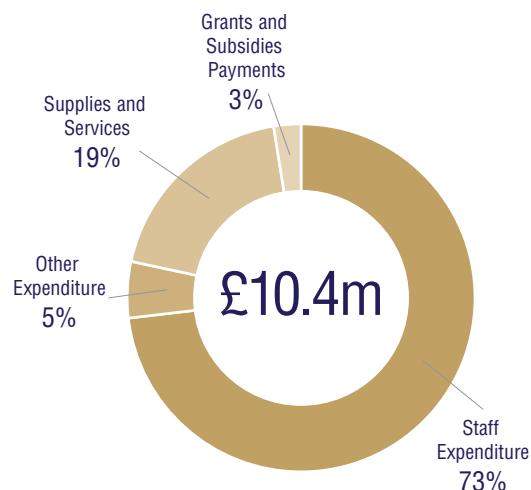
Environmental Protection – responsible for regulating the Island's use of pesticides, waste management regulation, pollution control, agricultural inspections and management of the Island's water resources.

Veterinary Services – responsible for promoting animal health and welfare practices across all sectors, as well as the control and prevention of notifiable animal diseases.

Meteorological Services – responsible for the provision of meteorological services in the Channel Islands, meeting the specific requirements of the Airports and Harbours in both Jersey and Guernsey.

Environmental Health – this operation transferred in to the Department of the Environment during 2016 and is responsible for safeguarding the population against harm from environmental factors including living conditions, food safety and public nuisances.

Near Cash by Expenditure Type



The majority of the department's costs are staff costs, in common with many other States Departments. This is not unexpected in light of the department's remit of policy development and regulation.

3. What we have achieved

Development Control planning applications determined within target

MTFP OBJECTIVE

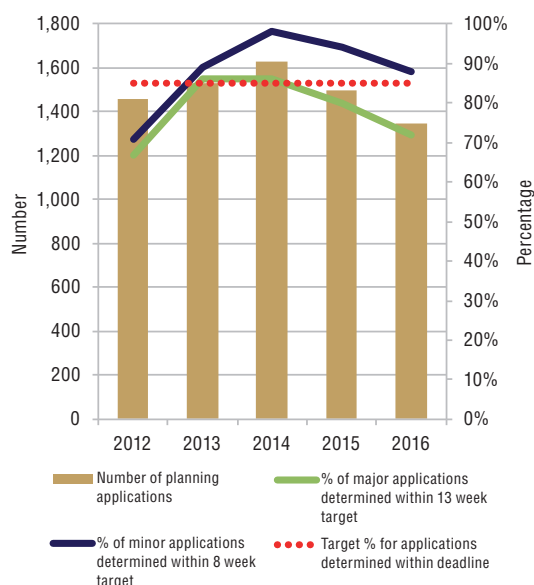
Improve the customer and stakeholder experience of Department of the Environment services.

PERFORMANCE

During 2016, 361 Major applications were processed, with 72% (2015: 80%, 2014: 86%) determined within 13 weeks. 988 Minor applications were processed, with 88% (2015: 94%, 2014: 98%) determined within 8 weeks.

During 2016, 268 pre-app enquiries were processed (2015: 238, 2014: 518), and 72% were dealt with within the 6 week target.

This represents a shortfall against targets set, and was the result of staff reductions and vacancies in the section.



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

The department has redesigned its internal structure, to enable the staff savings required under the MTFP. This will hopefully result in the department achieving its target in 2017. The department is progressing the online

applications project and it is expected this service will go live during 2017.

Building Control Bye-Law applications determined within target

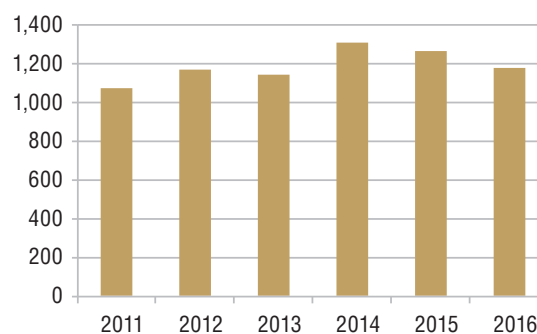
MTFP OBJECTIVE

Improve the customer and stakeholder experience of Department of the Environment services.

PERFORMANCE

During 2016, 1,180 (2015: 1,262, 2014: 1,310) building bye-law applications were processed, and 99.8% (2015 & 2014: 99.8%) of these were processed within 5 weeks of receipt, against a target of 100%. This was achieved with existing resources. Over 10,000 bye-law compliance inspections undertaken.

NUMBER OF BUILDING BYE-LAW APPLICATIONS



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

The Department continues to review its processes and benefits from ongoing continual improvement.

Home Energy Scheme (HES)

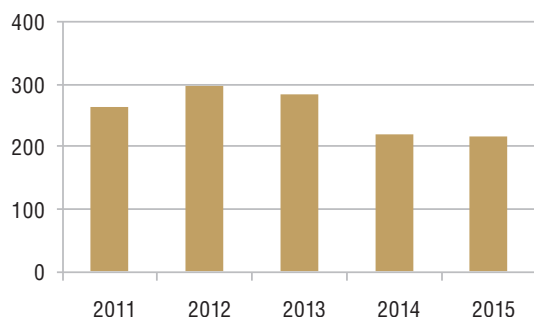
MTFP OBJECTIVE

Promote environmentally conscious decision-making in all sectors.

PERFORMANCE

To achieve the savings required under the MTFP, the Department made the decision to close the Home Energy Scheme. 2015 was the last year that the Home Energy Scheme operated (except those improvements that commenced in 2015 and finished in 2016). 1,727 households were supported with improved energy efficiency measures by the home energy grant scheme between 2009 and 2015.

HOME ENERGY SCHEME (HES) – COMPLETED PROPERTY IMPROVEMENTS



Other Departmental Activities

ECO-ACTIVE

- In 2016 there were 188 (2015: 161) businesses engaged in the eco active business programme and they set 120 actions to directly reduce their emissions
- Over 12,000 children engaged in the eco school programme (over 90% of all primary and secondary students)
- 260 tonnes of CO₂ saved annually as a result of energy efficiency improvements grants to 20 not-for-profit community buildings

ENVIRONMENTAL HEALTH

- Dealt with 2865 formal requests for service
- Increased the Eat Safe participation to over 1050 businesses
- Helped over 99% of food businesses to meet the “generally compliant” status used as a measure in the UK
- Visited over 900 food businesses, some more than once
- Carried out over 170 infectious disease investigations
- Carried out 168 Housing inspections

- Consulted on over 100 licencing requests
- Consulted on over 360 planning applications
- Issued 61 food export certificates
- Dealt with over 150 nuisance complaints, 101 of which were for noise
- Attended exhumations

ENVIRONMENT PROTECTION

- 2,500 consignments of plant imports inspected to prevent on-island plant disease and pest outbreaks
- 1,500 samples to monitor Island groundwater, stream and coastal waters

RECORDS MANAGEMENT

- The department received and processed 47 Freedom of Information requests during 2016 (2015: 42)

PLANNING & BUILDING SERVICES

- Over 400 compliance cases investigated

JERSEY MET

- Maintained a continuous 24hrs 365 days service during 2016
- Over 11,000 visits per day to the Jersey Met pages on States of Jersey website
- Issued 756 weather warnings for the Channel Islands
- Increased Twitter followers to 6,681 (an increase of 1,182 during 2016)
- Increased Twitter Weather Warning followers to 2,841 (an increase of 1,173 during 2016)
- Issued 63 forecasts and services daily, a total of 22,995 during 2016

MARINE RESOURCES

- 800 Square Miles of sea waters around Jersey protected and patrolled

NATURAL ENVIRONMENT

- 550 Hectares of environmentally sensitive land managed by the department
- 60 kilometres of footpaths managed and kept clear for public use



Financial Statements

Statement of Comprehensive Net Expenditure

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	2015 Actual £'000
Revenue				
(3,527)	(3,527)	Duties, Fees, Fines and Penalties	(3,290)	(3,252)
(861)	(875)	Sales of Goods and Services	(869)	(848)
(61)	(61)	Other Income	(158)	(307)
(4,449)	(4,463)	Total Revenue	(4,317)	(4,407)
Expenditure: Near Cash				
7,225	8,054	Staff Expenditure	7,625	7,585
1,734	2,241	Supplies and Services	1,991	1,348
95	100	Administrative Expenditure	110	97
384	383	Premises and Maintenance	375	506
–	60	Other Operating Expenditure	60	42
216	216	Grants and Subsidies Payments	264	749
9,654	11,054	Total Expenditure: Near Cash	10,425	10,327
5,205	6,591	Net Revenue Expenditure: Near Cash	6,108	5,920
Non Cash Amounts				
160	160	Depreciation and Amortisation	115	116
160	160	Total Non Cash Amounts	115	116
5,365	6,751	Net Revenue Expenditure	6,223	6,036
5,365	6,751	Total Comprehensive Expenditure	6,223	6,036

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	1,515	1,539	1,281
Intangible Assets	68	58	88
Total Non-Current Assets	1,583	1,597	1,369
Current Assets			
Trade and Other Receivables	424	292	271
Cash and Cash Equivalents	127	149	1
Total Current Assets	551	441	272
Total Assets	2,134	2,038	1,641
Current Liabilities			
Trade and Other Payables	(4,712)	(3,709)	(3,781)
Provisions for Liabilities and Charges	(60)	–	(70)
Total Current Liabilities	(4,772)	(3,709)	(3,851)
Assets Less Liabilities	(2,638)	(1,671)	(2,210)
Taxpayer's Equity			
Accumulated Revenue Reserves	(2,638)	(1,671)	(2,210)
Total Taxpayer's Equity	(2,638)	(1,671)	(2,210)

Health and Social Services Department

Health and Social Services aims to enable islanders to live longer, healthier and more productive lives by ensuring the provision of safe, sustainable, affordable and integrated services that are delivered in partnership with others.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£198,445,576

2.1% decrease
from 2015

£6,473,709

3.2% underspend
against Near Cash Final
Approved Budget

1. What resources we have used

Financial Inputs – Near Cash Approvals

Spending by the department is part funded by charges raised, with the balance being funded from tax revenues.

The States approves the amount a department can spend on Revenue Expenditure during a year through the Medium Term Financial Plan. This is updated each year in the Annual Update to the Medium Term Financial Plan Annex to reflect any permanent changes in approvals since the original Medium Term Financial Plan.

MTFP approval (updated)	Additional Approvals	Final Approved Budget
£203.8 million	£1.1 million	£204.9 million

The Medium Term Financial Plan approvals have been restated from those presented in the Medium Term Financial Plan 2016–2019 to reflect P.46 'Draft States of Jersey (Transfer of Functions No. 8) (Miscellaneous Transfers) (Jersey) Regulations 201-' approved by the States Assembly 16 December 2015 which reorganised responsibilities between a number of Ministerial Departments.

In 2016, adjustments to the budget presented in the Medium Term Financial Plan 2016 – 2019 totalling £1.1 million were made. Details of the changes are set out in the States Accounts as part of the Notes to the Statement of Outturn Against Approvals.

The most significant changes relating to this department were:

- Approval of non-recurrent carry forward £3.2 million
- Doctors Pay award funding £0.7 million
- Funding for Mental Health law drafting to Central Contingency (£1.6 million)
- Transfer to capital for MRI Scanner purchase (£0.8 million)
- Transfer of Environmental Health to the Department of the Environment (£0.7 million)

Departmental Income

Budget 2016	Actual 2016	Actual 2015
£26.6 million	£23.1 million	£31.0 million

Major Income Streams

Total income fell by £7.9 million compared to 2015. The largest element of this reduction was the cessation of income from the Health Insurance Fund (£6 million in 2015 to nil in 2016). Long Term Care Benefit Income also fell by £1.5 million as a result of the closure of the Limes Nursing Home.

The departments main income streams were:

MAJOR INCOME STREAMS

	£'000
Patient Charges	(11,130)
Long Term Care Benefit	(5,888)
Grants	(795)
Rental Income	(1,244)
Other	(4,078)
Total Income	(23,135)

Performance against Near Cash Final Approved Budget

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

Budget 2016	Actual 2016	Actual 2015
£204.9 million	£198.4 million	£202.7 million

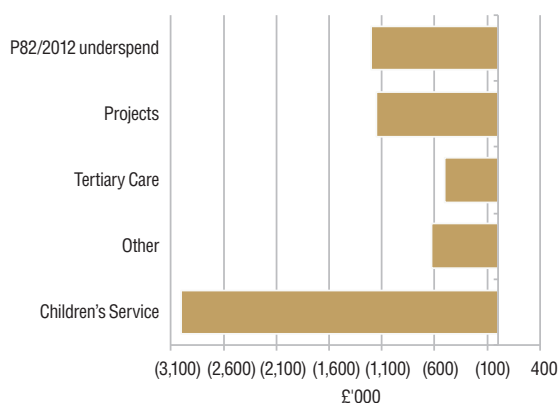
Key Variances from Budget

The department underspent its final approved budget by £6.5 million (3%) in 2016, largely driven by

- Underspend against the significant additional investment in Children's Services, reflecting the phased implementation of development and service changes during the year.
- An underspend relating to the implementation of the P.82/2012 initiatives, reflecting the phased start date of some of the initiatives.
- Timing of project spend; a number of projects have budget allocations spreading across 2016 and 2017, the timing of some spend has created underspend in 2016.

	£'000
Children's Service	3,000
Tertiary Care	500
Projects	1,148
P.82/2012 underspend	1,200
Other	625
Net Underspend	6,473

Underspend Breakdown



Staffing

At the year end the department employed the equivalent of 2,321.9 full time employees. This is a reduction of 51 (2.1%) from 2015, and is due to voluntary redundancies and challenges in recruiting to Community and Hospital posts.

Non-Current and Current Assets

The property assets used by the department are owned and maintained by Jersey Property Holdings.

The department holds equipment and IT assets with a value of £11.1 million.

It also holds current assets and liabilities relating to the day-to-day operation of the department such as Trade Receivables and Trade Payables.

The cost of using fixed assets owned by the department is recorded as depreciation, shown as part of Non-Cash Expenditure.

NON CASH EXPENDITURE

Budget 2016	Actual 2016	Actual 2015
£3.6	£2.7	£2.7
million	million	million

The underspend against budget of £0.9 million is primarily due to the phasing of the department's capital equipment replacement programme resulting in a lower depreciation charge than anticipated when the budget was set. In particular the projects to replace the MRI scanner and radiology systems both scheduled for completion in 2016, will now be completed in 2017.

Changes in Expenditure

The total of Near Cash expenditure amounts represents the usage of resources by department.

Key Variances in Net Revenue Expenditure (NRE) from 2015

The department's net revenue spend in 2016 was £198 million, £5 million less than in 2015; the fall being largely driven by:

- Further efficiency savings delivered as part of the 2016–2019 MTFP;
- The transfer of the Environmental Health function to the Department of the Environment;
- The ending of the Long Term Care Benefit transitional arrangements, resulting in the net cost of long term care now being recorded in the States of Jersey Long Term Care Fund.

The department's 2016 level of spend also reflects the significant investment in health and social services, set out in the 2016–2019 MTFP.

	£'000
2015 NRE	202,733
Ending of Long Term Care Benefit arrangements (payments into Long Term Care fund)	(8,600)
Replacement of HIF Income with Budget	6,000
2016 MTFP Savings	(3,000)
Transfer of Environmental health Department to the Department of the Environment	(700)
Net Spend on MTFP developments	4,000
Tertiary care	(700)
Other Variances	(1,287)
2016 NRE	198,446

The main changes are considered below:

Up to and including 2015 the departments accounts reflected the cost of long term care provided by the department, following the introduction of Long Term Care Benefit, these costs are now reflected in the Long Term Care Fund.

The MTFP replaced £6 million of income from the Health Insurance Fund with a budget allocation.

The department successfully achieved its 2016 savings programme, saving over £7 million, including the 2016 MTFP savings requirement of £3 million.

The Environmental Health function was transferred to the Department of the Environment, their costs are therefore shown against that department in 2016.

Through the MTFP the department received additional funding, allowing it to continue the implementation of P.82/2012 and meet key cost pressures across the service; this increased spend is included in the 2016 outturn.

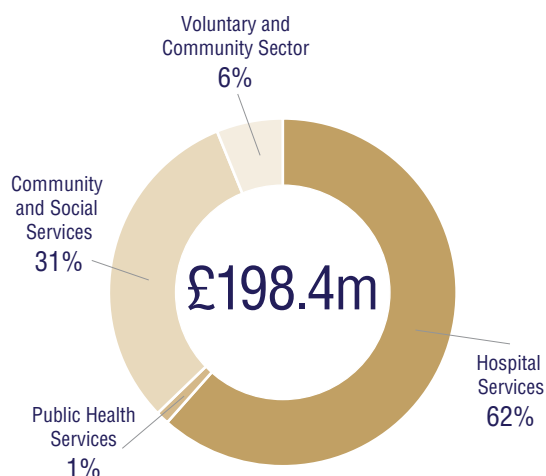
Spend was lower in 2016 across a number of other areas including Tertiary care, utility costs and refurbishment expenditure.

2. What we have spent funding on

Near Cash by Service Area

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	2015 Actual £'000
3,484	2,822	Public Health Services	2,428	3,283
Hospital Services				
18,702	18,942	Surgical Services	18,520	18,064
15,610	15,788	Theatres	15,000	14,309
14,778	14,950	Women and Children	15,446	15,748
29,478	29,761	Medical Specialities and Emergency Care	28,445	27,559
25,196	26,364	Diagnostic and Clinical Support	27,086	24,719
4,235	4,279	Ambulance Emergency Services	4,558	4,292
13,511	13,595	Tertiary Care	13,108	13,790
121,510	123,679	Hospital Services	122,163	118,481
Community and Social Services				
18,451	17,691	Adults and Older Adults Mental Health	19,397	18,834
18,265	18,414	Adults and Older Adults Other	14,282	22,672
22,369	22,696	Children's Services	19,414	17,525
9,154	9,208	Therapy Services	8,527	8,435
68,239	68,009	Community and Social Services	61,620	67,466
10,544	10,409	Voluntary and Community Sector	12,235	13,503
203,777	204,919	Net Revenue Expenditure	198,446	202,733

NEAR CASH BY SERVICE AREA BREAKDOWN



Public Health

The Public Health Directorate delivered, and provided expert advice to Health and Social Services Department (HSSD) and Ministers on health intelligence monitoring and reporting, health improvement strategic work, professional leadership and coordination of immunisation and cancer screening programmes (breast, cervical and colorectal), smoking cessation and community contraceptive services. In its regulatory function, the Directorate also delivered regulation of nursing and residential care homes and of health and social care professionals, as well as the statutory duties and wide-ranging responsibilities of the Medical Officer of Health.

During the year the delivery of environmental health services transferred to the Department of the Environment (DoE). The environmental health team is responsible for



a wide range of public protection and community health duties including training, licensing and inspection of food outlets, investigation of pollution and statutory nuisances, and providing a range of advice. The transfer will bring about operational efficiencies and forms part of the work stream of Public Sector Reform (PSR).

A range of childhood vaccinations are supported by the directorate in line with UK guidelines. In July 2016, a new shingles vaccine programme was introduced for adults aged 70 years. In addition, a shingles catch up programme for those aged 71 to 79 years (those born 1937 – 1945) commenced in Q3 2016, with the oldest year of birth cohort being the first to be offered the vaccine.

In 2016 the immunisation budget funded 21,524 vaccines (2015: 23,071) via a total of 14,415 (2015:13,238) vaccination consultations.

5,496 (2015: 4,888) women had breast screening mammography in 2016 resulting in 143 (2015: 100) women recalled for assessment.

6,453 cervical screening smear tests were processed in 2016 (2015:7,253) with 223 women being referred for colonoscopy or gynaecology clinic (2015: 276).

Surgical Services and Theatres

Surgical Services and Theatres provide surgical care and other specialist services. It includes theatres, the day surgery unit, the endoscopy unit, the intensive care unit and wards for surgical patients. Other specialist services include ear nose and throat (ENT), ophthalmology, dental and urology services.

The service performed approximately 5,430 main theatre procedures in 2016 (2015: 5,480) and managed approximately 5,260 surgical inpatient episodes of care (2015: 5,172). There were 91,801 surgical outpatient appointments in 2016 compared to 85,848 in 2015.

A range of procedures are carried out in day surgery and outpatients including ophthalmology, fertility treatment, renal, dermatology, audiology and endoscopy procedures. In 2016 5,490 day surgery (2015: 4,860) and 5,041 endoscopy procedures were carried out (2015: 4,920).

The increase in day surgery procedures reflects a change of practice as more procedures are undertaken as day surgery.

Medical Specialities and Emergency Care (including Ambulance Emergency Services)

Medical Specialities provides specialist medical services and wards for medical patients. These services includes oncology, neurology, cardiology, diabetes care, renal care, dermatology and rheumatology.

There were 39,488 medical outpatient appointments in 2016 (2015: 37,460) including both new consultations (19%) (2015: 23%) and follow up appointments for patients after they have received treatment (81%) (2015: 77%). Approximately 9% of all of these appointments are missed by patients (2015: 9%).

Emergency care includes the Emergency Department, the Emergency Assessment Unit (EAU) and the Ambulance Emergency Service.

There were 39,164 Emergency Department attendances in 2016 (2015: 37,510).

In 2016 the Ambulance service responded to 8,713 emergency calls (2015: 8,218). A further 14,828 journeys were undertaken by the Patient Transport Service (2015 16,020). This reduction in journeys reflects the programme of work carried out to ensure that only essential journeys are taken by the Patient Transport Service. Where a patient could be transported by another more appropriate means they have been offered an alternative.

Woman and Children

The service provides medical care and wards specifically for woman, maternity and paediatric patients.

In 2016 there were 9,951 Woman and Children outpatient appointments (2015: 10,551) including both new consultations (18%) (2015: 21%) and follow up appointments (82%) (2015: 79%). The fall in appointments is due to the change in the way the department delivers ante-natal care services, which are now largely carried out at both the Bridge and in GP surgeries.

The service includes Rayner ward, a dedicated women's surgical facility; Robin Ward, a paediatric ward for patients 17 and under; and the maternity unit. In 2016 there were 3,241 inpatient episodes (2015:3,231) and 1,011 babies were delivered by the maternity unit (2015: 1,021).

Tertiary Care

HSSD spent approximately £10 million in 2016 on specialist acute treatments and services provided in the UK (2015: £11 million). This includes radiotherapy services as well as a range of specialist care not available on island.

In 2016 HSSD referred 1,570 patients for off-island treatment (2015: 1,890) resulting in 3,850 appointments (2015: 3,370). Approximately 60% of these appointments were outpatient attendances (2015: 63%).

The services provided off-island include consultations, diagnostic tests, specialist treatment and follow ups for a range of healthcare requirements that cannot be safely provided on island.

The reduction in off-island referrals reflects the department's investment in new consultant staff and specialist equipment which means procedures previously performed in the UK are now carried out on Island. The department has also continued to refine and develop its internal processes around the management of referrals to the UK.

In addition to the amount the department spends with off-island healthcare providers, in 2016 a further £0.7 million was spent on subsidised travel and accommodation arrangements for islanders (2015: £0.6 million) and £1 million on charter flights to transfer patients to the UK (2015: £1.1 million).

Diagnostic and Clinical Support

Diagnostic and clinical support provide pathology, radiology, pharmacy, clinical investigations, dietetics, audiology and physiotherapy services.

In 2016 the pharmacy dispensed 118,410 items to outpatients (2015: 114,539) in addition to 65,730 items for patients being discharged (2015: 66,340). The pharmacy also supplied 278,140 items to wards (2015: 257,090), 2,787 chemotherapy treatments (2015: 3,200) and 632 ready prepared chemotherapy treatments (2015: 684).

In 2016 the radiology department performed 53,880 X-rays (2015: 55,000), 10,570 CT scans (2015: 10,700) and 7,570 MRI scans (2015: 7,700).

Community – Adults' and Older Adults' Services (including Therapy Services)

These services provide social care and services to adults within the community. This includes those individuals with mental health problems and special needs. The service also provides care for those affected by alcohol and drugs, and works with third party organisations such as Shelter Trust and the Citizen's Advice Bureau.

Adults' social services operate a Single Point of Referral (SPOR), and during 2016 4,029 referrals were received through this point of access (2015: 3,360).

In 2016 HSSD provided 28 continuing care beds for older adults at the Sandybrook, 25 beds for long term mental health care at Clinique Pinel and 37 beds for older people with age-related illnesses at Rosewood House.

Towards the end of 2015, a decision was taken to close the Limes because the building did not meet the high standards required for delivering nursing services to Islanders. The facility closed in the early part of 2016 and patients were transferred to other care homes on the Island.

The Speech and Language Therapy service provided 2,466 contacts for adults (2015: 2,334).

The Occupational Therapy service received 6,911 referrals (2015: 6,912) and discharged 5,951 cases in 2016 (2015: 6,787). On average 3,480 cases are active in each quarter (2015: 3,000). The service carried out 10,235 home visits in 2016 (2016: 10,179), and on average carried out 290 out-patient sessions (2015: 200) and 600 inpatient therapy sessions per month (2015: 500).

Following a service redesign of Learning Disability Services (formerly the Special Needs Service), there are now 5 clients supported in residential homes (2015: 12), 22 clients supported in their own homes (2015: 17) and approximately 140 in the community (2015: 140).

813 patients were referred to the Alcohol Liaison Nurses during 2016 (2015: 837). Of these 307 were screened or offered a brief intervention (2015: 330). There were 90 individuals taking part in the home detox programme (2015: 71) and 92,630 needles were distributed through the needle exchange (2015: 115,600).

Jersey Talking Therapies (JTT) was launched in September 2014 and is a joint project between Health and Social Services, GPs and the charity MIND. It enables

adults suffering from common mental health issues to talk to professional therapists either in their doctor's surgery, at a central hub in St Helier, or over the phone. During 2016 JTT received 1,656 referrals (2015: 1,839).

Community – Children's Services

Children's Services includes residential facilities and day services, mental health services, support services and fostering and adoption.

At the end of 2016 there are 90 looked after children supported by Children's Services (2015: 98) of whom 22 are supported in UK placements (2015: 17). At the end of December 2016 there were 111 children on the Child Protection Register.

The service provided 5,364 speech and language therapy appointments in 2016 (2015: 5,971).

The Child and Adolescent Mental Health Service (CAMHS) accepted 302 referrals for assessment in 2016 (2015: 331), and a further 52 were signposted to other agencies (2015: 66). In addition, CAMHS offer face to face advisory consultations for individuals who are not accepted on to their caseload. In 2016, CAMHS offered 18 of these consultations (2015: 6).

During 2016 significant additional funding of £5 million was allocated to Children's Services, providing resources for the planned improvement of services. The Improvement Program is overseen by the Children's Service Improvement Board chaired by the Chief Minister.

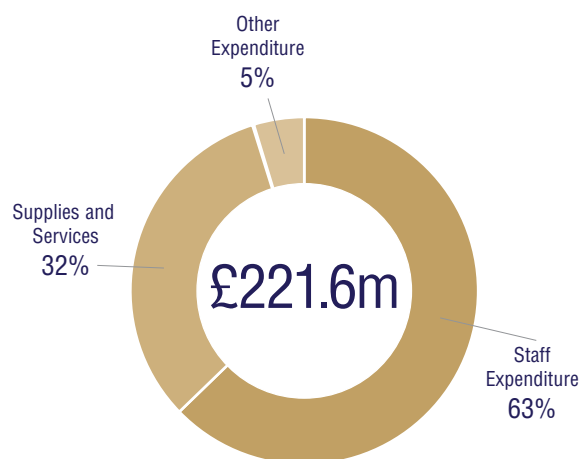
Voluntary and Community Sector

The department works closely with Voluntary and Community Sector partners to provide a range of health and social care services.

During 2016 funding responsibility for the Jersey Employment Trust was transferred to the Social Security Department. The department continued to work closely with the Jersey Employment Trust as they lead the development of a 'Recovery College', which will open in early 2017.

Some savings were also achieved in respect of services delivered by the Voluntary and Community Sector, and some increases in funding were allocated where it had been agreed that services would increase, for example the Rapid Response & Reablement Team.

Near Cash by Expenditure Type



The majority of the department's expenditure budget (63%) is spent on staff. Of this 92% is spent on staff working predominantly with patients (nurses, doctors, allied health professionals etc.) or who provide support services such as catering, cleaning, engineering and portering. The total spend on staff has decreased by 2.1% in comparison to 2015 which reflects the challenges in recruitment in both the Hospital and the Community and Social Services.

The department also commissions a range of services from external suppliers including UK hospitals and other healthcare facilities, local care service providers and the voluntary and community sector in Jersey. In total this accounts for approximately £36 million of departmental spend on supplies and services. Other supplies and services costs include drugs (£12.6 million), and surgical and medical supplies (£10.7 million).

3. What we have achieved

Public Health – Life expectancy at birth

MTFP OBJECTIVE

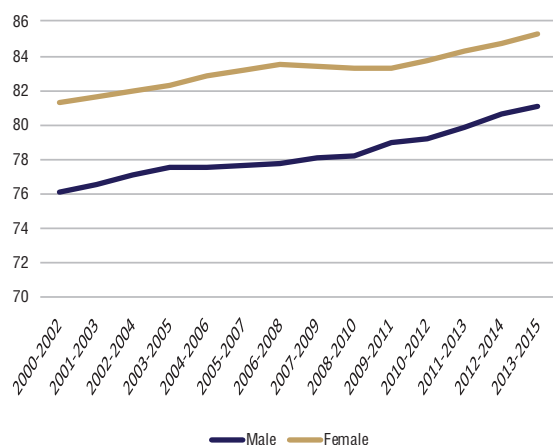
Objective 2: Improved health outcomes by reducing the incidence of mortality, disease and injury in the population.

PERFORMANCE

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

Life expectancy continues to increase year on year and now stands at 85.3 years for women and 81.1 years for men.

LIFE EXPECTANCY



Jersey has life expectancies well above the average for the European region of 75 years for men and similar to the European average of 81 years for women in 2010–2012.

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

Life expectancy is impacted by the actions of a number of departments as well as other factors. In particular, the Health and Social Services department has:

- Extended and introduced new community based services in line with the strategic direction approved by the States in 2012;
- Invested in additional vaccination programmes (the shingles vaccine for over 70s and a shingles catch up programme for those aged 71 to 79 years);

- Continued to ensure care standards are maintained comparable to neighbouring jurisdictions;
- The launch of a new tobacco strategy to protect children and young people from the effects of smoking and assist people in giving up smoking through development of the Help2Quit service.

Public Health – Childhood Immunisation Rates Performance

MTFP OBJECTIVE

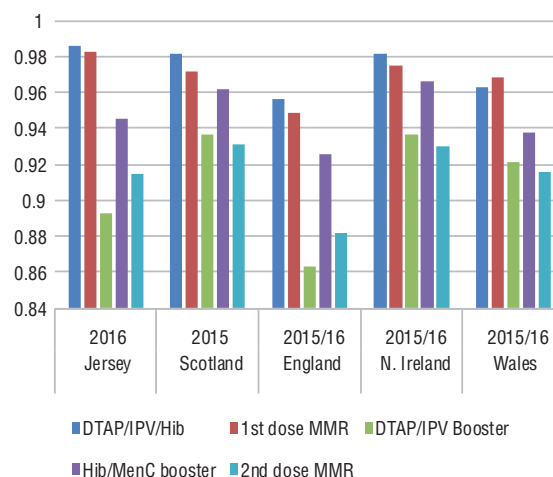
Objective 2: Improved health outcomes by reducing the incidence of mortality, disease and injury in the population.

PERFORMANCE

Childhood and adult vaccinations are a key part of HSSD's Prevention Strategy. Achieving and maintaining high immunisation rates are paramount in order to help prevent the spread of infectious disease in the island, to prevent complications of disease and possible early death amongst islanders, protecting the population's health through both individual and herd immunity.

In 2016, over 21,600 vaccinations, funded by HSSD, were delivered to islanders. Vaccination rates for pre-school children in Jersey remain high and compare favourably with those achieved in UK countries.

IMMUNISATION COVERAGE BY 5 YEARS OF AGE



Source: Jersey PHSU (provisional data)



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

In July 2016, a new shingles vaccine programme was introduced for adults aged 70 years and 68% of those born in 1946 (almost 700 people) had received shingles vaccine by the end of the year. In addition, a shingles catch up programme for those aged 71 to 79 years (those born 1937 – 1945) commenced in Q3 2016, with the oldest year of birth cohort being the first to be offered the vaccine.

During 2016, the Preventive Programmes Team worked with GPs and midwives to publicise and optimise uptake of the pertussis vaccination amongst pregnant women in response to increasing concern of disease transmission and deaths of infants in the UK from pertussis (whooping cough). New born infants are susceptible to whooping cough in the weeks and months before they have completed their own vaccinations and the vaccination programme for pregnant women enables intra-uterine transfer of protective antibodies from mothers-to-be to their baby

In Autumn 2016, the flu nasal vaccine was extended to a further year group of school children, to include reception classes, years 1, 2 and 3. The flu nasal vaccine programme is being gradually rolled out to all primary school children, as well as being offered to pre-school children aged 2 to 4 years. Overall, 58% of children in reception, years 1, 2 and 3 were vaccinated.

Hospital Inpatient Services – Hospital Infection Rates

MTFP OBJECTIVE

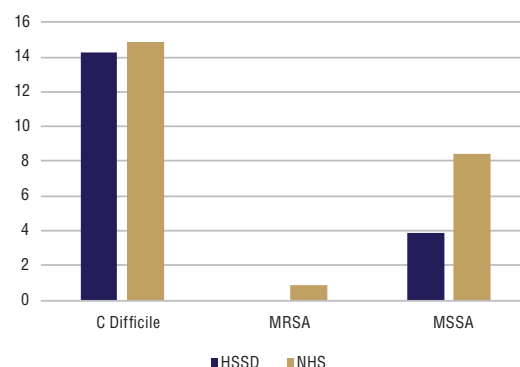
Objective 2: Improved health outcomes by reducing the incidence of mortality, disease and injury in the population.

Objective 3: Improved consumer experience of Health and Social Services.

PERFORMANCE

The rate of hospital acquired infections is a measure of safety and effectiveness for the hospital. Jersey continues to deliver infection rates below UK comparatives despite the challenges of old infrastructure. This has a direct positive outcome for patients, and reflects effective infection control measures in the hospital.

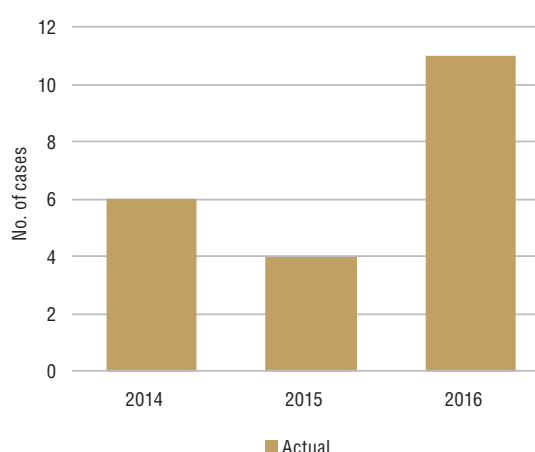
2016 BACTERAEMIA RATES PER 100,000 BED DAYS



There were 11 C difficile infections identified in the hospital in 2016 compared to 4 in 2015. An investigation found that with the exception of 4 patients, there was no evidence that these infections were acquired within the hospital.

C difficile infection is associated with recent antibiotic usage as antibiotics destroy helpful bacteria in addition to the bacteria causing the infection for which the antibiotics have been prescribed. This has an impact on the balance of helpful bacteria in the intestines and enables C difficile to grow out of control. It was concluded that it is likely the patients entered the hospital with C difficile infections following recent antibiotic use.

HOSPITAL C DIFFICILE CASES



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

Additional funding was allocated in the year for infection control staffing and new equipment which has ensured infection rates remain low. New screening procedures are being considered within the Emergency Assessment Unit

which would identify patients entering the hospital with a C difficile infection to ensure infections are contained and to ensure that antibiotic treatment was appropriate.

Ambulance and Emergency Services – Ambulance Response Times

MTFP OBJECTIVE

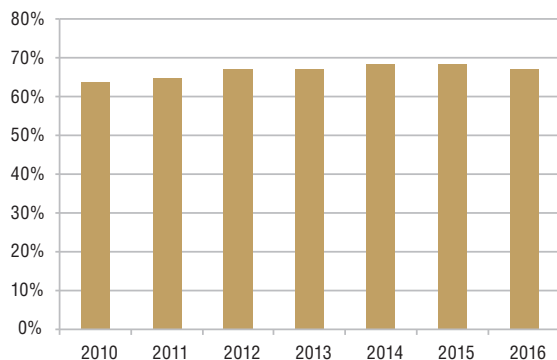
Objective 2: Improved health outcomes by reducing the incidence of mortality, disease and injury in the population.

Objective 3: Improved consumer experience of Health and Social Services.

PERFORMANCE

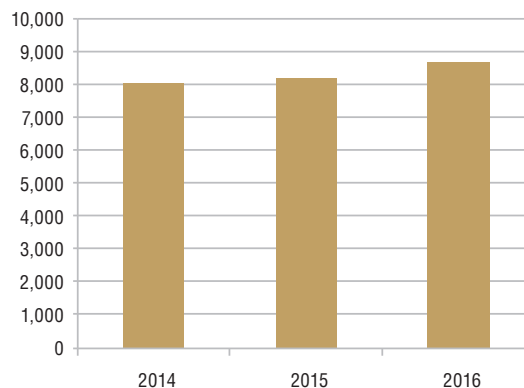
A key measure of performance for emergency services is how quickly they are able to respond to the most serious 999 calls (Category A calls). The measure for the service is the number of calls responded to within 8 minutes.

% OF CATEGORY A CALLS WITHIN 8 MINUTES



The Category A call response time decreased by 2.4% in 2016. This is due to a 6% increase in the total number of calls responded to (8,713 calls in 2016 compared to 8,218 in 2015).

TOTAL EMERGENCY CALL VOLUME (RESPONDED)



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

The department has funded further investment in an intermediary crew who undertake urgent transfers from the hospital to release beds and this crew now transports all patients to charter flights provided through the JET service. This has reduced pressure on frontline crews and reduced delays to charter flights waiting for emergency crews.

Funding has been allocated for three new control dispatchers within the Emergency Combined Control Centre. These staff members answer calls for both ambulance and fire services including GP Out of Hours and the Community Alarm Service. Investment in these staff ensures all calls can be answered in a timely manner and that vehicles can be dispatched and co-ordinated on scene. Call management, triage and advice can be dealt with appropriately along with dispatch of crews for the community alarm service.

Tertiary Service – UK acute referrals

MTFP OBJECTIVE

Objective 3: Improved consumer experience of Health and Social Services.

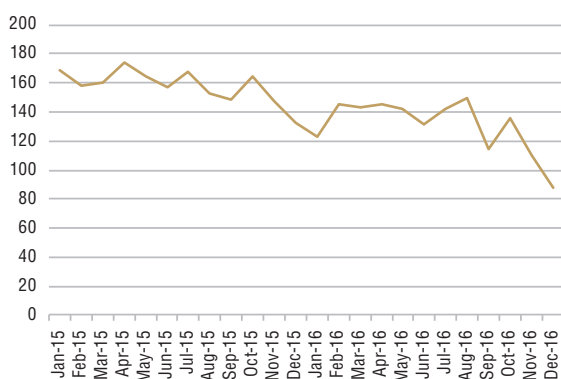
Objective 5: Manage the Health and Social Services budget to deliver services in accordance with the MTFP.

PERFORMANCE

Jersey is well equipped to deal with a wide range of medical care needs locally. However, there are instances where patients require specialist treatment that cannot be provided on the Island. Jersey partners with a number of leading UK hospital and care providers where patients are referred for complex care if required.

During the year there has been a 17% drop in the number of UK acute referrals from 1,895 in 2015 to 1,569 in 2016. There were 88 referrals in December 2016 compared to 133 in December 2015.

UK ACUTE REFERRALS PER MONTH



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

The department has invested in new permanent and visiting consultant staff and specialist equipment which means procedures previously performed in the UK are now carried out on Island.

The department has also continued to refine and develop its internal processes around the management of referrals to the UK. Working closely with Consultants, HSSD looks to ensure that only those cases which require specialist intervention for treatment not available locally are referred to a UK hospital provider for an opinion or ongoing care.

The department also tendered some off-Island acute services, negotiated contracts and robustly managed contracts, in order to improve value for money.

Inpatient Waiting Times

MTFP OBJECTIVE

Objective 2: Improved health outcomes by reducing the incidence of mortality, disease and injury in the population.

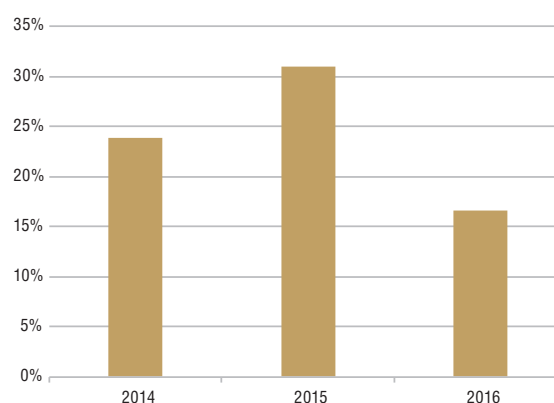
Objective 3: Improved consumer experience of Health and Social Services.

PERFORMANCE

In 2015 there had been an increase in waiting times compared to 2014. This was in part due to improved access to outpatient appointments leading to more patients being added to surgery waiting lists.

In 2016 the percentage of inpatients waiting longer than 90 days has decreased from 30.9% at the end of December 2015 to 16.6% at the end of November 2016.

% OF INPATIENTS WAITING OVER 90 DAYS



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

Waiting list monitoring and validation has been enhanced. Additional procedures have been introduced that ensure individuals with a waiting time nearing 90 days can be targeted to ensure treatment is prioritised.

New surgical techniques have been introduced (for example flexible cystoscopy) which can be performed outside of a theatre setting. This has freed up theatre

capacity for other procedures which has contributed to the reduction in waiting list times.

Theatre utilisation is being maximised and a review of procedures deemed to be of low clinical value / non-essential is being carried out to ensure that theatre capacity is used only for those procedures which are medically essential and that have a proven clinical improvement for the patient.

The department worked closely with Voluntary & Community Sector and Primary Care partners to improve the discharge pathway, in order to improve patient flow and maximise bed capacity. In addition, the department continued to invest in 'Out of Hospital' services such as Rapid Response & Reablement, in order to ensure Islanders can be cared for in their own homes rather than in hospital. This helps to avoid admission to hospital and improves timely discharge.

Outpatient Waiting Times

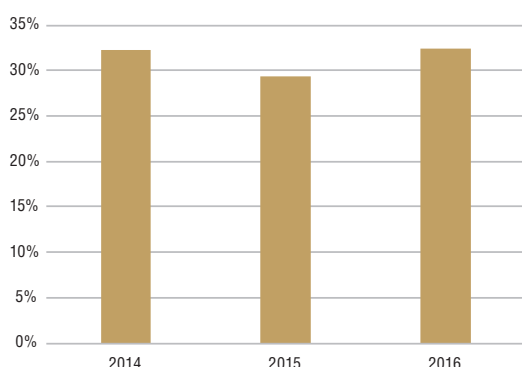
MTFP OBJECTIVE

Objective 2: Improved health outcomes by reducing the incidence of mortality, disease and injury in the population.

Objective 3: Improved consumer experience of Health and Social Services.

PERFORMANCE

% OF OUTPATIENTS WAITING OVER 90 DAYS



The percentage of outpatients waiting longer than 90 days has increased from 29.3% at the end of December 2015 to 32.4% at the end of November 2016.

There have been fluctuations in waiting lists across services with some having risen and some fallen. Large improvements in waiting list times have been seen in the Neurology, Ophthalmology and Urology services.

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

Working groups were created during the second half of the year to address the percentage of outpatients waiting over 90 days. In 2017 the methodology adopted for reducing inpatient waiting lists will be applied to outpatient appointments.

The department continues to use the successful text messaging reminder service for outpatient appointments to reduce the numbers of those who do not attend an outpatient appointment.

Adults and Older Adults Mental Health – Length of Stay

MTFP OBJECTIVE

Objective 2: Improved health outcomes by reducing the incidence of mortality, disease and injury in the population.

Objective 3: Improved consumer experience of Health and Social Services.

PERFORMANCE

Length of Stay (LOS) on mental health wards is dependent on a number of factors and is recognised as being longer than that seen on medical and surgical wards because assessment is complex and interventions such as medication can take a significant amount of time to reach an effective therapeutic level. In addition patients detained under the Mental Health Law will be required to receive inpatient care until their mental health improves and risks to themselves and others have reduced.

LOS increases where there are delayed transfers of care as a result of insufficient support for individuals to return to the community or a shortage of residential or nursing home placements available to provide the specialist care required for people with mental health problems. It is important to monitor LOS and identify any potential barriers to timely discharge as excessive time spent as a patient risks an individual becoming dependent on the service and losing skills required to live in the community.

It is important to benchmark LOS data against the NHS to understand how the service is performing and where changes may need to be made.

In 2016, Jersey participated for the first time in a national benchmarking exercise for inpatient and community mental health. Local data was compared against data submitted by all English Mental Health Trusts, all Welsh



University Health Boards and participants from Scotland, Northern Ireland and the Independent Sector. Jersey length of stay is lower than the national averages.

Adults

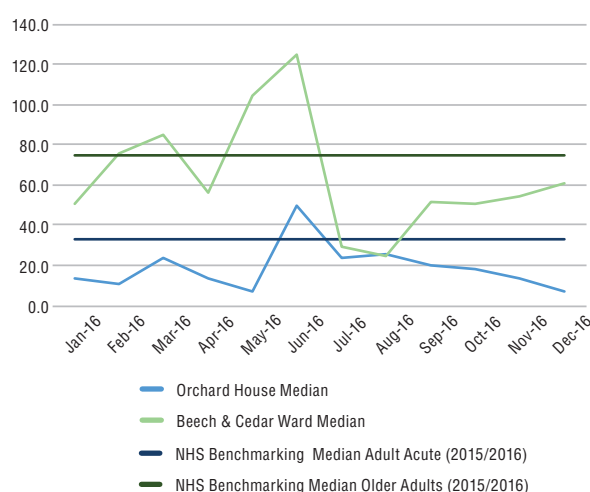
The median length of stay (excluding leave) in Orchard House in 2016 was 12 days (2015: 12 days). A recent NHS benchmarking report revealed that the national median length of stay was 32.7 days.

Nationally, the adult acute length of stay has increased year on year for the last four years.

Older Adults

For Older Adults on Beech Ward and Cedar Ward, the median length of stay (excluding leave) was 52.5 days in 2016 (2015: 54 days), this compares with a national benchmarking median of 75 days for older adults. The national trend for older adult length of stay has also increased over the last four years.

MEDIAN LENGTH OF STAY



ACTIONS TAKEN BY DEPARTMENT IN YEAR

One of the main factors impacting length of stay is delayed transfers of care. The department has introduced procedures to identify those transfers that may be / become delayed. There is also monitoring of upcoming discharges to ensure that a care coordinator is in place and the individual has appropriate support.

The department has been working with private nursing and residential homes with the objective of stimulating the private sector to offer more beds to older adults mental health patients.

There has been a recurring investment in community services of approximately £1.8 million, the aim of which

is to support patients in the community. Specifically the department has invested in multi-disciplinary community team which includes registered professionals such as nurses, social workers, occupation therapists as well as developing new posts of primary care mental health support workers.

The department has completed its 2nd recruitment campaign to recruit mental health staff. Four dedicated assessments centres have been established with the purpose of assessing candidates for 19 registered professional posts including nursing occupational therapy and social work. Candidates are assessed by Community and Social Service staff who are supported by external organisations such as MIND Jersey, Hospice and Jersey Alzheimer's Association.

All current older people's community mental health staff attended a development centre during 2016 which identified their skills and the areas in which they require development. From this each staff member has a development plan to support them through the changes happening to the mental health service as part of the Mental Health Strategy for Jersey (2016–2020).

Adults and Older Adults Mental Health – Emergency Readmissions

MTFP OBJECTIVE

Objective 2: Improved health outcomes by reducing the incidence of mortality, disease and injury in the population.

Objective 3: Improved consumer experience of Health and Social Services.

PERFORMANCE

The rate of unplanned readmission within 30 days of discharge is a good indicator of when patients have been discharged too early, or if there has been insufficient follow-up care and support in the community.

Adults

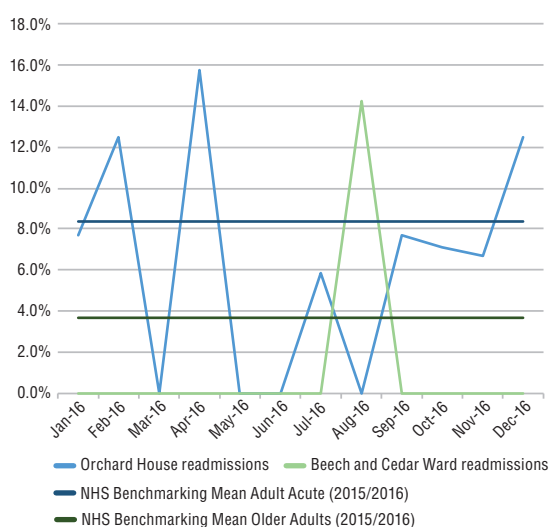
The adult acute emergency readmission rate for Orchard House was 7.1% (2015: 7.2%). This compares with the latest NHS benchmarking mean of 8.4%.

Older Adults

For older adults, emergency readmissions are those occurring within 28 days of discharge. In 2016, the emergency readmission rate for older adults was 2.1% (2015: 1.0%). This compares with the latest NHS benchmarking mean of 3.7%.

Combined with lower than average lengths of stay, this demonstrates the quality and effectiveness of our inpatient and community mental health teams.

EMERGENCY READMISSIONS



Jersey compared favourably with national averages on the NHS benchmarking exercise. Readmissions data is reported as part of the local monthly reporting cycle, and any developing trends are carefully examined.

ACTIONS TAKEN BY DEPARTMENT IN YEAR

Discharge procedures have been reviewed to ensure a robust discharge planning process is in place including ensuring that individuals are appointed a care co-ordinator and that there is appropriate follow up care in the community.

In addition individuals are given a short trial period in their new care setting prior to discharge to ensure that they are ready for discharge and the new setting meets their care needs.

As discussed above for LOS, there has been a recurring investment in community services of approximately £1.8 million, the aim of which is to support patients in the community.

Children's – Unallocated Children's Social Work Cases

MTFP OBJECTIVE

Objective 2: Improved health outcomes by reducing the incidence of mortality, disease and injury in the population.

Objective 3: Improved consumer experience of Health and Social Services.

PERFORMANCE

In 2015, there were an average of 34 unallocated children's social work cases per month. Across 2016, there has been an average of 9 unallocated cases per month, with no unallocated cases reported for 6 months of the year.

UNALLOCATED CHILDREN'S SOCIAL WORK CASES



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

In 2016, the Children's Service began monitoring unallocated cases across all teams. The ongoing focus to reduce or entirely remove the unallocated cases has been highly effective, with only two unallocated cases reported in the second half of the year, which was due to a one-off increase in referrals to the service from MASH in November 2016.

Financial Statements

Statement of Comprehensive Net Expenditure

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	2015 Actual £'000
Revenue				
(4)	(4)	Duties, Fees, Fines and Penalties	(27)	(21)
(24,753)	(24,739)	Sales of Goods and Services	(20,754)	(23,346)
(1,137)	(1,887)	Other Income	(2,354)	(7,655)
(25,894)	(26,630)	Total Revenue	(23,135)	(31,022)
Expenditure: Near Cash				
964	964	Social Benefit Payments	1,085	5,869
141,935	140,604	Staff Expenditure	139,072	142,068
77,861	80,522	Supplies and Services	71,807	75,360
1,278	1,826	Administrative Expenditure	1,430	1,475
7,165	7,165	Premises and Maintenance	7,624	8,345
125	125	Other Operating Expenditure	37	87
325	325	Grants and Subsidies Payments	316	325
–	–	Impairments of Financial Assets	201	217
18	18	Finance Costs	9	9
229,671	231,549	Total Expenditure: Near Cash	221,581	233,755
203,777	204,919	Net Revenue Expenditure: Near Cash	198,446	202,733
Non Cash Amounts				
3,557	3,557	Depreciation and Amortisation	2,651	2,725
–	–	Donations of Property, Plant and Equipment	(68)	(36)
–	–	Loss on Disposal of Non-Current Assets	65	19
3,557	3,557	Total Non Cash Amounts	2,648	2,708
207,334	208,476	Net Revenue Expenditure	201,094	205,441
207,334	208,476	Total Comprehensive Expenditure	201,094	205,441

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	9,723	9,854	8,356
Intangible Assets	1,456	2,063	2,485
Total Non-Current Assets	11,179	11,917	10,841
Current Assets			
Inventories	5,034	5,074	4,941
Trade and Other Receivables	8,491	5,285	8,085
Cash and Cash Equivalents	9	10	8
Total Current Assets	13,534	10,369	13,034
Total Assets	24,713	22,286	23,875
Current Liabilities			
Trade and Other Payables	(13,565)	(18,119)	(16,961)
Provisions for Liabilities and Charges	(100)	(520)	–
Total Current Liabilities	(13,665)	(18,639)	(16,961)
Total Assets Less Current Liabilities	11,048	3,647	6,914
Non-Current Liabilities			
Provisions for Liabilities and Charges	(1,746)	(1,300)	(1,133)
Total Non-Current Liabilities	(1,746)	(1,300)	(1,133)
Assets Less Liabilities	9,302	2,347	5,781
Taxpayer's Equity			
Accumulated Revenue Reserves	9,302	2,347	5,781
Total Taxpayer's Equity	9,302	2,347	5,781

Department for Infrastructure

Department for Infrastructure (DfI) is responsible for the provision of sustainable and efficient waste management facilities; development and operation of schemes for waste minimisation and recycling; provision, management and maintenance of the foul and surface water sewerage system; treatment and disposal of the Island's liquid waste; management of the main road network; monitoring and management of public transport; management of traffic systems; provision and management of parking facilities; ensuring motor vehicles are roadworthy and drivers competent; maintenance and cleaning of public spaces, amenities, structures and sea defences; provision and maintenance of formal parks, gardens, open spaces and amenity areas; the management and maintenance of the States of Jersey property portfolio and the delivery of major States of Jersey building projects.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£40,779,759

13.7% increase
from 2015

£3,348,896

7.6% underspend
against Near Cash Final
Approved Budget

1. What resources we have used

Financial Inputs – Near Cash Approvals

Spending by the Department for Infrastructure is part funded by charges raised and property income, with the balance being funded from tax revenues.

The States approves the amount a department can spend on Revenue Expenditure during a year through the Medium Term Financial Plan. This is updated each year in the Annual Update to the Medium Term Financial Plan Annex to reflect any permanent changes in approvals since the original Medium Term Financial Plan.

MTFP approval (Updated)	Additional Approvals	Final Approved Budget
£40.1 million	£4.0 million	£44.1 million

The Medium Term Financial Plan approvals have been restated from those presented in the Medium Term Financial Plan 2016 – 2019 to reflect P.46 'Draft States of Jersey (Transfer of Functions No. 8) (Miscellaneous Transfers)(Jersey) Regulations 201-' approved by the States Assembly 16 December 2015 which reorganised responsibilities between a number of Ministerial Departments. In 2016, adjustments to the budget presented in the Medium Term Financial Plan 2016–2019 totalling £4.0 million were made. Details of the changes are set out in the States Accounts as part of the Notes to the Statement of Outturn Against Approvals.

Departmental Income

Budget 2016	Actual 2016	Actual 2015
£21.9 million	£23.9 million	£23.7 million

MAJOR INCOME STREAMS

	£'000
Recharge income	(9,395)
Property rentals and facilities charges	(4,828)
Solid Waste Tipping Fees	(3,302)
Vehicle Registration income	(1,203)
Other income and external recharges	(5,207)
Total Income	(23,935)

Recharge Income

The department has a significant income from recharges to operational areas within DfI and other States departments. This is shown as "Recharge income" and includes recharges to Ports of Jersey for the Harbours engineering service, recharges for works by the cleaning and parks and gardens sections, and recharges for works undertaken by in-house staff on both project delivery and project management. Recharges were lower than in 2015 by £1.1 million and £0.6 million lower than budget mainly due to Service Reviews of Municipal Sections.

Property Income and Facilities Charges

£4.8 million of the department's income was received by Jersey Property Holdings (JPH). This income was made up of rents from third parties under leases and licenses, internal property charges and rechargeable works/items.

JPH's income was £0.1 million lower than in 2015 but over budget by £0.3 million. This was due to a number of variations across JPH's property portfolio and in relation to amounts recharged.

Solid Waste Tipping Fees

As in 2015, during 2016 there was higher than expected inert waste tipping income due to continued high levels of construction activity.

Vehicle Registration Income

Vehicle Registration income includes registering new vehicles to the island, transferring and retaining registrations as well as income from online sales of cherished plates and auctions.

Other Income

The majority of the remaining £5.2 million of other income is made up of £3.1 million of external staff recharge income to areas outside of the business, £1.3 million of sales of electricity generated by the Energy from Waste (EfW) plant and a £1 million transfer from Jersey Car Parking (JCP) Trading Fund for Sustainable Transport and Road Safety Schemes approved by the States Assembly in the Medium Term Financial Plan 2016–19 (P.72-2015); £0.9 million of which was transferred to capital and £0.1 million used for the electric bike grant scheme.

Performance against Near Cash Final Approved Budget

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

Budget 2016	Actual 2016	Actual 2015
£44.1	£40.8	£35.9
million	million	million

KEY VARIANCES FROM BUDGET

	£'000
Premises and Maintenance	(2,811)
Staff expenditure	2,614
Asbestos disposal & IBA handling	2,050
Tipping fee income	1,300
Other Variances	197
Net Underspend	3,350

Premises and Maintenance

Premises and Maintenance are overspent by £2.8 million. £1.1 million of this relates to Jersey Property Holdings. Property Maintenance is made up of direct maintenance, and services provided. At the start of the year it is not possible to predict the split between supplies and services and premises and maintenance.

There was a £0.5 million overspend within Energy from Waste (EfW) premises and maintenance due to additional repairs and maintenance. £0.7 million of revenue maintenance costs were incurred during highway infrastructure capital projects. Of the remaining £0.5 million overspend, the majority relates to spend

within pumping stations caused by continued levels of high rainfall increasing spend on electricity and maintenance.

Staff Expenditure

Service Reviews within Operational Services (including Parks and Gardens and Cleaning sections) resulted in staff savings which contributed to a £3.5 million underspend on permanent staff costs across the department. This was offset by a slight overspend in temporary staff costs £0.6 million higher than budget and lower staff recharges £0.3 million lower than budget which increases departmental staff costs and where contracts have been outsourced this has also resulted in lower levels of income.

Asbestos Disposal and Incinerator Bottom Ash (IBA) handling

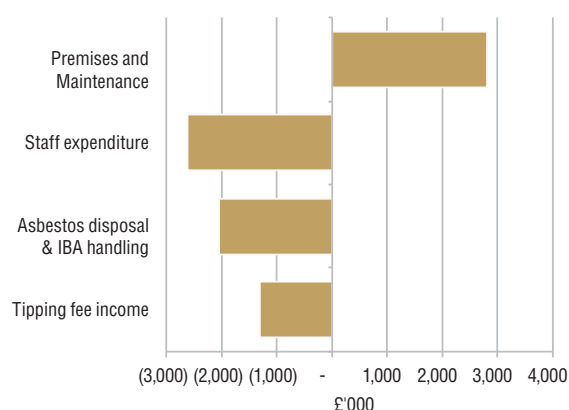
The carry forward in relation to the long term disposal of asbestos remained unspent at the year end as although a solution was agreed during 2016 and the project tendered, works are only due to commence in early 2017. A new Asbestos Reception facility has been constructed at La Collette which is taking new asbestos waste and all new material (licensed and unlicensed) is being stored in a high specification waste cell. It is planned to construct a larger cell and commence transfer of legacy asbestos to existing and proposed cells during 2017.

It is intended to commence IBA export in 2017.

Tipping Fee Income

Several large construction projects continued or begun during 2016. This resulted in a substantial amount of inert waste being delivered to La Collette waste disposal site and higher tipping fee income than budgeted (£1.3 million).

Underspend Breakdown



Staffing

At the year end the department employed the equivalent of 369 full time employees. Jersey Property Holdings joined the department in 2016, increasing FTE numbers by 51.5 FTE. There were major service reviews within Operational Services, in particular of Parks and Gardens and Cleaning sections and redundancies from VRs/CRs across Dfl. In addition, the department has restricted recruitment during this time, resulting in an overall decrease in FTE numbers of 50.5 (12.0%) from 2015.

Non-Current and Current Assets

The department holds £2,190.0 million of fixed assets, including infrastructure assets (roads, drainage and sea defences), major plant and equipment including the sewage treatment works, energy from waste plant and pumping stations. The department also holds intangible assets, which represent specialised software used throughout the department.

Through Jersey Property Holdings the department holds a diverse spectrum of property assets, occupied by various departments, external organisations and private tenants.

It also holds current assets and liabilities relating to the day-to-day operation of the department such as Trade Receivables and Trade Payables.

The cost of using Fixed Assets is recorded through Non-Cash Expenditure.

NON CASH EXPENDITURE

Budget 2016	Actual 2016	Actual 2015
£37.0	£57.7	£78.6
million	million	million

In 2016, Non Cash Expenditure can be broken down into three areas: depreciation and amortisation, impairments as a result of the 2016 valuation of fixed assets, and gains/losses on disposals of fixed assets. A budget is only allocated for the first of these items.

Depreciation and Amortisation

Depreciation has decreased from £39.5 million in 2015 to £35.0 million in 2016. Depreciation on the Energy from Waste plant has decreased by £2.8 million due to assets becoming fully depreciated in 2016. Depreciation

on infrastructure assets has decreased by £1.2 million, and Jersey Property Holdings depreciation has reduced by £1 million, largely as a result of the 2015 interim revaluation of land and buildings.

Revaluations/Impairments

In December 2016 the States decided that the Future Hospital should be developed on the site of the existing hospital (P.110/2016). As a result of this decision some parts of the existing hospital site are now ear-marked for demolition. These assets have been impaired to reflect their reduced useful economic life, this has resulted in an impairment of £22.3 million. The buildings scheduled for demolition are Peter Crill House, the 1960s Block, the Gwyneth Huelin Wing, and the Pathology Block. The year end revaluation of infrastructure assets resulted in a net £7.1 million reduction in value. This is a 0.6% decrease on the value of the portfolio.

Gains / Losses on Disposal

A loss on disposal of fixed assets of £3.4 million was recorded in 2016, this is made up of a £3.7 million loss on disposal of the Broadcasting House, Summerland and Thorp House sites that were transferred to Andium for development of social housing. This is offset by £0.3 million gains on disposal of property assets.

Changes in Expenditure

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

KEY VARIANCES IN NET REVENUE EXPENDITURE (NRE) FROM 2015

	£'000
2015 NRE	35,867
Future Hospital costs	2,909
Permanent staff costs	(2,332)
Other staff costs	1,589
Maintenance costs	1,991
Other Variances	755
2016 NRE	40,779

Future Hospital Costs

In approving "Future Hospital: Preferred Site" (P.110/2016) the States Assembly selected a preferred hospital site,

which means that previous work undertaken on other sites and related activities can no longer be attributable to the eventual new hospital asset. Therefore £3.0 million of advisory costs, including technical, financial and other advisors, stakeholder engagement activity, and those feasibility studies, relocation and enabling works associated with other previously preferred or abortive sites must be transferred from capital to revenue costs in 2016. In 2015, £49,000 was transferred from capital to revenue costs.

Staff Costs

Overall staff expenditure in the accounts appears to have only reduced by £23,000. In fact, there were 179.9 vacancies at year end (32.8% of budgeted FTE) which resulted in £2.3 million lower permanent staff costs than in 2015 (2016: £19.8 million, 2015: £22.1 million).

This was offset by higher other staff costs; a lower level of staff recharges to capital projects (2016: £2.6 million, 2015: £3.5 million) which increases staff costs in year, and higher levels of VR/CR payments in 2016 (2016: £1.9 million, 2015: £1.3 million) and £0.7 million of the future hospital costs described above related to staff costs.

Maintenance Costs

Maintenance costs include maintenance of States buildings, equipment and infrastructure. There have been £2.0 million of additional costs over the prior year (2016: £16.0 million, 2015: £14.0 million). The majority of this additional spend relates to Highways (£714,000) non-capitalisable spend on third party assets, EfW (£591,000) due to additional shutdowns and repairs, JPH (£351,000) due to increased property maintenance undertaken in the year; revenue costs of the Household Reuse and Recycling Centre (£157,000) and increased maintenance of pumping stations (£139,000) due to high levels of wet weather at the start of the year.

Other variances

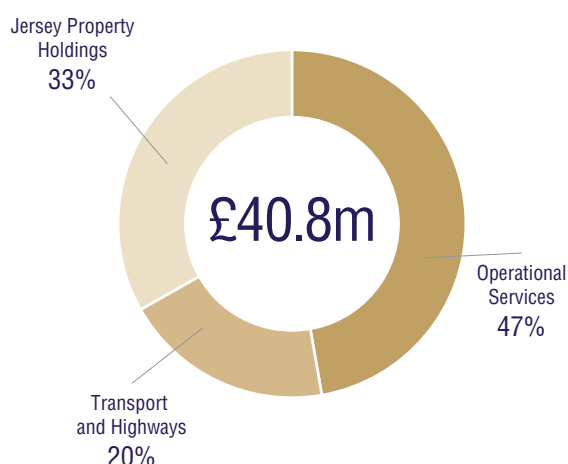
The other £0.8 million of variances on prior year relate to a reduction of £1.1 million income within Municipals sections for Parks and Gardens and Cleaning contracts, offset by £0.3 million net reduction in other departmental costs.

2. What we have spent funding on

Near Cash by Service Area

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	Restated 2015 Actual £'000
18,989	21,482	Operational Services	19,267	17,227
9,629	8,130	Transport and Highways	7,971	7,946
11,519	14,517	Jersey Property Holdings	13,541	10,694
40,137	44,129	Net Revenue Expenditure	40,779	35,867

NEAR CASH BY SERVICE AREA BREAKDOWN



Operational Services: Waste

The Operational Services Divisions manages the solid and liquid waste infrastructure of the Island, and undertakes municipal services such as Parks and Gardens and Cleaning Services across the Island. In 2016 the Operational Services Division achieved the following:

- completed a number of service reviews which realised savings of £1 million per annum and a significant reduction in staff. This was achieved by a combination of service redesign, outsourcing and ceasing Service Level Agreements (SLAs) where these were at a cost to the directorate;

- ensured that the replacement of the existing Bellozanne Sewage Treatment Works kept to its programme. Site investigations have been completed. Design of the Works has commenced and following tendering, construction is anticipated to commence in early 2017;
- commissioning of the sludge digesters has been completed, including the new combined heat and power engine so that electricity is being generated from the biogas produced. Approximately £800 worth of electricity is being saved per day as a result;
- demolition of the old sludge digester platform has been completed;
- the new Household Green Waste Reception was completed and opened in March 2016;
- the new Household Reuse and Recycling Centre was completed in 2016 and opened to the public in early January 2017.
- the Royal Court declared that the Bellozanne Covenants are spent and extinguished. The Parish of St Helier have appealed the decision;
- the introduction of kerbside recycling in the Parish of St Brelade; and
- worked with Health and Social Services Department (HSSD) to reduce the tonnage of clinical waste treated through the Clinical Waste Incinerator in an effort to minimise costs to both departments.

Transport and Highways

The Highways and Infrastructure Section is responsible for the maintenance and replacement of States owned highways and sea defences.

There were no breaches reported in the sea walls in 2016 although, inundation caused settlement of the ground behind a small section of sea wall in St Ouen's Bay and intervention work in Grouville Bay stabilised an undermined sea wall. On the highways two major resurfacing schemes were undertaken. Phase 3 completed the Trinity to Gorey project and the main road through St Lawrence was resurfaced with road improvements. The department's programme of highways inspection, monitoring and repairs saw over 2500 patches, pothole and other repairs undertaken in 2016 on the main roads around the Island.

A condition survey of the main roads was undertaken in November 2016 and the results will decide the priority for resurfacing projects over the next 3 years.

The transport section includes Driver and Vehicle Standards (DVS), transport planning, road works coordination and bus contract management.

DVS is responsible for the regulation of drivers, vehicles and public service licences for taxi and bus drivers. The department aims to recover its costs through charges for driving tests, registration of vehicles and testing and regulation of public service and heavy goods drivers and vehicles. During 2016 a programme of taxi regulatory reform and modernisation commenced.

The bus service contract with CT Plus (Jersey) Ltd (the bus operator) is providing benefits for the travelling public as demonstrated by the increasing ridership (up 2% in 2016 and 20% since the contract commenced in 2013). In addition, the contract also achieves savings for the States and investment in the local community, as the corporate structure of the bus operator parent organisation, HCT Group, has community benefits as a strategic objective and invests a proportion of its profits accordingly.

The section is responsible for the States Sustainable Transport Policy (STP) development and implementation. Developments include STP funding for additional bus shelters, cycle routes, road safety schemes and enhancement to the bus network, all contributing to reducing reliance on private cars, and to making travel safer. For 2016, the majority of this funding has been received from the Jersey Car Parking (JCP) Trading Fund.

Jersey Property Holdings

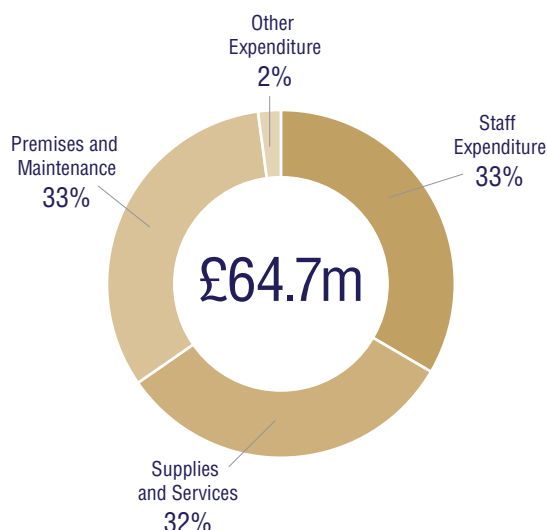
Jersey Property Holdings (JPH) acts as the Landlord function for the States of Jersey property portfolio, which comprises of over 500 buildings as well as areas of land in public ownership. The portfolio includes a diverse spectrum of property assets, broadly split into those occupied by States departments, those occupied by external business and those occupied by private tenants.

JPH manage maintenance and improvement works, as well as providing professional support to the delivery of other property related disciplines such as Estates and Asset Management.

JPH's activity is focused on the following key areas:

- To provide fit for purpose, safe and affordable accommodation that meets the operational requirements of the States of Jersey. This is achieved through the ongoing maintenance and facilities management of the States property portfolio.
- To improve and enhance the property portfolio through the design, management and delivery of capital project works.
- To progress a phased programme of rationalisation and consolidation of the States' property portfolio, with the objective of reducing the cost to the public, enabling greater efficiency of occupation, and release of latent assets for alternative use or disposal.
- To seek to maximise rental income from those properties within the public estate that are let on commercial terms to third parties.
- To maintain and preserve the Public realm and administer land held in Public ownership for non-commercial uses, such as environmental protection, and enjoyment by the public in line with the requirements of the Island Plan.

Near Cash by Expenditure Type



Staff Costs

The largest area of spend during 2016 remained staff (2016: £21.6 million, 2015: £21.7 million). 96.6% of these costs relate to permanent members of staff.

Due to the VR/CR scheme and Service Reviews it is planned that staff costs will reduce substantially going forward. Staff numbers in 2016 saw a net decrease of 50.5 FTE despite JPH joining the department. The reduction in permanent staff costs were masked by one-off VR/CR payments in year and also lower capital recharges than in prior year.

Premises and Maintenance

Premises and Maintenance costs account for almost as much of the department's near cash expenditure (2016: £21.0 million, 2015: £19.6 million). It includes external service agreements and in-house maintenance work by the department's staff as well as utility costs such as electricity and water. Within JPH there are various types of maintenance categories including compliance and mandatory works, cyclical and reactive works. JPH also has a rolling backlog maintenance programme covering both JPH and Health managed properties.

2016 premises and maintenance expenditure was over budget by £2.8 million and increased from 2015 by £1.5 million.

JPH's costs in this area increased due to additional maintenance carried out on the property portfolio. Highways had additional costs due to non-capitalisable maintenance of third party assets incurred during capital infrastructure schemes and waste saw additional maintenance costs in the EfW and Pumping Stations.

Supplies and Services

Spend by the department on supplies and services includes professional fees, materials, chemicals, hired services including waste disposal costs and transport costs including vehicle hire and lease and the bus contract.

In 2016 £2.2 million was transferred from the Future Hospital project to supplies and services in relation to non-capitalisable project costs (see 'Future Hospital Costs, above). This amount is made up of non-capitalisable consultants and professional fees associated with the Future Hospital project.

Supplies and services increased from 2015 by £3.8 million, partly in relation to the £2.2 million transfer, above.

Supplies and Services was underspent against budget by £1.7 million, £1.4 million of this relates to Jersey Property Holdings. Supplies and Services in Property Holdings largely comprises of professional fees in support of the provision of building maintenance. At the start of the year it is difficult to predict the split between direct maintenance and support services. The £1.4 million underspend is partially offset by a £1.2 million overspend in premises and maintenance.

Other Expenditure

Other departmental expenditure is made up of administrative expenses, other operating expenditure, the majority of which are recharges of staff time to other areas of the business (which nets off to income lines in other income), e-bike grants totalling £100 thousand paid to individuals through a one off scheme, bad debt write offs and provisions, and some finance costs.

3. What we have achieved

Solid Waste produced and recycling rates

MTFP OBJECTIVE

Improvement in solid waste and recycling processes.

PERFORMANCE

The total amount of non-inert waste generated by the Island increased in 2016 compared with 2015, however this increase (approx. 2,000 tonnes) was much smaller than the previous year on year increase (approx. 6,500 tonnes).

Increased tonnages of 'black bag' waste delivered by Parishes and commercial companies and 'bulky waste' (large items requiring shredding prior to energy recovery) delivered into the Energy from Waste facility were recorded in 2016.

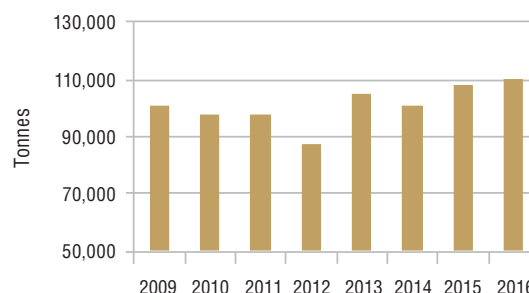
The tonnage of materials separately collected for recycling also increased and this was largely due to more plasterboard, agricultural plastic and glass being received. The tonnage of light bulbs and tubes exported from the Island for specialist processing also doubled in 2016 although this is a relatively small tonnage compared with other material streams.

It is also noteworthy that the tonnage of green waste received for composting by the department decreased in 2016. The waste arisings of this material are highly weather dependent and so this does not reflect a decline in the separation of green waste for composting. As this is such a significant waste stream (approximately 38% of the total material received for recycling), any changes in the tonnage of green waste received impacts the overall recycling rate and so an overall increase in the tonnage of recyclables received in a year where green waste arisings have declined, highlights growth in other areas of recycling.

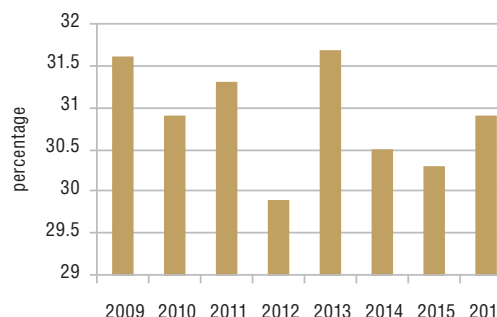
The overall recycling rate for 2016 was 30.9% compared with 30.3% with 2015. During 2016, the department continued its focus on prioritising the separation of materials that are unacceptable for energy recovery, such as batteries, glass, light bulbs, electricals and metals. An increase was recorded in the tonnage of light bulbs and glass received for recycling and the tonnage of batteries, household metals and electricals remained constant.

This approach ensures the department continues to operate the Island's Energy from Waste facility in accordance with its Waste Management Licence (Waste Management (Jersey) Law 2005) and EU air quality standards. It also ensures that those materials that generate the greatest environmental benefit from being recycled are prioritised so that the Island continues to manage its waste in accordance with the internationally agreed Waste Hierarchy model and adopts an environmentally responsible approach.

SOLID WASTE GENERATED BY THE ISLAND



RECYCLING RATE



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

The department continued to work with all Island stakeholders to improve waste management practices. Key achievements in 2016 include:

- A new asbestos reception and disposal facility opened at La Collette in February 2016. This purpose built facility was constructed to improve the way this hazardous waste is received. Prior to this facility, licensed asbestos containing material was stored in secure containers and non-licensed asbestos was

deposited in designated areas of the La Collette 'headland'. Work to remove the stored asbestos and transfer it to the new facility will commence in 2017.

- The project to develop a Recycling Park at La Collette to consolidate the department's waste and recycling operations continued. The construction of the new Household Reuse and Recycling Centre commenced in February and the Household Green Waste Reception relocated from Bellozanne to La Collette in March 2016. The relocation of the public recycling facilities from Bellozanne enables the development of the new Sewage Treatment Works and has allowed the Department to improve efficiencies and provide an improved customer experience.
- Work continued with the Parishes to develop the provision of household recycling collections. In May, St Brelade became the sixth parish to implement a scheme which enables the easy recycling of household paper, cardboard, plastic bottles and metal packaging. The department will continue to work with Parishes that have not yet implemented schemes and the Parishes that are already delivering successful schemes to ensure this project progresses in 2017.
- The Recycle for Jersey engagement programme was given a new identity as 'Rethink your Waste'. The previous brand was restrictive as it only referred to recycling, whereas the Department actively applies the whole of the internationally agreed Waste Hierarchy model to support Islanders to reduce, reuse and recycle.

Liquid Waste volume treated and quality of effluent

MTFP OBJECTIVE

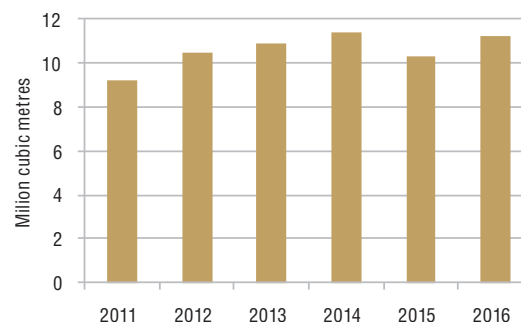
Liquid waste treated and disposed of in a manner that minimises the impact on the environment.

PERFORMANCE

11,154,148 cubic meters of sewerage was pumped and conveyed to Bellozanne for treatment. This is an 8.7% increase on 2015, primarily due to the heavy rainfall experienced at the beginning of the year some of which entered the sewer network via combined sewers and infiltration.

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

WASTE WATER RECEIVED AT SEWAGE TREATMENT WORKS



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

In order to reduce infiltration and maintain the integrity of the foul sewer network 600 metres of foul sewer has been relined with a structural liner to increase the asset life. This technique is the most cost effective way of prolonging the life of the sewers as digging and replacing is a far higher cost. The works were carried out on the South East Coast, during the night when flows were low.

The new sludge digestion platform was completed and commissioned in 2016 with the new combined heat and power unit producing 3,144,841 kWh of electricity which is an effective saving of £326,434 per annum.

Pumping stations had installation of 4 new electrical control panels to replace existing panels which were past their asset life. We also carried out 10 pumping station refurbishments replacing the mechanical equipment (pumps and guiderails).

Enabling works for the construction of the new sewage treatment works at Bellozanne have commenced. This includes hillside excavation and demolition of the old sludge digesters on the west side of Bellozanne Road, both required to create the space to construct the new works. The existing ageing clinical waste incinerator at Bellozanne also needs to be re-located, and design and procurement of a new clinical waste incinerator at La Collette is well underway.

Travel – The volume of traffic and methods of transport

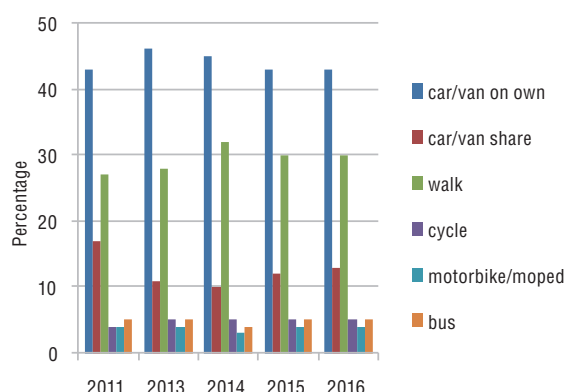
MTFP OBJECTIVE

Sustainable on-Island transport for Jersey.

PERFORMANCE

Congestion is not currently measured in Jersey, however the information obtained from the Jersey Annual Social Survey (JASS) on the way people travel to work gives a year on year indication of travel choices. The figures show what people stated was their normal mode of travel. Whilst this shows no significant change from previous years, the recorded bus passengers numbers are up a further 2.5% on 2015 and are now 20.5% higher than 2013, the first year of the current bus operator.

TRAVEL TO WORK MODES



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

In 2016 the department made further progress in the enhancement and encouragement of sustainable travel. Works continued on a shared footpath and cycle route in St Peter's valley and in Grouville to extend the eastern cycle route. A trial pedestrianisation scheme was introduced in Charing Cross, pedestrian crossings were installed in Beresford Street, Peter Street and Dumaresq Street, village enhancements were installed in St Lawrence, a junction improvement commenced at Wellington Road/St Saviours Road and 13 bus shelters were installed. Continued improvements have been made to the bus service in partnership with the operator. An electric bike grant scheme was launched and 350 grants issued. The department's Road Safety Plan 2017–2019 was published and work commenced on the introduction of a penalty points system. DfI also continued to promote

cycling and walking by running an active travel challenge programme and the annual schools green travel fortnight.

Public feedback on the cleanliness of municipal areas

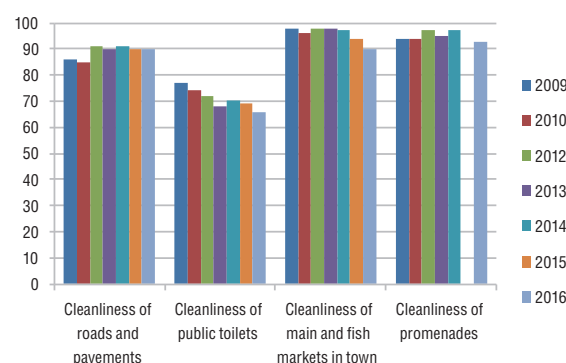
MTFP OBJECTIVE

Well maintained public spaces and amenities.

PERFORMANCE

In order to find out what the public think of the cleaning services, the department asks questions in the Jersey Annual Social Survey. In 2016 the range of questions included specific questions about the cleanliness of public toilets, the main and fish markets in town, promenades, roads and pavements. The chart shows the percentage of people who rated the cleanliness of the specified areas as either good or very good, proportionate to responses excluding don't know. It can be seen that there are broadly consistent and high satisfaction levels with services provided, though the cleanliness of public toilets remains consistently weaker. The department does, however, receive a number of compliments from holiday makers on the cleanliness of the toilet facilities compared to the UK.

POSITIVE FEEDBACK AS A % OF RESPONSES



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

During 2016, as part of the departments actions in support of the MTFP2, service reviews in Municipal Services resulted in some service re-design and outsourcing of the cleaning of public toilets, markets and grounds maintenance of several amenity areas. Whilst some reduction in the frequency of out-of-season toilet cleaning was included, the department has robust contract management in place in order to ensure acceptable cleaning standards are maintained.

The department continues to administer the Islands formal parks with in-house staff and encourages their use for suitable public music and cultural events where possible.

Highway resurfacing

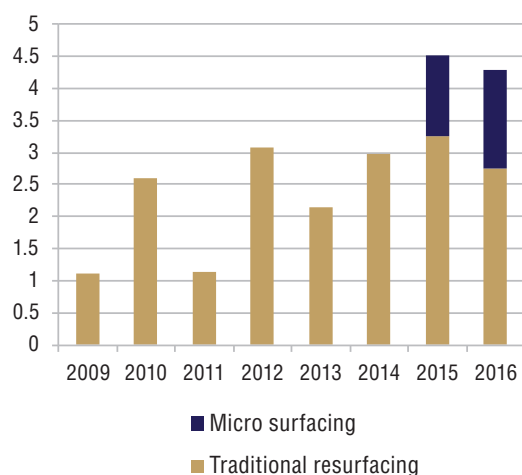
MTFP OBJECTIVE

The highway network maintained to maximise the lifespan of highways and associated infrastructure.

PERFORMANCE

DfI resurfaced just over 4.29 miles (6 metre width) of the 165.5 mile road network in 2016, which is a decrease of 6% over 2015. Of this total, 1.53 miles were resurfaced using micro-resurfacing product. This product is designed to preserve the roads and extend the life of asphalt.

MILES OF ROAD RESURFACED



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

The main road resurfacing projects in 2016 were:

- Trinity to Gorey phase 3
- La Grande Route de St Laurent
- Route de Fort (section)
- Rue Sablon (section)
- St Aubins Inner Road (section)
- St James Street (reconstruction)
- plus Micro-resurfacing to Green Road and Mont Cochon

External Property Income

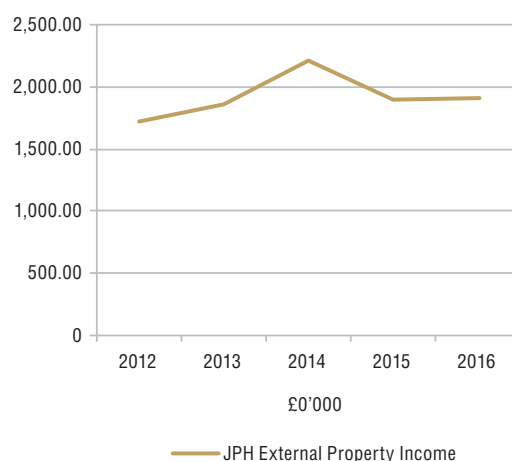
MTFP OBJECTIVE

Generation of Income from the Public Estate.

PERFORMANCE

JPH actively manages properties within the Public portfolio which represent a mixture of leased or licensed commercial and community uses. External property income provides a source of income to the States of Jersey that reduces the call on the Consolidated Fund for funding the management of the States of Jersey property portfolio.

JPH PROPERTY DISPOSAL PROCEEDS



External Property Income has increased by 1% on 2015, continuing a general upward trend that has seen property income increase by 10.8% since 2012, despite the size of the portfolio reducing due to disposals during this time period.

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

JPH continues to look for opportunities to increase the income return on the States of Jersey property portfolio whilst working within the Public Finances Law and existing agreements. This takes two main forms – increasing income on existing buildings, and generating property income from properties not previously used to generate an income.

Financial Statements

Statement of Comprehensive Net Expenditure

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	Restated 2015 Actual £'000
Revenue				
(886)	(886)	Duties, Fees, Fines and Penalties	(1,060)	(989)
(19,273)	(19,340)	Sales of Goods and Services	(20,610)	(21,195)
(1)	(1)	Investment Income	–	(1)
(272)	(1,714)	Other Income	(2,265)	(1,534)
(20,432)	(21,941)	Total Revenue	(23,935)	(23,719)
Expenditure: Near Cash				
21,916	24,249	Staff Expenditure	21,635	21,658
19,105	22,363	Supplies and Services	20,667	16,850
335	337	Administrative Expenditure	301	306
18,473	18,234	Premises and Maintenance	21,045	19,555
649	696	Other Operating Expenditure	940	1,030
–	100	Grants and Subsidies Payments	101	83
49	49	Impairments of Financial Assets	16	73
42	42	Finance Costs	9	31
60,569	66,070	Total Expenditure: Near Cash	64,714	59,586
40,137	44,129	Net Revenue Expenditure: Near Cash	40,779	35,867
Non Cash Amounts				
37,002	37,002	Depreciation and Amortisation	34,962	39,535
–	–	Impairments of Property, Plant and Equipment	19,324	26,211
–	–	Loss on Disposal of Non-Current Assets	3,364	12,864
37,002	37,002	Total Non Cash Amounts	57,650	78,610
77,139	81,131	Net Revenue Expenditure	98,429	114,477
Other Comprehensive Expenditure/(Income)				
Items that will not be reclassified to Net Revenue Expenditure				
–	–	Reversal of Revaluation/(Revaluation) of Property, Plant and Equipment	10,032	(91,393)
–	–	Total Other Comprehensive Expenditure/(Income)	10,032	(91,393)
77,139	81,131	Total Comprehensive Expenditure	108,461	23,084

Statement of Financial Position

	2016 Actual £'000	Restated 2015 Actual £'000	Restated 2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	2,167,671	2,199,498	2,154,337
Intangible Assets	540	492	563
Trade and Other Receivables	1,502	1,505	6
Total Non-Current Assets	2,169,713	2,201,495	2,154,906
Current Assets			
Inventories	2,887	2,810	2,374
Trade and Other Receivables	2,775	2,846	2,789
Cash and Cash Equivalents	5	5	5
Total Current Assets	5,667	5,661	5,168
Total Assets	2,175,380	2,207,156	2,160,074
Current Liabilities			
Trade and Other Payables	(9,237)	(9,300)	(10,801)
Provisions for Liabilities and Charges	–	(35)	(35)
Total Current Liabilities	(9,237)	(9,335)	(10,836)
Total Assets Less Current Liabilities	2,166,143	2,197,821	2,149,238
Non-Current Liabilities			
Provisions for Liabilities and Charges	(2,080)	(2,080)	(2,080)
Total Non-Current Liabilities	(2,080)	(2,080)	(2,080)
Assets Less Liabilities	2,164,063	2,195,741	2,147,158
Taxpayer's Equity			
Accumulated Revenue Reserves	1,655,570	1,676,494	1,708,654
Revaluation Reserve	508,493	519,247	438,504
Total Taxpayer's Equity	2,164,063	2,195,741	2,147,158

Social Security Department

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

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£185,624,297

5.1% increase
from 2015

£10,178,066

5.2% underspend
against Near Cash Final
Approved Budget

1. What resources we have used

Financial Inputs – Near Cash Approvals

Spending by the department is funded from tax revenues with charges made to the Social Security, Health Insurance and Long Term Care Funds (the 'Funds') for the costs of administering the Funds.

The States approves the amount a department can spend on Revenue Expenditure during a year through the Medium Term Financial Plan. This is updated each year in the Annual Update to the Medium Term Financial Plan Annex to reflect any permanent changes in approvals since the original Medium Term Financial Plan.

MTFP approval (Updated)	Additional Approvals	Final Approved Budget
£189.5 million	£6.3 million	£195.8 million

In 2016, adjustments to the budget presented in the Medium Term Financial Plan 2016 – 2019 totalling £6.3 million were made, of which £6.1 million was a carry forward from 2015 to build the reserve in the Long Term Care Fund. Details of the changes are set out in the States Accounts as part of the Notes to the Statement of Outturn Against Approvals.

Departmental Income

Budget 2016	Actual 2016	Actual 2015
£9.1 million	£8.9 million	£5.2 million

MAJOR INCOME STREAMS

	£'000
Management charge to Funds	(7,820)
Population Office Income	(844)
Other	(210)
Total Income	(8,874)

The majority of departmental income is the management charge to the Funds, which represents the operational and management costs incurred by the department relating to the administration of the Funds. This was introduced in 2016, replacing the previous system, in which non-staff costs were allocated directly to the Funds and a recharge to the Funds covered just staff costs. The change has resulted in an additional £3.5 million income compared to 2015, which is matched by additional costs.

The Population Office also receives fees and charges for the control of housing and work, including registration card income, business license fees, and housing applications.

Performance against Near Cash Final Approved Budget

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

Budget 2016	Actual 2016	Actual 2015
£195.8 million	£185.6 million	£176.6 million

KEY VARIANCES FROM BUDGET

	£'000
Income Support	5,988
Staff Costs and Administration	3,051
Contingency	837
Other Variances	302
Net Underspend	10,178

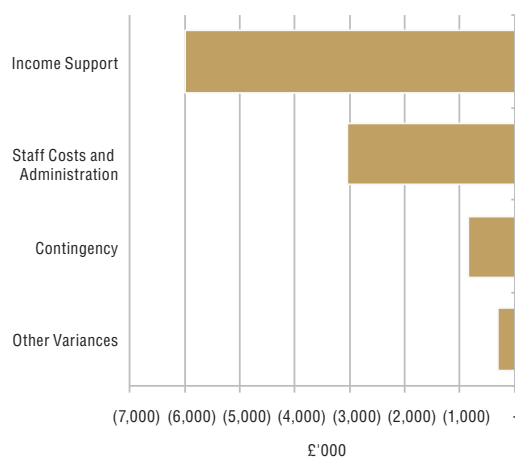
Income Support cost £6.0 million less, of which £4.7 million was a result of Weekly Benefit claim numbers being consistently lower than budgeted. As benefits were within forecast the benefit contingency budget of £0.8 million was not required in 2016.

The department is 2 years into a 5 year programme of £3.5 million of savings. These savings must be recurring and delivered for a full year, and so the department has worked hard to generate as many savings as possible in advance – this will necessarily generate some

underspends in staff and administration in the earlier period. The department has been managing its budget prudently to ensure it has the agility to react to unexpected funding pressures, such as any shortfall in Population office fees below the increased levels set by the States in the MTFP, and the potential resource implications of supporting corporate initiatives such as Workforce Modernisation (WFM) and eGov.

As set out in the MTFP, the department is delivering savings through improved customer service and the use of LEAN to generate additional capacity through new ways of working (e.g. offering services online), which in turn can be translated into savings where appropriate, for example by not replacing staff who leave. The department is working with the Grant Aided Bodies it supports to deliver similar efficiencies. As a people focused business, managing the department's administrative budget carefully, taking savings in non-staff areas is key in minimising the impact on staff and the customer facing services they provide, and allowing the department to continue to invest in its staff. Savings have been accelerated where possible to ensure that a full year impact of savings is realised in 2017, to free up capacity to reinvest to deliver more savings in the future.

Underspend Breakdown



Staffing

At the year end the department employed the equivalent of 229.6 full time employees. This is a decrease of 7.2 (3.0%) from 2015. Whilst there have been reductions realised through the Voluntary Release scheme, there are also a number of vacancies open within the department.

The department has a vacancy management authorisation process which provides challenge and requires business

cases for replacement. This can lead to a period where posts remain vacant for longer while we review the need for the post. The department is committed to supporting existing staff development, and as a result has a number of employees on secondment within the organisation, but needs to keep their original post open for when they return from secondment. The department's vacancies are therefore either being reviewed to establish if they need to be replaced (and be used towards our future FTE reductions), are open due to secondment, or under recruitment.

Non-Current and Current Assets

The only non-current asset the department holds is the software relating to the Population Office.

Current assets and liabilities relate to the day-to-day operation of the department such as Benefits Receivables and Payables.

The cost of using Non-Current Assets is recorded through Non-Cash Expenditure.

NON CASH EXPENDITURE

Budget 2016	Actual 2016	Actual 2015
£0.2 million	£0.2 million	£0.2 million

All Non-Cash expenditure relates to the software relating to the Population Office.

Changes in Expenditure

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

KEY VARIANCES IN NET REVENUE EXPENDITURE (NRE) FROM 2015

	£'000
2015 NRE	176,606
States Grant to Long Term Care	14,818
Income Support	(2,863)
Christmas Bonus	(1,179)
Staff Costs and Administration	(1,794)
Other Variances	36
2016 NRE	185,624

Net Revenue Expenditure (NRE) increased by £9.0 million from 2015. The States grants to the Long Term Care Fund increased, both due to the transfer of the Health and Social Services Department (HSSD) element of the contribution, and an additional payment of £6.1 million funded from 2015 underspends.

The changes to benefits proposed by the Minister in the MTFP are being successfully implemented, and are delivering the reductions in spend expected (after adjusting for changes in economic circumstances). These changes and lower volumes of claims has reduced the level of Income Support payments. The States also agreed changes to the Christmas Bonus as part of the MTFP which restricted eligibility to improve targeting.

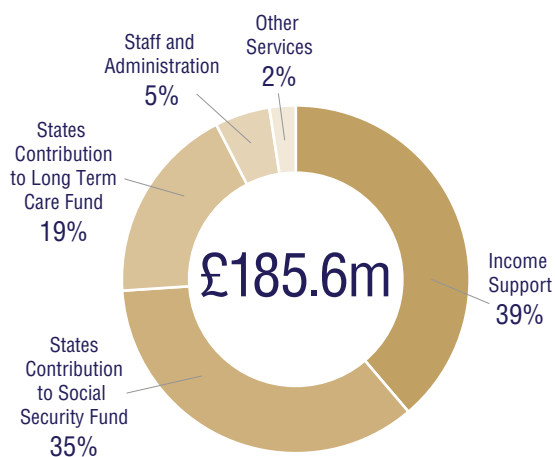
The department is also committed to delivering the non-benefit savings agreed in the MTFP, and savings have been accelerated where possible to ensure that a full year impact of savings is realised in 2017. This will also free up capacity to reinvest to deliver more savings in the future.

2. What we have spent funding on

Near Cash by Service Area

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	2015 Actual £'000
65,300	65,300	States Contribution to Social Security Fund	65,300	65,300
28,213	34,321	States Contribution to Long-Term Care Fund	34,321	19,502
77,971	77,971	Income Support	71,983	74,827
1,942	1,942	Other Benefits	1,574	2,893
837	837	Contingency	–	–
12,477	12,558	Staff Costs and Administration	9,507	11,321
452	452	Health and Safety at Work	446	456
2,287	2,421	Grant Aided Bodies	2,493	2,307
189,479	195,802	Net Revenue Expenditure	185,624	176,606

NEAR CASH BY SERVICE AREA BREAKDOWN



Income Support

The majority of spending on Income Support is used to provide a weekly benefit to eligible local families. Funding is also available to help with one-off costs such as rental deposits and white goods and some households continue to receive payments based on their entitlement under the previous benefit system.

Income Support is a household benefit and is dependent on various factors. For example, the amount paid to an individual household depends on the number of people in the household, where they live, their specific needs, and the income and capital assets of the household.

Income Support is available to households in which at least one adult meets a residence test (of at least five years residence in Jersey). Income Support claimants aged 65 and above are not subject to a work test but every adult aged under 65 must meet a work test by either being in full time work or being included in an exempt category.

Other Benefits

The department also operates a number of other benefits which are aimed to address social risks of particular groups of islanders. More information about each of these benefits is available on the States Website and in the department's Annual Report.

Other Benefits

As well as administering benefits, the department is also responsible for the administration of the Control of Housing and Work Law, and provides a wide range of employment support and services.

The Back to Work programme aims to support people who are actively seeking work back into paid employment, complementing the benefits system, which is designed to make work pay, and is a key part of government's strategy of getting people back to work.

Over the course of 2016, the Back to Work programme has continued to enhance its existing provision in order to provide a swift and flexible response to the needs of both jobseekers and employers. Its role is to:

- Co-ordinate the work of all government employment schemes;
- Develop targeted schemes to support locally qualified jobseekers; and
- Build a partnership with employers to provide sustainable job opportunities for locally qualified islanders.

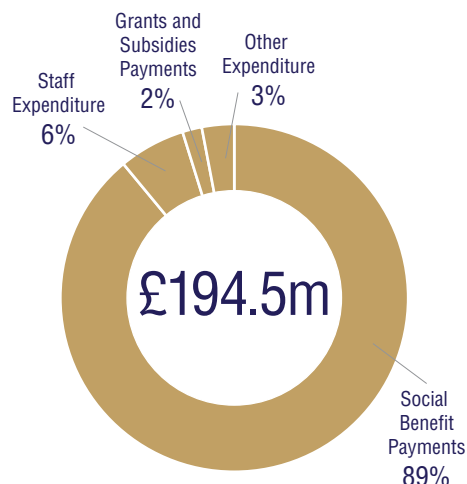
The aim of the Back to Work programme is to get unemployed Islanders working, keep people in work and create new employment opportunities through sustainable economic growth. Employers can benefit from an increase in support and financial incentives and jobseekers have access to training and support to improve their confidence, skills and motivation to move into the workplace.

Funding is provided to the Jersey Employment Trust (JET) a charitable trust whose primary role is to assist people with a severe disability or long term health condition to find and sustain employment. JET provides a range of employment support services, from pre-vocational education courses, work tasters in their own vocational training areas (Acorn Enterprises and Oakfield Industries) and work experience placements in other commercial settings.

Funding is provided to the Jersey Advisory and Conciliation Service (JACS), an employment relations service that helps employers, employees and trade unions work together for the prosperity of Jersey business and the benefit of employees.

The Health and Safety Inspectorate carries out a wide range of activities aimed at ensuring that people at work and others who could be affected by working activities are not exposed to risks to their health or safety.

Near Cash by Expenditure Type



Social Benefit payments, including States grants to the Social Security Fund and Long Term Care Fund represent 89% of the department's expenditure.

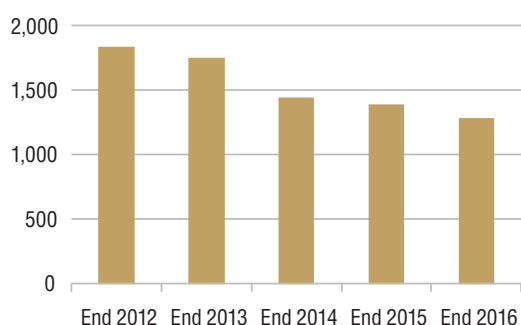
Non-staff expenditure increased by £3.2 million as a result of the introduction of a management charge for the Funds. The majority of administrative costs are now paid for through the department and a simple charge made to each fund.

3. What we have achieved

Back to Work

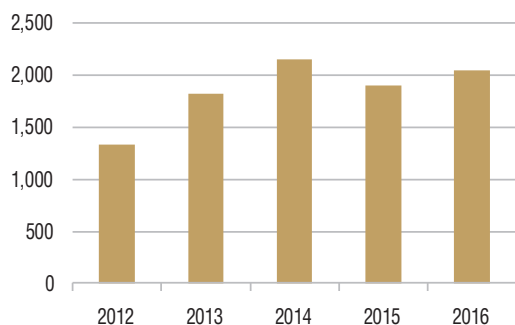
During 2016 the number of individuals registered as Actively Seeking Work (ASW) fell from 1,390 at the beginning of the year to 1,280 at the end; a fall of 110 (8%).

TOTAL NO. OF INDIVIDUALS ASW



The Back to Work teams helped to secure more than 2,000 job starts.

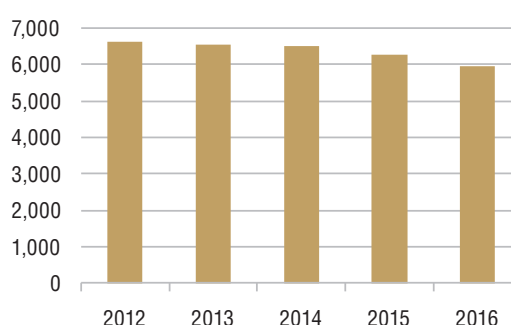
JOB STARTS



Income Support

Approximately 6,000 households were receiving Income Support at the end of 2016, a reduction of over 300 households since the end of 2015.

INCOME SUPPORT CLAIMS



A wide variety of households have Income Support claims, including pensioners, single parents, families, and single people.

Other than a small drop in the number of claims for adult/s without children, the number of claims by household type has remained consistent over the past three years.

There has been a 24% increase in the proportion of claims between 2012 and 2016 where at least one adult has been in employment.

For the 6,000 Income Support claims in payment on 31 December 2016, the average (mean) weekly claim rate was just under £220.

Financial Statements

Statement of Comprehensive Net Expenditure

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	2015 Actual £'000
Revenue				
(886)	(886)	Duties, Fees, Fines and Penalties	(844)	(821)
(4,083)	(8,195)	Sales of Goods and Services	(8,030)	(4,364)
(4,969)	(9,081)	Total Revenue	(8,874)	(5,185)
Expenditure: Near Cash				
173,426	179,534	Social Benefit Payments	173,096	162,446
13,500	13,664	Staff Expenditure	12,053	13,243
2,378	6,406	Supplies and Services	4,676	2,124
295	295	Administrative Expenditure	539	252
446	446	Premises and Maintenance	385	395
120	120	Other Operating Expenditure	100	79
3,427	3,562	Grants and Subsidies Payments	3,513	3,240
–	–	Impairments of Financial Assets	(21)	(96)
19	19	Finance Costs – Bank charges & PECRS Pre-87	157	108
837	837	Contingency	–	–
194,448	204,883	Total Expenditure: Near Cash	194,498	181,791
189,479	195,802	Net Revenue Expenditure: Near Cash	185,624	176,606
Non Cash Amounts				
187	187	Depreciation and Amortisation	188	187
187	187	Total Non Cash Amounts	188	187
189,666	195,989	Net Revenue Expenditure	185,812	176,793
189,666	195,989	Total Comprehensive Expenditure	185,812	176,793

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Intangible Assets	359	547	–
Trade and Other Receivables	2,476	2,881	–
Total Non-Current Assets	2,835	3,428	–
Current Assets			
Trade and Other Receivables	7,639	7,743	8,592
Total Current Assets	7,639	7,743	8,592
Total Assets	10,474	11,171	8,592
Current Liabilities			
Trade and Other Payables	(1,952)	(2,385)	(736)
Total Current Liabilities	(1,952)	(2,385)	(736)
Assets Less Liabilities	8,522	8,786	7,856
Taxpayer's Equity			
Accumulated Revenue Reserves	8,522	8,786	7,856
Total Taxpayer's Equity	8,522	8,786	7,856

Treasury and Resources Department

Treasury and Resources Department looks after the Island's finances, ensuring the protection and good use of public funds.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£23,794,802

19.9% increase
from 2015

£1,475,050

5.8% underspend
against Near Cash Final
Approved Budget

1. What resources we have used

Financial Inputs – Near Cash Approvals

Spending by the department is mainly funded from tax revenues, with the balance being funded by service recharges.

The States approves the amount a department can spend on Revenue Expenditure during a year through the Medium Term Financial Plan. This is updated each year in the Annual Update to the Medium Term Financial Plan Annex to reflect any permanent changes in approvals since the original Medium Term Financial Plan.

MTFP approval (Updated)	Additional Approvals	Final Approved Budget
£21.0 million	£4.3 million	£25.3 million

The Medium Term Financial Plan approvals have been restated from those presented in the Medium Term Financial Plan 2016 – 2019 to reflect P.46 'Draft States of Jersey (Transfer of Functions No. 8) (Miscellaneous Transfers) (Jersey) Regulations 201-' approved by the States Assembly 16 December 2015 which reorganised responsibilities between a number of Ministerial Departments.

In 2016 adjustments to the budget, presented in the Medium Term Financial Plan 2016–2019 of £4.3 million were made. The increase in budget of £4.3 million was a result of carry forwards from 2015 of £1.6 million and other budget transfers of £2.7 million. A summary of the carry forwards is in the table below and further details of the changes are set out in the States Accounts as part of the Notes to the Statement of Outturn Against Approvals.

CARRY FORWARDS FROM 2015

	£'000
Increased Insurance costs	500
PECRS Pre-1987 Debt	180
Freedom of Information Officer	47
Payroll Project	27
Supply Jersey Project implementation	280
Supply Jersey Project maintenance	120
Procurement Category Managers	123
Financial Project Manager	83
Taxes Office policy development	150
Taxes Transformation Programme	106
Total Carry Forwards	1,616

Other budget transfers were mainly in relation to the States of Jersey 1% pay award, Independent Jersey Care Inquiry and the Historic Abuse Redress Scheme legal costs of £0.4 million and VR payments and transfers of functions of £0.2 million. They were partly netted off by a transfer of £0.3 million to Health and Social Services Department (HSSD) to cover additional cost of HSSD insurance.

Departmental Income

Budget 2016	Actual 2016	Actual 2015
£2.3 million	£4.1 million	£4.3 million

MAJOR INCOME STREAMS

	£'000
Recharges to Funds	(1,937)
Insurance recharges	(1,480)
Projects recharges	(408)
Other recharges	(250)
Total Income	(4,075)

The department's income was lower than in 2015 by £0.2 million but better than budget by £1.8 million.

Income of £1.9 million was received in respect of recharges of services to the Separately Constituted Funds. They were in line with costs incurred during the year and services provided by the States Treasury Department. The recharges were the same as in 2015 but under budget by £0.1 million due to certain costs charged directly to the Funds. The income budget variance was netted off against the corresponding expenditure variance.

Insurance recharges of £1.5 million were the same as in 2015. The recharges were in relation to Health and Social Services Department (HSSD) in respect of their costs of Insurance premium paid by Treasury. There was no income budget and no budget against the corresponding costs, therefore the budget variance was nil in total.

Projects recharges of £0.4 million were favourable against budget by £0.3 million and decreased from 2015 by £0.2 million. The favourable variance against budget was due to no recharge budget being allocated, therefore the budget and net expenditure was nil in total. The decrease between 2016 and 2015 was due to the completion of an element of the Taxes Transformation Project in 2015.

Of the £0.4 million recharges in 2016, £0.2 million related to the 2016 costs associated with the development of the Taxes Office eGov programme and the remaining £0.2 million in respect of the 2016 costs incurred by the Taxes Office for the administering and collection of Long term Care charges.

Other income of £0.3 million included mainly recharges in respect of Payroll, Procurement and Internal Audit services provided to Ports of Jersey, Andium, Unions and States of Jersey Departments. They were all in line with the budget and prior year.

Performance against Near Cash Final Approved Budget

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

Budget 2016	Actual 2016	Actual 2015
£25.3 million	£23.8 million	£19.9 million

KEY VARIANCES FROM BUDGET

	£'000
States Treasury	724
Taxes Office	413
Pensions	327
Other Variances	11
Net Underspend	1,475

In 2016 Net revenue expenditure was under budget by £1.5 million and higher than in 2015 by £3.9 million.

States Treasury

States Treasury expenditure was under budget by £0.7 million. £0.5 million were underspends in staff costs as a result of various posts being vacant during 2016, subsequently filled, and planned staff cost savings in advance of budget reduction. Actuarial fees and Shareholding Executive costs were £0.3 million lower than expected; actuarial fees fluctuate annually and Shareholding Executive relations proposals, including new strategy implementation, were postponed until 2017. Budget savings were partly offset by increased bank charges paid by Treasury in respect of the move to online receipts (mainly Income Tax) and changes in Global Pay interest rates. The bank charges were over budget by £0.1 million.

Taxes Office

Taxes Office were underspent by £0.4 million in 2016.

£0.2 million related to unspent carry forward funding allocated in 2016 due to unforeseen delays on specific projects.

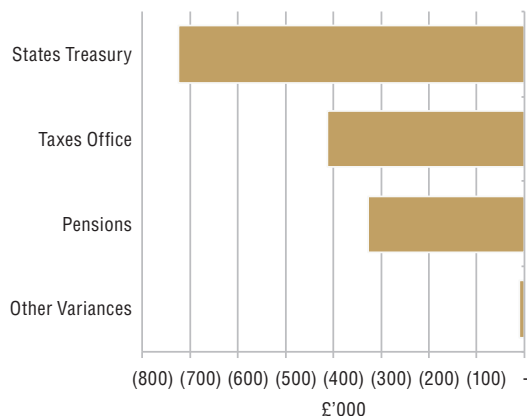
£0.1 million of the underspend is made up of savings from vacant posts and associated back fill costs, offset by an increase in legal fees in relation to international tax appeal cases. The remaining £0.1 million related to a 2015 carry forward for resource to run the Treasury Programme Management Office, the budget for which was subsequently transferred in year to States Treasury.

Pensions

Pensions were under budget by £0.3 million. The underspend was attributable to lower than expected 2016 indexation used to calculate Pre-1987 Debt repayments, which fluctuates annually.

Other budget variances were in Corporate Procurement and were immaterial.

Underspend Breakdown



Staffing

At the year end the department employed the equivalent of 182.7 full time employees. This is a decrease of 6.3 (3.4%) from 2015, and is due to combination of temporary vacancies and planned savings.

Non-Current and Current Assets

The Department holds non-current assets: Supply Jersey Website and a Document Pressure Sealer used to send out over 40,000 tax returns.

It also holds current assets and liabilities relating to the day-to-day operation of the department such as Trade Receivables and Trade Payables.

The cost of using Non-Current Assets is recorded through Non-Cash Expenditure.

NON CASH EXPENDITURE

Budget 2016	Actual 2016	Restated Actual 2015
£0.0	£0.07	£0.07
million	million	million

The depreciation charge in respect of the fixed assets in Treasury and Resources in 2016 is immaterial.

2016 budget variance of £0.1 million is a result of nil non-cash budget set for the year against the Supply Jersey software. The depreciation budget will be reviewed again

and amended in the 2017–2019 MTFP Annex to be in line with the actual depreciation charge.

Changes in Expenditure

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

KEY VARIANCES IN NET REVENUE EXPENDITURE (NRE) FROM 2015

	£'000
2015 NRE	19,848
States Treasury	1,716
Taxes Office	591
Pensions	1,935
Other Variances	(295)
2016 NRE	23,795

Treasury and Resources net revenue expenditure in 2016 was £3.9 million more than in 2015.

States Treasury

States Treasury operational expenditure was £1.7 million higher than in 2015. £2.4 million is related to the States of Jersey 1% pay award which was only awarded in April 2017. Due to the lateness of the award this has been accounted for in States Treasury instead of each departmental pages. £0.5 million related to Tax Policy department which was part of States Treasury in 2015 but moved to the Taxes Office in January 2016.

Decrease of £0.1 million related to actuarial fees and introduction of a new pension scheme (PEPS) in 2015 and therefore more costs incurred in 2015.

Other States Treasury variances included a grant to Community Savings paid in 2015 but not 2016 and increased in 2016 bank charges in relation to increased online payments and change in Global Pay rates. These variances were nil in total.

Taxes Office

Taxes Office net revenue expenditure increased from 2015 by £0.6 million. £0.3 million increase in 2016 spend as a result of Tax Policy Unit moving reporting lines from States Treasury to Taxes Office. £0.3 million increase in

2016 legal costs as a result of completed and ongoing international legal cases.

Pensions

Pensions', within Treasury, non-operational expenditure increased from 2015 by £1.9 million. £2 million increase was in relation to the PECRS Pre-1987 Debt repayments representing an additional payment made during 2016 in order to shorten the term of the debt repayments by 31 years from 2084 to 2053. This was offset by £0.1 million lower spend due to combination of increased inflation and reduced payments following the repayment of debt by Ports of Jersey in October 2015.

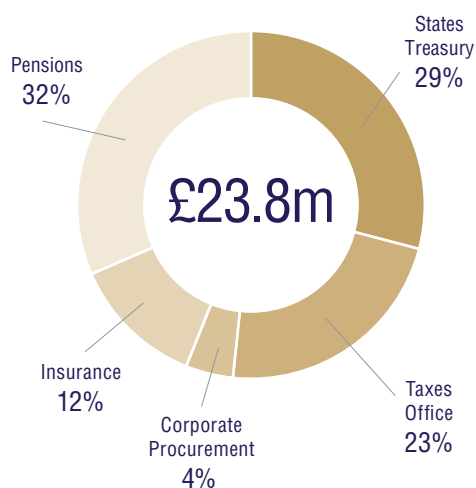
Other variances of £0.3 million included increase in Insurance premium of £0.2 million offset by decreases in payments made in relation to Historic Abuse Redress Scheme of £0.3 million and planned savings on administration costs in printing and postage of £0.1 million.

2. What we have spent funding on

Near Cash by Service Area

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	Restated 2015 Actual £'000
5,502	5,236	States Treasury	6,919	5,203
4,982	5,787	Taxes Office	5,374	4,783
540	1,063	Corporate Procurement	1,052	1,158
2,310	2,954	Insurance	2,954	3,143
7,643	7,823	Pensions	7,496	5,561
20,977	22,863	Net Revenue Expenditure	23,795	19,848

NEAR CASH BY SERVICE AREA BREAKDOWN



States Treasury

The States Treasury manages the Island's finances ensuring the protection and good use of public funds.

The various functions within the department include Treasury Operations and Investments, Internal Audit, Accounting Services (including Accounts Receivable, Accounts Payable, Cashiers and Currency, and Pension Administration), and Financial Planning and Performance (including Decision Support).

The department is also responsible for reviewing and managing pension schemes for public sector employees.

Taxes Office

The Taxes Office is responsible for the collection of income tax, goods and services tax and other taxes and administration of the taxation system in Jersey. The Taxes Office is also responsible for the collection of the Long Term Care (LTC) charge, and dealing with associated tax payer queries, on behalf of the Social Security Department.

The Taxes Office collects tax from around 45,000 personal tax payers and 3,000 taxpaying companies. It is also responsible for the administration of Jersey's Tax Information Exchange Agreements (TIEA) with countries around the world. The Taxes Office undertakes compliance activities and the investigation of taxpayers who try to evade tax due under the Income Tax and Goods and Services Law.

The Taxes Office provides advice to the Treasury & Resources Minister on proposed amendments to the Income Tax and Goods and Services Tax Law and implements the policies agreed. It also provides information on in year taxation forecasts to the Income Forecasting Group.

The Tax Policy Unit moved under the remit of the Taxes Office at the start of 2016.

During 2016 the Tax Office set up a Taxes Transformation Team and Taxes Office Modernisation Team responsible for the development of the Taxes Office e-Gov programme to improve tax collection and implement online assessment.

Corporate Procurement

Corporate Procurement plays a key role in supporting Government objectives such as Public Sector Reform and eGov. It provides professional procurement advice to all States departments to support them in securing savings and achieve value for money when procuring goods and services.

The function is responsible for all corporate procurement contracts and projects that deliver cash and efficiency savings across the States.

During 2016 Corporate Procurement continued to implement Supply Jersey, the States online modern web based procurement system. The remaining areas: Department for Infrastructure, Judicial Greffe and some sections of Health and Social Services will be completed in early 2017.

The States Strategy for Procurement, which sets out the framework through which all procurement activity will take place across all government departments, was developed in consultation with the Council of Ministers and Chief Officers and will take effect in 2017.

Insurance

Treasury Operations effectively manages insurance risks and improves contract terms.

The department arranges insurance for all States of Jersey departments and manages any self-insurance arrangements, through the Insurance Fund.

Pensions

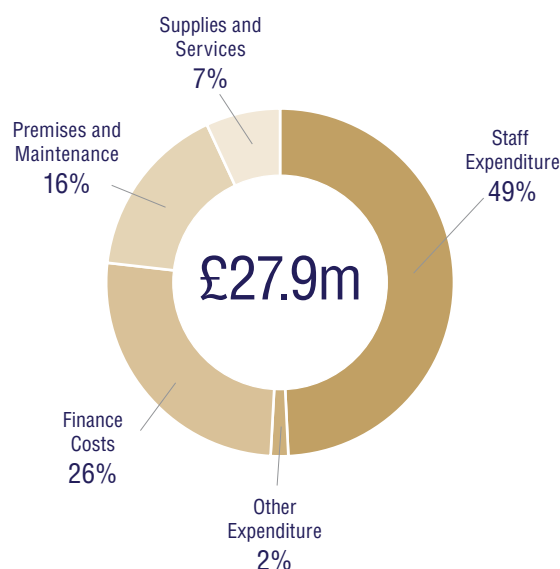
Pensions are responsible for the administration of the Public Employees Contributory Retirement Scheme (PECRS). Public Employees Pension Scheme (PEPS) and Jersey Teachers Superannuation Pension Scheme (JTSF). The department's responsibilities also relate to past services liabilities and payments to pensioners under the Pre-1967 and Pre-1987 schemes.

Pre-1987 Scheme was created in 1987 as a result of changes to Jersey's public sector pension arrangements.

The Public Employees Contributory Retirement Scheme (PECRS) took on the responsibility for paying pension increases previously paid by the States and a liability for paying increases accrued in respect of services prior to 1987. To eliminate that liability the States agreed that from 1 January 2002 the employer's contribution rate of 15.6% of pensionable earnings will be split into 13.6% to cover the cost of future benefits and 2% would be allocated to paying off the Pre-1987 Debt. Between 2014 and 2016 repayments were further increased by £3 million per annum so as to reduce the term of the debt. The debt will be repaid by 2053.

The payment towards the pension scheme was £7.1 million in 2016 (2015: £5.6 million).

Near Cash by Expenditure Type



Staff Expenditure

Staff expenditure being 49.2% of Department's near cash expenditure, was under budget by £0.5 million and higher than in 2015 by £2.3 million.

The main reason for the budget variance was posts being temporarily vacant during the year with some planned savings. The year on year variance was due to finance support staff for Jersey Property Holdings being transferred to Department for Infrastructure.

Finance Costs

Finance costs being 25.9% of Treasury and Resources near cash expenditure. Increased from 2015 by £2.0 million and was under budget by £0.2 million.



£1.9 million of £2.0 million year on year variance related to PECRS Pre-1987 Debt and additional payments made in 2016 and increased inflation. £0.1 million related to increase in bank charges in respect of increased online payments and changes in Global Pay interest rates.

PECRS Debt repayments were under budget by £0.3 million due to lower than budgeted indexation and carry forwards from 2015. This was partly offset by £0.1 million budget overspend on bank charges.

Premises and Maintenance

16.3% of near cash expenditure related to Premises and Maintenance, which were over budget by £1.5 million and higher than in 2015 by £0.2 million.

Premises costs included insurance premium of £4.0 million. Insurance cost was over budget by £1.5 million and was offset against recharges to Health and Social Services Department for the same amount. This means the overall net position showed no variance against budget.

The increase in insurance premium from 2015 of £0.2 million was a result of recalculation of actuarial reinstatement properties valuation and associated with ex-gratia payments on Historic Abuse Redress Scheme claims.

Supplies and Services

6.9% of near cash revenue expenditure was within Supplies and Services. Supplies and Services were under budget by £0.4 million with no change from 2015.

Actuarial fees were under budget by £0.2 million and decreased from 2015 by £0.1 million. This was due to introduction of PEPS pension scheme in 2015 and therefore more costs incurred in previous year and delay in review of the existing pension scheme for Teachers.

Shareholder relations expenditure was under budget by £0.2 million and lower than in 2015 by the same amount. This was due to new proposals and strategies planned in 2016 now to be fully implemented in 2017.

The 2016 underspend on Shareholder Relations and actuarial fees was offset by an increase of £0.3 million in relation to Taxes International Exchange Agreement (TIEA) Legal Fees.

Other Expenditure

Other expenditure, being 1.6% of total near cash expenditure were under budget by £0.1 million and decreased from 2015 by £0.7 million.

The budget underspend of £0.1 million was due to planned administration cost savings in postage and printing services following the initiative to place all publications online.

Of the year on year decrease of £0.7 million, £0.1 million was due to the planned administration cost savings, £0.2 million in Taxes due to lower international tax charges and staff costs and £0.3 million due to payments made in 2015 in respect of the Historic Abuse Redress Scheme.

3. What we have achieved

Indicator 1 – Accounting Services

MTFP OBJECTIVE

Efficient and effective financial management and financial processing services.

PERFORMANCE

In 2016 Accounting Services have continued to support the key Treasury and Resources objective to provide efficient and effective financial management and financial processing services. During the year the business as usual included the:

- Allocation of 176,000 income receipts for service departments and the Taxes Office;
- Processing of 88,000 payroll forms for service departments and paying over 13,000 individuals (employees and pensioners), including the running of payrolls for 3 external organisations;
- Provision of public service pensions to over 17,000 scheme members across 30 organisations;
- Processing of 185,000 invoice payments in relation to goods and services used by departments to support front-line services;
- Collecting £49 million of income from invoices raised by service departments.

Performance against operational targets in relation to financial processing have been managed through the year and the following KPIs achieved:

- 91% of accounts receivable debt collected within 90 days, compared to a target of 90%;
- Supplier invoices paid in an average of 33 days;
- 93% of pension administration tasks for the Public Employees Contributory Retirement Scheme (PECRS) completed within 5 days, compared to a target of 90%;
- 81% increase in the volume of tax payments collected on-line following channel shift activity against a target to continually increase take-up of on-line payments.

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

Accounting Services have implemented the new career average revalued earnings (CARE) scheme in 2016. New

employees appointed after 1st January 2016 have been admitted into the Public Employees Pension Scheme (PEPS). The pension administration system has been upgraded to administer the new pension scheme and communication materials developed. By the end of the year there were over 500 members of PEPS.

During the year channel shift activity has been progressed to encourage individuals to pay the States by the digital channels that are available. As a result face-to-face payments at Treasury Cashiers have reduced by around 40%.

Throughout the year system developments have been supported and progressed. The Payroll Team have been testing a new combined Payroll and HR system. This industry standard system has modern payroll functionality that has the potential to deliver operational efficiencies across the organisation. The Accounts Payable Team have been supporting the continued roll-out of the Supply Jersey system across departments. Work has also commenced on the requirements for an income collection and reconciliation system.

Indicator 2 – Corporate Procurement

MTFP OBJECTIVE

Provide an efficient and effective Corporate Procurement Service, including Supply Jersey.

PERFORMANCE

During 2016 Corporate Procurement have continued to implement Supply Jersey. The following areas have been completed; the remainder of Education, Sport and Culture, Non Ministerial, Social Security and over 70 areas of Health and Social Services. In 2017 the remainder of sites in Health and Social Services will be completed as will the Department for Infrastructure. This has required the Supply Jersey team to bring on board over 2000 additional suppliers in 2016 of which 1,600 are Health and Social Services bringing the total number of suppliers registered on Supply Jersey to 4,300. In addition a further 100 supplier catalogues, containing goods and services that can be ordered by departments, have been added to Supply Jersey and the total value of purchase orders raised in Supply Jersey was in excess of £64 million up



40% on 2015. Corporate Procurement continue to provide advice and support to internal users and suppliers and have trained over 500 people.

In addition to the internal users of the system we have worked closely with our suppliers and have in place a supplier forum which enables direct face to face feedback. This is used to inform training, system development and the content of our communications. For our internal customers and users of the system a number of user department forums are in place.

The Category Management approach to procurement in which procurement professionals, reporting to the Director of Strategic Procurement are responsible for spend across departmental boundaries continues to deliver good results.

A sample of the procurement projects undertaken during 2016 to illustrate the diverse range of procurement projects undertaken include:

- Design Authority(IS)
- Project Management services
- HR payroll system
- e-Gov professional services
- e-rostering
- Children Services and Education Management Information services
- IS right-sourcing
- Parks and Gardens right-sourcing
- Internal Audit services
- Taxes replacement system
- Jersey Talking Therapies
- Pandemic flu vaccine (Joint contract with Guernsey)
- Endoscopy washer replacement.

In addition for HSSD over 284 procurement activities relating to the purchase of equipment were undertaken and from a committed equipment budget, across all categories, of circa £3.5 million, actual expenditure was nearer £3 million leaving potential for an additional £0.5 million investment in equipment.

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

During 2016 the Corporate Procurement function has been focused upon:

- Implementing Supply Jersey to all departments;
- Embedding the Category Management approach to spend, contract execution and contract management

across the following categories – Information Services, Health and Social Services, Infrastructure, Capital Projects, Professional Services and corporate contracts;

- Updating and improving advice, guidance and template documents available on the States Intranet;
- Development of key performance indicators and metrics to measure progress and delivery of objectives;
- Implementation and management of corporate contracts;
- Completion of a refreshed Strategy for Procurement.

The corporate team have also been engaged in business as usual activities that require the proactive management of the States' corporate contracts such as managed print and HRG travel services, removals, shredding services, temporary labour, office furniture and stationery. In order to improve and embed best practice procurement across all areas of spend the procurement toolkit has been updated and improved in accordance with Comptroller and Auditor General recommendations and best practice. The Strategy for Procurement was agreed by Corporate Management Board and will be implemented in 2017.

Indicator 3 – Taxes Office

MTFP OBJECTIVE

Assess and collect tax revenues arising from:

- Personal and corporate taxpayers
- GST

PERFORMANCE

The objective of the Taxes Office is:

- To collect the taxes and other revenues due under the Law to fund Jersey's public services;
- To support Ministers in developing a tax system that encourages economic growth and funds public services in the long run;
- To help and encourage Islanders to get their taxes right; and to deal robustly with those who choose to evade their responsibilities;
- To administer our international tax-exchange agreements in an exemplary way that creates international confidence in Jersey.

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

The Taxes Office has:

- Secured around £7 million in Additional Tax Revenues from businesses alone through our (elective) compliance interventions;
- Secured at least £3 million in Potential Tax Revenues from personal taxpayers by successfully challenging company attributions between capital and income;
- Prevented significant but as yet unquantifiable revenue losses through our tax rulings;
- Completed the 2015 personal-tax assessment cycle – but later than ever before which has increased footfall at our helpdesk in 2016;
- Delivered Budget 2017 including High Value Residents Review & Report;
- Strengthened International Tax Team;
- Built up the Taxes & Social Security Contributions and the Taxes Office Modernisation programmes and transformation teams – and all on track (tenders for new system currently being evaluated);
- Launched 2017 Tax Disclosure Opportunity.

Financial Statements

Statement of Comprehensive Net Expenditure

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	Restated 2015 Actual £'000
Revenue				
(2,225)	(2,225)	Sales of Goods and Services ¹	(3,997)	(4,205)
(112)	(112)	Other Income	(78)	(48)
(2,337)	(2,337)	Total Revenue	(4,075)	(4,253)
Expenditure: Near Cash				
11,234	14,242	Staff Expenditure	13,723	11,420
1,427	2,309	Supplies and Services	1,928	1,970
366	366	Administrative Expenditure	270	351
2,875	3,077	Premises and Maintenance ²	4,537	4,358
145	165	Other Operating Expenditure	171	742
–	–	Grants and Subsidies Payments	–	50
14	14	Impairments of Financial Assets	14	–
7,253	7,434	Finance Costs ³	7,227	5,210
23,314	27,607	Total Expenditure: Near Cash	27,870	24,101
20,977	25,270	Net Revenue Expenditure: Near Cash	23,795	19,848
Non Cash Amounts				
1	1	Depreciation and Amortisation	69	69
1	1	Total Non Cash Amounts	69	69
20,978	25,271	Net Revenue Expenditure	23,864	19,917
Other Comprehensive Income				
–	–	Gain on Revaluation of Other AFS Investments during the period	(5)	(22)
–	–	Total Other Comprehensive Income	(5)	(22)
20,978	25,271	Total Comprehensive Expenditure	23,859	19,895

Notes

1 Recharges

2 States Insurance

3 Pre-87 PECRS Debt

Statement of Financial Position

	2016 Actual £'000	Restated 2015 Actual £'000	Restated 2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	373	324	345
Intangible Assets	256	324	2,592
Other Available for Sale Investments	332	326	304
Total Non-Current Assets	961	974	3,241
Current Assets			
Trade and Other Receivables	1,499	884	350
Cash and Cash Equivalents	100	78	88
Total Current Assets	1,599	962	438
Total Assets	2,560	1,936	3,679
Current Liabilities			
Trade and Other Payables	(1,760)	(1,556)	(4,151)
Total Current Liabilities	(1,760)	(1,556)	(4,151)
Assets Less Liabilities	800	380	(472)
Taxpayer's Equity			
Accumulated Revenue Reserves	468	54	(776)
Investment Reserve	332	326	304
Total Taxpayer's Equity	800	380	(472)

Non Ministerial Departments

The Non Ministerial Departments are those that are necessarily independent of, or peripheral to, executive government.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£19,962,366

11.9% decrease
from 2015

£3,158,410

13.7% underspend
against Near Cash Final
Approved Budget

1. What resources we have used

Financial Inputs – Near Cash Approvals

Spending by the Non Ministerial Departments are part funded by charges raised, with the balance being funded from tax revenues.

The States approves the amount a department can spend on Revenue Expenditure during a year through the Medium Term Financial Plan. This is updated each year in the Annual Update to the Medium Term Financial Plan Annex to reflect any permanent changes in approvals since the original Medium Term Financial Plan.

MTFP approval (Updated)	Additional Approvals	Final Approved Budget
£21.7 million	£1.4 million	£23.1 million

In 2016 adjustments to the budget presented in the Medium Term Financial Plan totalling £1.4 million were made. This included £0.9 million carried forward from the 2015 Non Ministerial Departments' underspend and allocations from Contingency of £0.5 million were made for the Independent Jersey Care Inquiry, Planning Tribunals, and events associated with the Centenary Anniversary of World War I.

Details of the changes are set out in the States Accounts as part of the Notes to the Statement of Outturn against Approvals.

Departmental Income

Budget 2016	Actual 2016	Actual 2015
£2.7 million	£3.3 million	£3.5 million

The overachievement of income against final approved budget was due to more rechargeable work being carried out and more income from Désastre Commissions than expected.

MAJOR INCOME STREAMS

	£'000
Recovered Costs	(910)
Staff Recharges	(677)
Fines	(395)
General Recharges	(354)
Désastre Commissions & Checks	(251)
Other	(695)
Total Income	(3,282)

The main source of income is recovered costs from Treasury and Resources for income received for stamp duty within the Court Services.

During the year £0.7 million of Staff recharges were received by the Non Ministerial Departments, mainly in respect of Law Officers' time charged to other States departments.

Désastre Checks charges were increased in 2015, and throughout 2015 and 2016 the volume of checks also increased. Income from this source has doubled in the last year. Commission of almost £0.1million has been received on Proceeds of Crime in 2016.

Performance against Near Cash Final Approved Budget

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

Budget 2016	Actual 2016	Actual 2015
£23.1 million	£20.0 million	£22.7 million

KEY VARIANCES FROM BUDGET

	£'000
Court and Case Costs	1,525
Law Officers' Department	500
Judicial Greffe	443
Viscount's Department	259
Comptroller and Auditor General	241
Other Variances	191
Net Underspend	3,159

An underspend of £1.5 million were achieved in Court and Case Costs, with actual expenditure £2.5 million less than in 2015. This is due to lower activity resulting in fewer cases requiring outsourced legal work and the use of fixed fees and negotiated rates. The unpredictable nature in terms of the volume of activity and complexity of court cases means that the favourable results in 2016 are not an indication that the same savings will be made in 2017.

Law Officers' Department favourable variance relates to additional staff cost recharges of £0.1 million, non-staff recharges and additional Conveyancing fee income of £0.1 million, and unspent project budget of £0.2 million relating to the Revision of the 1864 Criminal Procedures Law. Vacancy management and efficiency savings made up the remaining £0.1 million.

Judicial Greffe did not pay a grant of £0.1 million to Jersey Legal Information Board (JLIB) as budgeted. Savings of £0.25 million were made in staffing costs, vacancy management and a delay in senior officer recruitment. £0.1 million carry forward from 2015 had been granted for the relocation cost of the Jersey Tribunal Service which has been delayed until 2017.

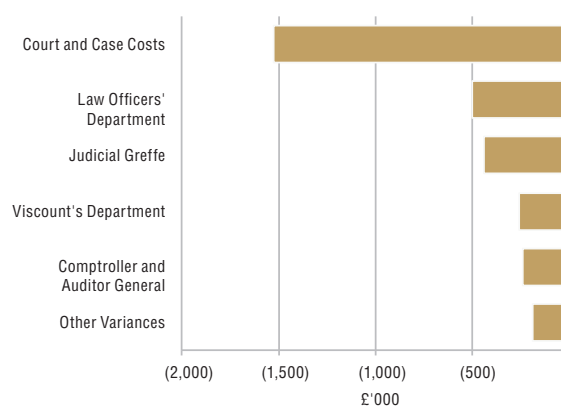
The reported underspend for the Comptroller and Auditor General (C&AG) relates predominantly to £0.1 million relating to reversal of a payable, recognised prior to the

appointment of the current C&AG, for which no payment was subsequently made and £0.1 million relating to audit work being undertaken more efficiently than envisaged or deferred to 2017.

Viscount's Department underspend relates to additional income received in for désastre checks, and non-staff savings relating to reduced usage of external consultants for legal representation, premises expenses and stationery.

Other variances are a culmination of a number of small underspends across all other non-ministerial departments.

Underspend Breakdown



Staffing

At the year end the Non Ministerial Departments employed the equivalent of 188.1 full time employees. This is a decrease of 2.8 FTE (1.5%) from 2015, this is partly due to having vacancies and also a Voluntary Release.

Non-Current and Current Assets

Fixed Assets within the Non Ministerial Departments consist of Plant and Machinery of £0.4 million and Software of £0.3 million.

The Official Analyst holds the majority of fixed assets within the Non Ministerial Departments, which is their £0.4 million laboratory equipment.

Software totalling £0.1 million is held by the Viscount's Department, Law Officers' Department and Data Protection.

The Probation Service hold software under the course of construction totalling £0.2 million.

The cost of using fixed assets is recorded through Non-Cash Expenditure.

NON CASH EXPENDITURE

Budget 2016	Actual 2016	Actual 2015
£0.16	£0.15	£0.12
million	million	million

There was a small change in Non-Cash Expenditure from 2015 owing to change in depreciation estimation on Official Analyst fixed assets.

There is a £0.01 million favourable variance against budget due to some assets not being available for use until later than originally forecast.

Net Income decreased by £0.2 million from 2015 mainly due to receiving less commissions and recharges than the previous year. Staff expenditure increased from 2015 due to being less vacant posts throughout 2016.

There were other minor variances across the Non Ministerial Departments from 2015 to 2016.

Changes in Expenditure

The total of Near Cash amounts represents the usage of resources by the Non Ministerial Departments.

KEY VARIANCES IN NET REVENUE EXPENDITURE (NRE) FROM 2015

	£'000
2015 NRE	22,646
Court and Case Costs	(2,528)
Supplies and Services	(950)
Net decrease in income	221
Staff Expenditure	211
Admin and Other Variances	362
2016 NRE	19,962

A combination of near cash expenditure decreasing by £2.9 million and income decreasing by £0.2 million has meant an overall effect of £2.7 million decrease in NRE from 2015.

There was a decrease in Court and Case Costs expenditure during the year of £2.5 million due to lower external work and use of fixed fees and negotiated rates. In early 2016, invoices submitted relating to a high profile case from 2015 were heavily discounted and gave rise to a saving of £0.5million.

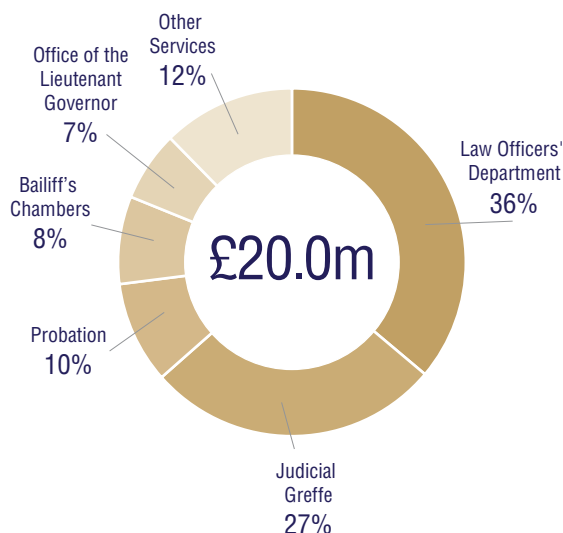
2. What we have spent funding on

Near Cash by Service Area

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	2015 Actual £'000
Bailiff's Chambers				
1,284	1,364	Bailiff's Chambers General	1,354	1,527
280	279	Court and Case Costs	273	588
1,564	1,643	Bailiff's Chambers	1,627	2,115
Law Officers' Department				
6,029	6,725	Law Officers' General	6,225	6,442
1,769	1,769	Court and Case Costs	988	2,276
7,798	8,494	Law Officers' Department	7,213	8,718
Judicial Greffe				
2,705	2,989	Judicial Greffe General	2,546	2,508
3,911	3,470	Court and Case Costs	2,915	4,065
6,616	6,459	Judicial Greffe	5,461	6,573
Viscount's Department				
1,093	1,183	Duties of the Viscount	924	1,070
228	228	Court and Case Costs	100	(130)
1,321	1,411	Viscount's Department	1,024	940
605	619	Official Analyst	534	570
Office of the Lieutenant Governor				
738	808	Office of the Lieutenant Governor	751	724
–	550	Court and Case Costs	550	37
738	1,358	Office of the Lieutenant Governor	1,301	761
26	26	Office of the Dean of Jersey	26	26
267	309	Office of the Data Protection Commissioner	309	243
Probation				
1,896	1,896	Probation and Aftercare Service	1,858	1,903
95	94	Court and Case Costs	38	40
1,991	1,990	Probation	1,896	1,943
777	812	Comptroller and Auditor General	571	757
21,703	23,121	Net Revenue Expenditure	19,962	22,646



NEAR CASH BY SERVICE AREA BREAKDOWN



Law Officers' Department

The Law Officers' Department provides the criminal prosecution service for the Island and legal advice to the Crown and States, including Ministers and States' departments.

As with any in-house legal department, the majority of spend is on salary and staff costs of the in-house lawyer and support team (78%). This reduces the amount spent on external lawyers at private practice rates, although due to the volume of work, and specialisation in certain areas, using external lawyers is still a requirement. The department's external court and case costs are the second largest area of spend (14%). The external costs have been kept down by maintaining the hourly fee paid to external lawyers agreed in 2010, and from the introduction of fixed costs to cover trials and Children's Law cases. 2016 also included spend on the Independent Jersey Care Inquiry, with £0.4 million spent on external fees.

Judicial Greffe and Viscounts Department

The Judicial Greffe is responsible for the provision of judicial, secretarial, administrative, and interlocutory support for the Island's Courts and Tribunals. The Viscount's Department is the executive arm of the Island's Courts and of the States Assembly. The constitution of both departments is defined in the Departments of the Judiciary and the Legislature (Jersey) Law, 1965. Unofficially, the departments are referred to collectively as the Court Service.

During 2016, the departments also continued to contribute towards the work of the Criminal Justice Systems Board, the Jersey Legal Information Board and a working group to manage expenditure on Court and Case costs. Throughout the year, both departments continued to maintain their Investors in People gold award status, and to work towards achieving the Customer Service Excellence award.

Jersey Probation and After Care Service (JPACS)

JPACS Criminal Justice Workload in 2016 was similar to 2015; the monthly average number of clients under supervision and number of Orders were almost identical, although new referrals through Reports, Court Orders and Prison work all reduced. The effectiveness of interventions continued to be maintained or improved with 74% of Probation Orders being successfully completed and over two thirds of Probation Orders showing a decrease in the assessed likelihood of reconviction.

Work for the Royal Court in non-criminal children's matters increased overall in 2016. The number of private Adoption and Private Law proceedings rose whilst guardian work in Public Law proceedings reduced. The Jersey Family Court Advisory Service team absorbed this increase without allocating further work to external Guardians.

In recent years the number of formal multi-agency meetings to help the most vulnerable and dangerous clients has proliferated. These processes ensure that information is shared and where appropriate plans co-ordinated. Within the Criminal Justice System part of the department's work included 272 formal meetings held in 2016 often involving more than one member of JPACS staff. A considerable amount of preparation and documentation is involved, and it is fortunate that a decline in client numbers over recent years have permitted this work to be absorbed without any additional staffing resources being provided.

Three inspections or reviews into areas of practice took place in 2016 with the major independent audit into supervision achieving a "Very Satisfactory" rating with a score of 85%.

JPACS' international contribution to Probation was recognised by the award of a European research impact award, the election of the Chief Probation Officer to the Board of the European Probation Organisation and the Confederation of European Probation and the Assistant Chief Probation Officer being invited to join an Experts group on the management of Sex Offenders.

Other Services

During the year the Freedom of Information (Jersey) Law 2011 continued to demand the need for increased resources for some Non Ministerial Departments, in particular Data Protection and the Law Officers' Department.

The States of Jersey continued to undertake a programme of public sector reform in 2015, in which the Non Ministerial Departments participated in associated initiatives.

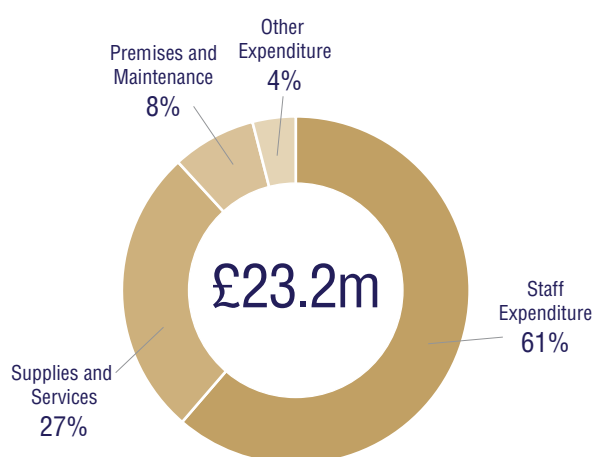
In 2016 the Island marked the 90th Birthday of Her Majesty The Queen with special civic and community arrangements including a Beacon and a special service and parade in St. Helier. The 71st Anniversary of Liberation took place on 9th May and the 100th Anniversary of the Battle of the Somme in July and September involving special ceremonies held both in Jersey at Howard Davis Park and in Guillemont, France, where the 'Jersey Contingent' fought and fell. All these arrangements were led by the Bailiff's Chambers in consultation with others. The work of the Court and the States continued to operate at full capacity for both the Bailiff and Deputy Bailiff supporting their busy functions in the Royal Court and States Assembly added to by the broad range of ceremonial, civic and community obligations spanning the 12 month period.

Supplies and services were underspent by £2.2 million against final approved budget mainly due to £1.7 million of unspent budget in court and case costs, the remaining £0.5 million was made up from a £0.2 million underspend by the Comptroller and Auditor General, with the remaining underspend coming from minor variances across other Non Ministerial Departments.

Unspent carry forwards in premises and maintenance totalling £0.2 million resulted in favourable variance against final approved budget, mainly due to delays in office modernisation and refurbishment projects which will continue in 2017 within the Law Officers Department, Judicial Greffe and the Office of the Lieutenant Governor.

Underspend on administrative and other costs is attributed to managing expenses effectively within existing budgets and lower than expected conference, course and professional fees. There were other minor variances across the Non Ministerial Departments in 2016.

Near Cash by Expenditure Type



The Non Ministerial Departments main expenditure was staff at £14.3 million. In 2016 staff expenditure was underspent against final approved budget by £0.3 million, this was the result of in year staff vacancies and minor outturn differences across the Non Ministerial Departments.

3. What we have achieved

Probation and After Care Service

MTFP OBJECTIVE

Key Objective 1: Provide information and assessment to the Parish Halls, Criminal and Family Courts, Lieutenant Governor and prisons which are accurate, timely and aid decision making.

Key Objective 2: To provide supervision services to Parish Halls, Courts and Prisons which assist people effectively to make positive changes in their lives which reduce re offending.

Key Objective 3: To provide monitoring and where necessary timely enforcement action to assist in the protection of the public from further offending.

PERFORMANCE

The average monthly number of clients under supervision was 320 in 2016 compared to 316 in 2015 although the number of new Probation and Community Service Orders made reduced by 9% and 7 % respectively.

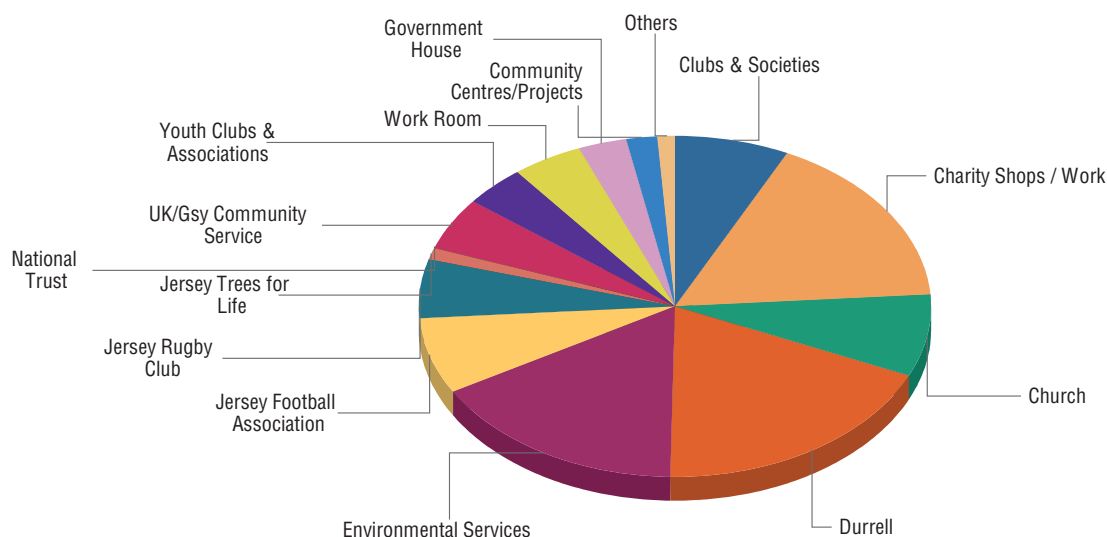
Outcomes continued to be strong with successful Probation Order completions increasing slightly from 71% in 2015 to 74% in 2016. Reductions in likelihood of reconviction using an end of assessment measure which is correlated with actual reconviction rates were present in 67.5% of cases 3% above 2015.

18,813 hours of Community Service were performed by people who would otherwise have been serving prison sentences for charities or not for profit organisations. This is 250 fewer hours than in 2015 but slightly more than the 2014 total. Over a third of client placements were in individual agency settings.

The proportion of prisoners maintaining contact with a Probation Officer post release increased from 49% in 2015 to 57% in 2016. The maximum period under which local adult prisoners can be released early following a comprehensive risk assessment under supervision by JPACS increased from four months to 18 months in 2016.

In non-criminal work for the Royal Court, Private Law reports increased to 72 in 2016 from 48 in 2015; Public Law Guardian work decreased from 28 in 2015 to 16 in 2016; Adoption Reports increased from 7 in 2015 to 11 in 2016.

More detailed information and statistics can be found in the JPACS Annual Report and Business Plan on www.probation.je/reports



Law Officers' Department

MTFP OBJECTIVE

Key Objective 1: Objective strategic advice provided to the States of Jersey directly or through the Council of Ministers having regard to constitutional and legal developments.

Key Objective 2: Objective legal advice of a high quality provided within reasonable timescales to the Crown, the States of Jersey and all others it serves.

PERFORMANCE

As can be seen from the year end financial results, the amount spent on external counsel was significantly reduced in 2016, while the quality and timeliness of the legal advice remained in line the MTFP key objectives. Service Level Agreements will be introduced between the Law Officers' Department and States' departments in 2017 in order to monitor and maintain the high quality service provided.

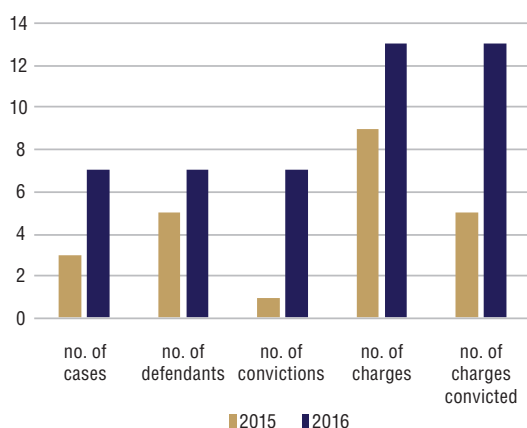
ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

2016 saw a significant rise in anti-money laundering cases, maintaining the Island's reputation as a leader in the fight against international crime and money-laundering. Law Officers' Department legal advisers were invited to lead workshops at the 'Anti-Money Laundering & Countering the Financing of Terrorism in the Greater Horn of Africa' conference in Nairobi in November 2016, demonstrating Jersey's acknowledged expertise in this area.

The Attorney General amended and re-issued the Code on the Decision to Prosecute in March 2016, the first time there had been amendments since its issue in 2000. The main changes were designed to promote the interests of victims and young offenders and the significant new provisions of the Code govern the relationship between the victim, the public interest, young offenders and consultation with victims in respect of accepting guilty pleas.

In December 2016, following extensive consultation, the Attorney General issued supplementary guidance on the Code on the Decision to Prosecute in respect of domestic abuse. The interests of victims and others including children are at the heart of the difficult decisions that need to be made in these cases in order to protect victims of domestic abuse and their families.

MONEY-LAUNDERING CASES 2015/2016





Financial Statements

Statement of Comprehensive Net Expenditure

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	2015 Actual £'000
Revenue				
(754)	(754)	Duties, Fees, Fines and Penalties	(735)	(694)
(982)	(982)	Sales of Goods and Services	(1,569)	(1,315)
(1)	(1)	Investment Income	(1)	(1)
(914)	(914)	Other Income	(977)	(1,493)
(2,651)	(2,651)	Total Revenue	(3,282)	(3,503)
Expenditure: Near Cash				
14,041	14,551	Staff Expenditure	14,255	14,044
7,754	8,406	Supplies and Services	6,241	9,275
474	474	Administrative Expenditure	569	733
1,841	2,052	Premises and Maintenance	1,817	1,808
138	183	Other Operating Expenditure	260	183
100	100	Grants and Subsidies Payments	93	95
–	–	Impairments of Financial Assets	–	4
6	6	Finance Costs	9	7
24,354	25,772	Total Expenditure: Near Cash	23,244	26,149
21,703	23,121	Net Revenue Expenditure: Near Cash	19,962	22,646
Non Cash Amounts				
161	161	Depreciation and Amortisation	147	124
161	161	Total Non Cash Amounts	147	124
21,864	23,282	Net Revenue Expenditure	20,109	22,770
21,864	23,282	Total Comprehensive Expenditure	20,109	22,770

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	357	442	105
Intangible Assets	330	219	290
Total Non-Current Assets	687	661	395
Current Assets			
Inventories	18	25	44
Trade and Other Receivables	715	731	821
Cash and Cash Equivalents	3	2	2
Total Current Assets	736	758	867
Total Assets	1,423	1,419	1,262
Current Liabilities			
Trade and Other Payables	(1,749)	(2,260)	(1,508)
Total Current Liabilities	(1,749)	(2,260)	(1,508)
Assets Less Liabilities	(326)	(841)	(246)
Taxpayer's Equity			
Accumulated Revenue Reserves	(326)	(841)	(246)
Total Taxpayer's Equity	(326)	(841)	(246)

States Assembly

The States Assembly is the highest decision-making authority of the Island and makes decisions about new laws or major policy changes. The States Greffe provides an independent administrative support service to the States Assembly and its members, whether they are serving in scrutiny, the executive or in their capacity as private members.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£7,247,561

40.2% decrease
from 2015

£288,113

3.8% underspend
against Near Cash Final
Approved Budget

1. What resources we have used

Financial Inputs – Near Cash Approvals

Spending by the department is primarily funded from tax revenues with some finding provided by charges for services

The States approves the amount a department can spend on Revenue Expenditure during a year through the Medium Term Financial Plan. This is updated each year in the Annual Update to the Medium Term Financial Plan Annex to reflect any permanent changes in approvals since the original Medium Term Financial Plan.

MTFP approval (Updated)	Additional Approvals	Final Approved Budget
£5.1 million	£2.4 million	£7.5 million

In 2016 adjustments to the budget presented in the Annual Update to the Medium Term Financial Plan totalling £2.4 million were made, this additional budget relates to the Independent Jersey Care Inquiry. Details of the changes are set out in the States Accounts as part of the Notes to the Statement of Outturn Against Approvals.

Departmental Income

Budget 2016	Actual 2016	Actual 2015
£0.1 million	£0.1 million	£0.1 million

In 2016 income of £66,582 was lower than previous year and budget due to less work being received by the reprographic section from other departments.

Performance against Near Cash Final Approved Budget

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

Budget 2016	Actual 2016	Actual 2015
£7.5 million	£7.2 million	£12.1 million

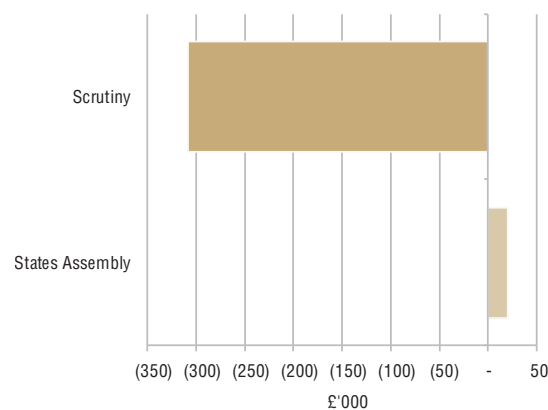
KEY VARIANCES FROM BUDGET

	£'000
Scrutiny	308
States Assembly	(20)

Net Underspend	288
-----------------------	------------

There are two key reasons for the variances. Firstly, Scrutiny's underspend was due to less work than anticipated being undertaken by the panels. Secondly there are minor operational variances with a small underspend in staff due to savings and Voluntary Release which were offset by a small overspend within Privileges and Procedures Committee.

Underspend Breakdown



Staffing

At the year end the department employed the equivalent of 26.9 full time employees. This is an increase of 1.54 compared to 2015 due to provision of maternity cover.

Non-Current and Current Assets

The department does not hold any fixed assets.

It holds current assets and liabilities relating to the day-to-day operation of the department such as Trade Receivables and Trade Payables.

Changes in Expenditure

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

KEY VARIANCES IN NET REVENUE EXPENDITURE (NRE) FROM 2015

	£'000
2015 NRE	12,125
Independent Jersey Care Inquiry	(4,964)
States Assembly	181
Scrutiny	(96)
Other Variances	2
2016 NRE	7,248

There was an expected decrease in expenditure for the Independent Jersey Care Inquiry as the inquiry comes to an end.

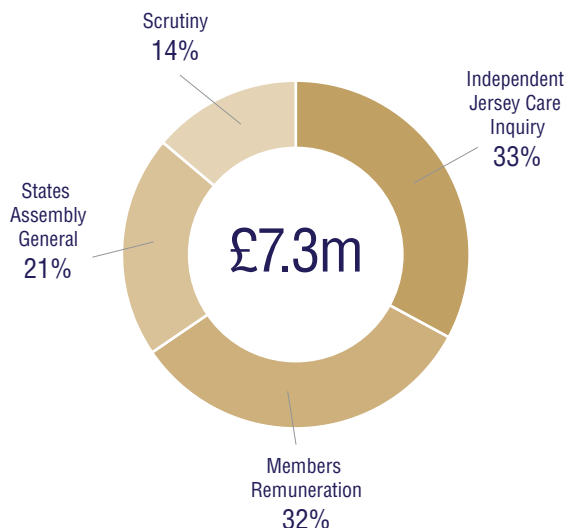
Other minor variances and outturn difference were seen in some of the smaller business areas within States Assembly.

2. What we have spent funding on

Near Cash by Service Area

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	2015 Actual £'000
1,399	1,465	States Assembly General	1,499	1,318
1,302	1,302	Scrutiny	1,003	1,099
2,385	2,385	Members' Remuneration	2,362	2,360
–	2,384	Independent Jersey Care Inquiry	2,384	7,348
5,086	7,536	Net Revenue Expenditure	7,248	12,125

NEAR CASH BY SERVICE AREA BREAKDOWN



Independent Jersey Care Inquiry

The total spend on the Jersey Independent Care Inquiry has reduced from £7,348,057 in 2015 to £2,384,384 in 2016 as the Inquiry reaches its conclusion.

States Assembly General

A number of support services and facilities are provided to enable the States Assembly to operate as Jersey's legislature:

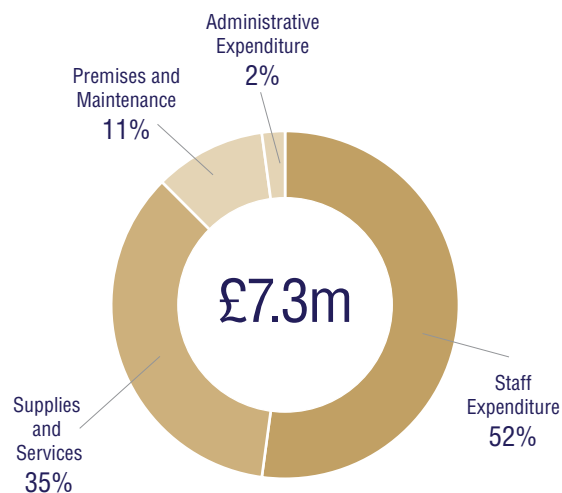
- States Business is administered according to the Standing Orders;
- All States Members are supported in the delivery of their functions to agreed standards.

Staff savings were made during 2016 including one voluntary redundancy.

Scrutiny

The purpose is to maintain an effective and efficient Scrutiny function. Scrutiny helps improve the delivery of public services by ensuring that decisions are soundly based on evidence and people are encouraged to submit their views on matters being considered by the panels.

Near Cash by Expenditure Type



States Members' Remuneration expenditure comprises 62% of Staff expenditure. Professional fees paid to panel members and lawyers for the Independent Jersey Care Inquiry form 85% of the total expenditure on supplies and services.

3. What we have achieved

Meetings of the States Assembly

Key Objective 1 – States Assembly able to operate efficiently.

PERFORMANCE

The States Assembly met on 33 days in 2016 for a total of just over 173 hours. This compares to the totals in recent years as follows:

Year	Sitting days	Total hours
2012	36	183h 03m
2013	42	223h 35m
2014	48	264h 11m
2015	32	159h 46m
2016	33	173h 49m

333 written questions and 257 oral questions with notice were answered during the year. This compares to the totals in recent years as follows:

Year	Written questions	Oral questions with notice
2012	355	310
2013	389	306
2014	284	224
2015	312	209
2016	333	257

More time was spent in 2016 on oral questions without notice and oral questions with notice compared to 2015, though time spent on public business was almost the same.

137 separate propositions were debated during the year in debates that lasted 114 hours and 43 minutes. This compares to the totals in recent years as follows:

Year	Number of propositions debated	Time taken for debates
2012	131	119h 21m
2013	155	158h 02m
2014	183	190h 30m
2015	157	112h 05m
2016	137	114h 43m

Key Objective 4 – Public kept well-informed about the work of the Assembly

SUCCESS CRITERIA

- (i) Public information services provided by the States Greffe enhanced;
- (ii) Visits to States Chamber by all Year 5 primary school children continued and increased engagement with young people;
- (iii) Wide range of information published on revised States Assembly website and on social media sites;
- (iv) Filming and broadcasting of the States commenced on 26th September 2016.

PERFORMANCE

In 2015 39 Year 5 classes with a total of 1,100 children visited the States Chamber. There was a small decrease in 2016 with 35 Year 5 Classes with a total of 900 children visiting the Chamber.

Webcasting sessions of each sitting since 26th September 2016 are available via the States Assembly website for the public to view. The operation of the webcasting is manned in-house by States Greffe staff. Webcasts were viewed 7,663 times between 26th September and 31st December 2016.

Financial Statements

Statement of Comprehensive Net Expenditure

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	2015 Actual £'000
Revenue				
(91)	(91)	Sales of Goods and Services	(67)	(79)
(91)	(91)	Total Revenue	(67)	(79)
Expenditure: Near Cash				
3,917	3,937	Staff Expenditure	3,814	3,831
508	2,723	Supplies and Services	2,586	7,516
141	197	Administrative Expenditure	157	144
611	770	Premises and Maintenance	758	713
5,177	7,627	Total Expenditure: Near Cash	7,315	12,204
5,086	7,536	Net Revenue Expenditure	7,248	12,125
5,086	7,536	Total Comprehensive Expenditure	7,248	12,125

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Current Assets			
Trade and Other Receivables	2	1	3
Total Current Assets	2	1	3
Current Liabilities			
Trade and Other Payables	(285)	(1,097)	(2,193)
Total Current Liabilities	(285)	(1,097)	(2,193)
Assets Less Liabilities	(283)	(1,096)	(2,190)
Taxpayer's Equity			
Accumulated Revenue Reserves	(283)	(1,096)	(2,190)
Total Taxpayer's Equity	(283)	(1,096)	(2,190)

General Revenue Income

Summary Snapshot

NET GENERAL REVENUE INCOME

£736,803,046

6.5% increase

from 2015

£39,502,046

5.7% more

than the 2016 forecast in the
2017 Budget Statement

Key Results

Performance against Budget 2017 forecast

KEY VARIANCES FROM BUDGET 2017 FORECAST

	£'000
2017 Budget GRI	(697,301)
Net Income Tax	(16,964)
Other Income	(14,540)
Stamp Duty	(4,911)
Impôts Duties	(1,623)
Other Variances	(1,464)
2016 GRI	(736,803)

Net income tax was £16.96 million or 3.6% more than the 2016 forecast outturn formulated in September 2016 and published in the 2017 Budget Statement.

This was primarily down to an increase in the yield from Personal Tax accounts and focussed on those taxpayers paying on a current year basis.

GST overachieved against the forecast in Budget 2017 by £1.5 million which is 1.8%.

Stamp Duty and Land Transfer Tax overachieved budget by £2.9 and £2.0 million respectively and was largely influenced by a large number of high value property transactions which were linked to a higher than average number of high net worth individuals relocating to Jersey.

Other Income was £14.5 million or 29.9% higher than the Budget 2017 forecast due to overachievement of Investment returns against a prudent forecast which considered the potential volatility of the returns across the year and a higher than forecast dividend paid by JT Group.

Performance compared to 2015

KEY VARIANCES IN GROSS REVENUE INCOME (GRI) FROM 2015

	£'000
2015 GRI	(691,743)
Net Income Tax	(30,382)
Other Income	(9,172)
Impôts Duties	(4,264)
Other Variances	(1,242)
2016 GRI	(736,803)

Net Income Tax for 2016 was £488 million which is £30.4 million, 6.6%, more than 2015. Within this, Business Tax increased by £1.3 million and Personal Tax by £27.3 million, primarily as a result of an increase in the yield of existing current year basis income tax payers, and Bad Debts write offs reduced by £1.8 million.

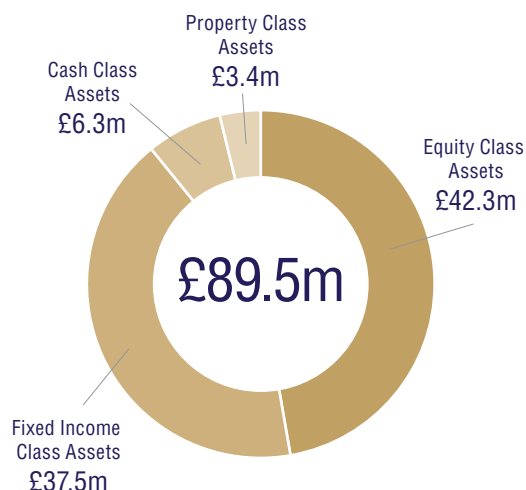
Other Income was £9.2 million or 17% higher than 2015. This is mainly due to a £9.1 million increase in Investment Income and £1.9 million increase in Currency and Coinage Surplus, partially offset by a decrease in Dividends of £1.5 million.

Income from Impôts was £4.3 million or 7.9% higher than 2015. All areas increased from 2015 with Tobacco contributing over £1.0 million, Spirits £0.8 million and Beer and Environmental Tax £0.7 million each.

Other variances included a £1.3 million increase in Stamp Duty which reflects the continued upturn in the housing market and a number of higher value property transactions. This was partially offset by a decrease in GST and a slight increase on Island Rate.

Performance of CIF Investments

The Consolidated Fund participates in a range of CIF pools. Investments are held by the CIF, which recognises income, expenditure and gains/losses on Investments. The Fund recognises only gains or losses on the units held in the CIF.

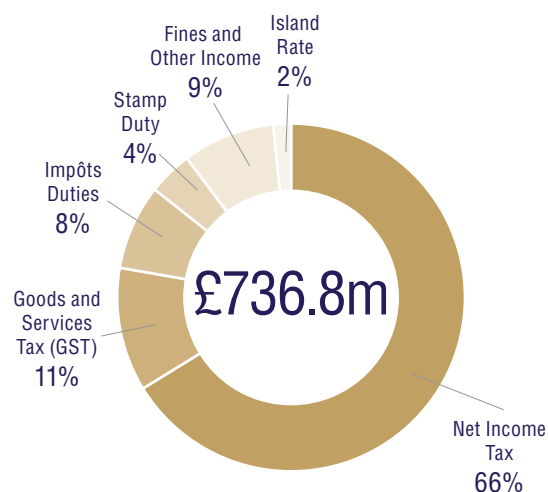


The table below shows the share of transactions in the CIF attributable to Fund

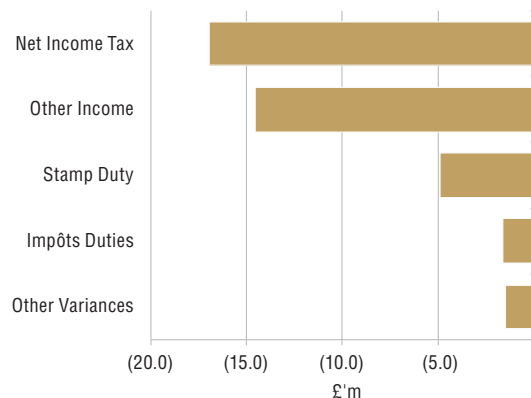
CIF AMOUNTS ATTRIBUTABLE TO THE CONSOLIDATED FUND

	2016 £'000	2015 £'000
Income	(1,247)	(1,757)
Expenditure	450	554
Gain on Investments	(11,136)	(1,850)
Total Gains Recognised	(11,933)	(3,053)

Net Revenue Income by Area



Breakdown of Key Variances from the 2016 Forecast in the 2017 Budget Statement





Service Analysis

2015 Actual £'000		Budget 2017 Forecast £'000	Income £'000	2016 Expenditure £'000	Actual £'000
Income Tax					
(370,807)	Individuals	(382,000)	(398,157)	4	(398,153)
(89,436)	Companies	(91,000)	(90,699)	11	(90,688)
2,660	Provision for Bad Debts	2,000	–	876	876
(457,583)	Net income Tax	(471,000)	(488,856)	891	(487,965)
(85,042)	Goods and Services Tax (GST)	(83,334)	(84,584)	(214)	(84,798)
Impôts Duties					
(4,529)	Spirits	(4,899)	(5,326)	–	(5,326)
(7,638)	Wines	(7,876)	(8,225)	–	(8,225)
(1,003)	Cider	(1,082)	(1,034)	–	(1,034)
(5,078)	Beer	(5,376)	(5,766)	–	(5,766)
(13,606)	Tobacco	(13,915)	(14,609)	–	(14,609)
(21,406)	Motor Fuel	(22,045)	(21,855)	–	(21,855)
(144)	Goods Imported	(145)	(177)	2	(175)
(742)	Vehicle Emissions Duty	(1,449)	(1,420)	–	(1,420)
(54,146)	Impôts Duties	(56,787)	(58,412)	2	(58,410)
Stamp Duty					
(25,821)	Stamp Duty	(21,818)	(24,942)	–	(24,942)
(1,883)	Probate	(2,168)	(1,934)	–	(1,934)
(1,328)	Land Transactions Tax	(1,408)	(3,429)	–	(3,429)
(29,032)	Stamp Duty	(25,394)	(30,305)	–	(30,305)
Fines and Other Income					
(4,360)	Net Investment Income	(2,707)	(15,465)	111	(15,354)
(14,023)	Dividends and Returns	(11,149)	(12,568)	–	(12,568)
(3,852)	Jersey Financial Services Commission Fees	(3,827)	(3,927)	–	(3,927)
(1,706)	Returns from States Trading Operations	(1,672)	(1,672)	–	(1,672)
(27,483)	Return from Andium Homes	(27,785)	(27,856)	–	(27,856)
(660)	EUSD Retention Tax	–	–	(26)	(26)
(1,270)	Income Tax Penalties	(1,000)	(1,723)	474	(1,249)
(658)	Miscellaneous Income	(504)	(532)	–	(532)
(54,012)	Fines and Other Income	(48,644)	(63,743)	559	(63,184)
(11,928)	Island Rate	(12,142)	(12,141)	–	(12,141)
(691,743)	Net General Revenue Income	(697,301)	(738,041)	1,238	(736,803)

Financial Statements

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	Restated 2015 Actual £'000
Revenue		
Taxation Revenue	(573,440)	(544,252)
Duties, Fees, Fines and Penalties	(102,868)	(96,952)
Investment Income	(24,842)	(18,505)
Other Income	(36,891)	(35,292)
Total Revenue	(738,041)	(695,001)
Expenditure: Near Cash		
Supplies and Services	50	47
Other Operating Expenditure	(9)	7
Impairments of Financial Assets	1,147	1,818
Finance Costs	140	1,239
Foreign Exchange (Gain)/Loss	(90)	147
Total Expenditure: Near Cash	1,238	3,258
Net Revenue Income	(736,803)	(691,743)
Other Comprehensive Income		
Items that may be reclassified subsequently to Net Revenue Expenditure		
Gain on Revaluation of Strategic Investments during the period	(3,000)	(45,200)
Total Other Comprehensive Income	(3,000)	(45,200)
Total Comprehensive Income	(739,803)	(736,943)

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Loans and Advances	2,805	3,201	3,572
Strategic Investments	385,900	382,900	337,700
Investments held at Fair Value through Profit or Loss	89,550	98,076	178,562
Total Non-Current Assets	478,255	484,177	519,834
Current Assets			
Loans and Advances	290	478	806
Trade and Other Receivables	104,983	93,565	89,141
Cash and Cash Equivalents	116,825	51,461	36,505
Total Current Assets	222,098	145,504	126,452
Total Assets	700,353	629,681	646,286
Current Liabilities			
Trade and Other Payables	(39,953)	(34,482)	(27,150)
Total Current Liabilities	(39,953)	(34,482)	(27,150)
Assets Less Liabilities	660,400	595,199	619,136
Taxpayer's Equity			
Accumulated Revenue Reserves	363,563	301,362	370,499
Investment Reserve	296,837	293,837	248,637
Total Taxpayer's Equity	660,400	595,199	619,136

Other Consolidated Fund Items

The statements below relate to Consolidated Fund items not recorded in other pages in this Annex. These are assets, liabilities, income and expenditure that fall outside of the scope of the budget approval process, for example Defined Benefit scheme pension liabilities, past service liabilities, finance lease liabilities and consolidation adjustments such as amounts due from other funds.

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Sales of Goods and Services	(1,713)	(1,883)
Total Revenue	(1,713)	(1,883)
Expenditure: Near Cash		
Staff Expenditure	(423)	(439)
Finance Costs	6,170	(12,148)
Total Expenditure: Near Cash	5,747	(12,587)
Net Revenue Expenditure: Near Cash	4,034	(14,470)
Non Cash Amounts		
Staff Expenditure	(1,407)	324
Other Operating Expenditure	(434)	(406)
Movement in Pension Liability	41,957	10,008
Total Non Cash Amounts	40,116	9,926
Net Revenue Expenditure	44,150	(4,544)
Other Comprehensive (Income)/Expenditure		
Actuarial Loss/(Gain) in respect of Defined Benefit Pension Schemes	113	(136)
Total Other Comprehensive (Income)/Expenditure	113	(136)
Total Comprehensive (Income)/Expenditure	44,263	(4,680)

Statement of Financial Position

	31 Dec 2016 Actual £'000	31 Dec 2015 Actual £'000	1 Jan 2015 Actual £'000
Current Assets			
Trade and Other receivables	2,428	4,543	5,165
Total Current Assets	2,428	4,543	5,165
Total Assets	2,428	4,543	5,165
Current Liabilities			
Trade and Other Payables	(13,214)	(11,956)	(9,608)
Balance due to Other States Funds	(13,330)	(2,536)	(67,433)
Finance Lease Obligations	(1,275)	(1,185)	(1,030)
Provisions for liabilities and charges	(462)	(434)	(406)
Total Current Liabilities	(28,281)	(16,111)	(78,477)
Total Assets Less Current Liabilities	(25,853)	(11,568)	(73,312)
Non-Current Liabilities			
Finance Lease Obligations	(2,238)	(3,512)	(4,698)
Provisions for liabilities and charges	(1,432)	(1,895)	(2,329)
PECRS Pre-1987 Past Service Liability	(290,127)	(246,359)	(254,599)
Provision for JTSF Past Service Liability	(111,874)	(108,062)	(104,452)
Defined Benefit Pension Schemes Net Liability	(6,645)	(6,731)	(7,065)
Total Non-Current Liabilities	(412,316)	(366,559)	(373,143)
Assets Less Liabilities	(438,169)	(378,127)	(446,455)
Taxpayer's Equity			
Accumulated Revenue Reserves	(438,169)	(378,127)	(446,455)
Total Taxpayer's Equity	(438,169)	(378,127)	(446,455)

Trading Operations

Jersey Car Parking

Jersey Car Parking is responsible for the provision and management of public parking facilities (including Public Car Parks, On-Street Parking, Enforcement and Charging Policy).

Summary Snapshot

NET REVENUE INCOME – NEAR CASH

£1,116,702

33.3% decrease
from 2015

£820,865

277.5% overachievement
against Near Cash Final
Approved Budget

TRADING FUND BALANCE

£14,286,778

3.0% decrease
from 2015

1. What resources we have used

Financial Inputs – Near Cash Approvals

Spending by Jersey Car Parking (JCP) is wholly funded by its trading operations.

The States approves the amount of Net Revenue Income during a year through the Medium Term Financial Plan. This is updated each year in the Annual Update to the Medium Term Financial Plan Annex to reflect any permanent changes in approvals since the original Medium Term Financial Plan.

MTFP approval (Updated)	Additional Approvals	Final Approved Budget
(£1.3)	£0.0	(£0.3)
million	million	million

Net revenue income

In 2016 the only adjustment to the budget presented in the Annual Update to the Medium Term Financial Plan was a £1 million grant to Department for Infrastructure (DfI) for Sustainable Transport and Road Safety Schemes approved by the States Assembly in the Medium Term Financial Plan 2016-19 (P.72-2015), approved by the States Assembly in the amendment to the Medium Term Financial Plan 2016-19 (P.72-2015).

Trading Operation Income

Budget 2016	Actual 2016	Actual 2015
£6.7	£7.2	£6.7
million	million	million

The main income stream for JCP is from parking charges, which includes sales of parking cards (paycards and UniTickets), season tickets and parking and site rental. Car parking charges did not increase in 2016 in line with the September 2015 RPI (Y). RPI (Y) is the Retail Prices Index excluding mortgage interest payments and indirect taxes (e.g. GST and Impôts duties).

The next major stream is from parking fines, for the breach of public parking legislation both on-street and in car parks administered by JCP.

The third largest source of income is from land and site rental and includes income from the placement of telecoms masts on car parks, and agreements with retailers for rental of spaces on public car parks to enable free parking for customers.

MAJOR INCOME STREAMS

	£'000
Parking Charges	(6,311)
Fines	(648)
Land & site rentals	(98)
Other	(128)
Total Income	(7,185)

Performance against Near Cash Final Approved Budget

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

Budget 2016	Actual 2016	Actual 2015
(£0.3)	(£1.1)	(£1.7)
million	million	million

Net revenue income

KEY VARIANCES FROM BUDGET

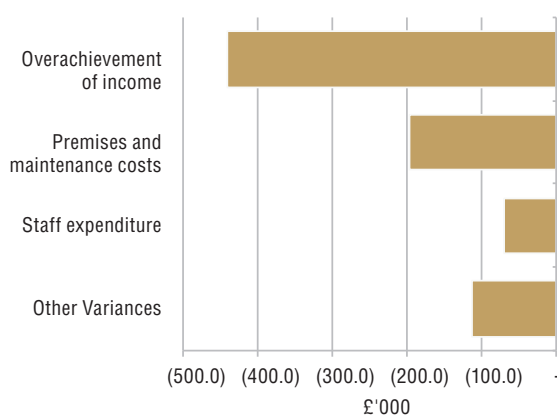
	£'000
Overachievement of income	441
Premises and maintenance costs	197
Staff expenditure	70
Other Variances	113
Net Overachievement	821

The overachievement of income is primarily due to higher parking charges than budget by £299,000. This is due to the unpredictable nature of income from season ticket sales and higher levels of parking fines by £168,000.

The saving on premises and maintenance relate to maintenance savings on the various car parks administered by JCP.

Other variances includes a £65,000 savings on printing costs due to Automatic Number Plate Recognition (ANPR) reducing the need to print paycards for Sand Street carpark.

Overachievement of Income Breakdown



Staffing

At the year end JCP employed the equivalent of 19.0 full time employees. This is an increase of 3.0 (18.8%) from 2015 and is due to the filling of 3 vacancies during the year.

Non Current and Current Asset

The trading operation holds fixed assets, being the building costs of the six multi-storey car parks.

It also holds current assets and liabilities relating to day-to-day operations such as Trade Debtors and Trade Creditors.

The cost of using Fixed Assets is recorded through Non-Cash Expenditure.

NON CASH EXPENDITURE

Budget 2016	Actual 2016	Actual 2015
£1.0 million	£1.1 million	£1.0 million

Depreciation during 2016 was £0.1 million higher than budget and prior year due to the increase in asset values in the prior year.

Changes in Expenditure

The total of Near Cash Net Revenue Income represents the generation of resources by the trading operation. As a self-funding entity JCP needs to generate surpluses to meet long term financial requirements.

KEY VARIANCES IN NET REVENUE INCOME (NRI) FROM 2015

	£'000
2015 NRI	(1,675)
Sustainable Transport Initiatives Grant	1,000
Parking charges	(340)
Parking fines	(154)
Other Variances	52
2016 NRI	(1,117)

The main variance from 2015 were the payment of a £1 million grant to the Department for Infrastructure (DfI) for Sustainable Transport and Road Safety Schemes; £0.9 million of which was transferred to capital and £0.1 million used for the electric bike grant scheme.

This was offset in part by higher levels of parking charges and fines than the prior year.

The Other Variances figure is made up of many small variances.

2. What we have spent funding on

Jersey Car Parking

Jersey Car Parking is responsible for the provision and management of public parking facilities around Jersey. This includes the six multi-storey car parks in and around St Helier, as well as a large number of pay and non-pay surface car parks around the island.

As well as managing the maintenance of the car parks, JCP is also responsible for the enforcement of parking legislation. This includes both car parks and on-street parking around Jersey.

JCP contributes £1.7 million as a financial return to the States of Jersey.

During 2016, JCP completed a refurbishment of Sand Street Car Park and begun a project to enable payment of parking via a mobile app due to be rolled out during 2017.

Near Cash by Expenditure Type

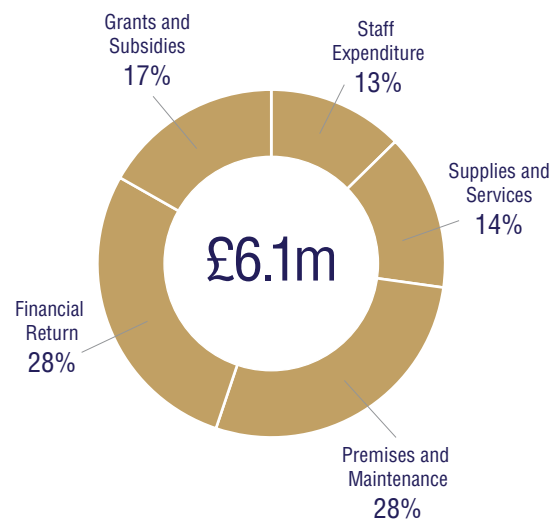
The largest costs within JCP relate to the financial return to the States Consolidated Fund and spend on Premises and Maintenance which cover the day-to-day maintenance of the car parks as well as the rental costs for the esplanade car park, payable to the States of Jersey Development Company Ltd.

During 2016 the fund also paid a £1 million grant to Dfl for Sustainable Transport and Road Safety Schemes.

Supplies and services equate to 14% of the costs for JCP and this includes paycard printing and commission costs, as well as a contribution towards shared overheads costs with Dfl.

Staff costs make up approximately 13% of the costs for JCP, and this covers the costs of JCP administration staff as well as parking control officers.

NEAR CASH BY EXPENDITURE TYPE BREAKDOWN



Financial Statements

Statement of Comprehensive Net Expenditure

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	2015 Actual £'000
Revenue				
(480)	(480)	Duties, Fees, Fines and Penalties	(648)	(494)
(6,111)	(6,111)	Sales of Goods and Services	(6,409)	(6,103)
(100)	(100)	Investment Income	(74)	(76)
(53)	(53)	Other Income	(54)	(49)
(6,744)	(6,744)	Total Revenue	(7,185)	(6,722)
Expenditure: Near Cash				
824	824	Staff Expenditure	753	732
963	963	Supplies and Services	868	796
29	29	Administrative Expenditure	33	32
1,862	1,862	Premises and Maintenance	1,665	1,770
–	1,000	Grants and Subsidies Payments	1,000	–
20	20	Impairments of Financial Assets	25	22
78	78	Finance Costs	52	64
1,672	1,672	Financial Return	1,672	1,631
5,448	6,448	Total Expenditure: Near Cash	6,068	5,047
(1,296)	(296)	Net Revenue Income: Near Cash	(1,117)	(1,675)
Non Cash Amounts				
972	972	Depreciation and Amortisation	1,101	973
972	972	Total Non Cash Amounts	1,101	973
(324)	676	Net Revenue Income	(16)	(702)
Other Comprehensive Expenditure/(Income)				
–	–	Revaluation of Property, Plant and Equipment	–	(3,089)
–	–	Total Other Comprehensive Expenditure/(Income)	–	(3,089)
(324)	676	Total Comprehensive Income	(16)	(3,791)

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	44,720	44,261	40,695
Intangible Assets	106	106	106
Total Non-Current Assets	44,826	44,367	40,801
Current Assets			
Trade and Other Receivables	510	478	458
Cash and Cash Equivalents	42	35	25
Balance due from the Consolidated Fund	14,264	14,580	14,621
Total Current Assets	14,816	15,093	15,104
Total Assets	59,642	59,460	55,905
Current Liabilities			
Trade and Other Payables	(529)	(363)	(599)
Total Current Liabilities	(529)	(363)	(599)
Assets Less Liabilities	59,113	59,097	55,306
Taxpayer's Equity			
Accumulated Revenue Reserves	39,343	39,327	38,625
Revaluation Reserve	19,770	19,770	16,681
Total Taxpayer's Equity	59,113	59,097	55,306

Trading Fund Balance

	Trading Fund Balance £'000
Balance Brought forward	14,730
Net Revenue Income	16
Capital Expenditure	(992)
Depreciation and Disposals (NBV)	1,101
Other Balance Sheet Movements	(568)
Trading Fund Balance 31 December 2016	14,287
Comprising:	
Net Current Assets	14,287
Trading Fund Balance 31 December 2016	14,287
Less: Unspent Capital Approvals	(10,605)
Available Trading Fund Balance 31 December 2016	3,682

Jersey Fleet Management

Jersey Fleet Management is responsible for the management and maintenance of fleet vehicles on behalf of States departments.

Summary Snapshot

NET REVENUE INCOME – NEAR CASH

£1,537,042

1.7% decrease
from 2015

£248,093

19.2% overachievement
against Near Cash Final
Approved Budget

TRADING FUND BALANCE

£5,116,511

93.5% increase
from 2015

1. What resources we have used

Financial Inputs – Near Cash Approvals

Spending by Jersey Fleet Management (JFM) is wholly funded by its trading operations.

The States approves the amount of Net Revenue Income during a year through the Medium Term Financial Plan. This is updated each year in the Annual Update to the Medium Term Financial Plan Annex to reflect any permanent changes in approvals since the original Medium Term Financial Plan.

MTFP approval (Updated)	Additional Approvals	Final Approved Budget
(£1.3) million	£0.0 million	(£1.3) million
Net revenue income		

In 2016 no adjustments to the budget presented in the Annual Update to the Medium Term Financial Plan million were made.

Trading Operation Income

Budget 2016	Actual 2016	Actual 2015
£4.4 million	£4.3 million	£4.6 million

MAJOR INCOME STREAMS

	£'000
Vehicle and plant hire income	(3,166)
Vehicle maintenance income	(720)
Fuel sales	(344)
Other	(101)
Total Income	(4,331)

The main source of income is from the provision of vehicle and plant hire to other States departments. This has

increased year-on-year, as JFM takes on the role of lessor for more and more States vehicles.

The next highest source of income is for maintenance work on vehicles, when not covered by the annual lease charge. This applies to wear and tear on vehicles in excess of what might be reasonably expected, and work done on vehicles owned by other States departments.

The third highest source of income is from the provision of fuel for States vehicles at Bellozanne and La Collette. This is available to all States vehicles, and is more cost effective than using an external provider.

Performance against Near Cash Final Approved Budget

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

Budget 2016	Actual 2016	Actual 2015
(£1.3) million	(£1.5) million	(£1.6) million
Net revenue income		

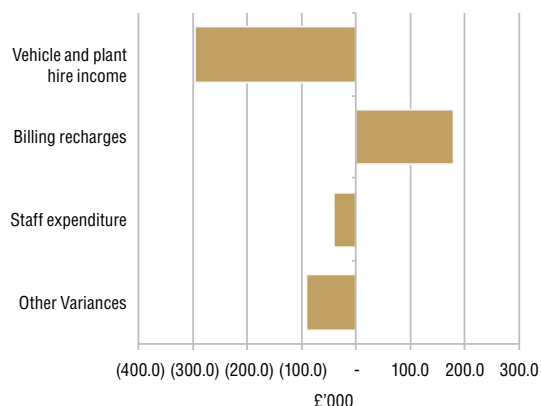
KEY VARIANCES FROM BUDGET

	£'000
Vehicle and plant hire income	296
Billing recharges	(180)
Staff expenditure	41
Other variances	91
Net Overachievement	248

Vehicle and plant hire income was higher than budgeted due to more leasing arrangements with other departments than expected. This has also led to a reduction in billing recharges which relates to maintenance work on vehicles not owned by JFM.

The staff cost savings relate to vacancies in the workshops.

Overachievement of Income Breakdown



Staffing

At the year end JFM employed the equivalent of 22.0 full time employees. This is a decrease of 4.0 (15.4%) from 2015, and is due to several vacancies at year end.

Non-Current and Current Assets

The trading operation holds fixed assets, representing the stock of vehicles and plant that are leased to other States departments.

It also holds current assets and liabilities relating to day-to-day operations such as Trade Receivables and Trade Payables.

The cost of using Fixed Assets is recorded through Non-Cash Expenditure.

NON CASH EXPENDITURE

Budget 2016	Actual 2016	Actual 2015
£1.2 million	£1.2 million	£1.2 million

The marginal increase in Non-Cash Expenditure is due to the increased number of vehicles owned by JFM and leased to other States departments, which results in an increased depreciation charge, coupled with lower gains on disposals.

Changes in Expenditure

The total of Near Cash Net Revenue Income represents the generation of resources by the trading operation. As a self-funding entity JFM needs to generate surpluses to fund vehicle and plant replacement.

KEY VARIANCES IN NET REVENUE INCOME (NRI) FROM 2015

	£'000
2015 NRI	(1,564)
Billing recharges	129
Fuel purchase	(80)
Fuel sales	73
Other Variances	(95)
2016 NRI	(1,537)

The key differences from 2015 are due to the increased number of vehicles leased to other States Departments, resulting in a reduction in the amount of maintenance being billed to other department for vehicles not owned by JFM.

There was a reduction in fuel income and purchase costs due to low fuel prices.

2. What we have spent funding on

Jersey Fleet Management

Jersey Fleet Management is responsible for the management and maintenance of fleet vehicles on behalf of many States departments.

JFM has its own fleet of vehicles, which it leases to departments on both long term and short term arrangements, as well as managing third party lease arrangements for standard fleet vehicles.

Following the decision in 2011 that the management, procurement and maintenance of all States vehicles should be the responsibility of JFM, more and more vehicles have been procured and leased through JFM, as other departmental vehicles come to be replaced. This has resulted in increased lease income as well as increased depreciation.

As well as managing the procurement of replacement vehicles, JFM also maintains its own workshops and fuel pumps, which are available for all States departments.

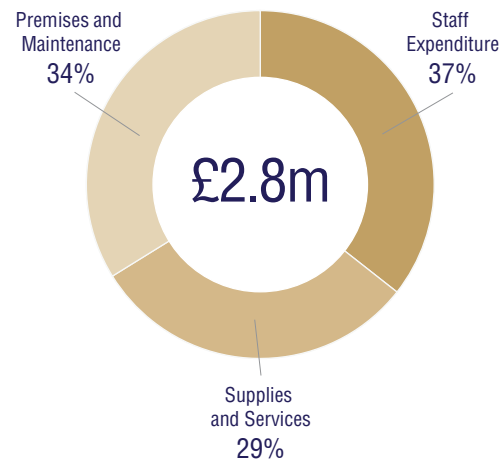
Near Cash by Expenditure Type

JFM's expenditure is split fairly evenly between staff, supplies and services and premises and maintenance.

The staff costs and premises and maintenance costs relate primarily to the sections workshops, that are responsible for all standard servicing and repair works on JFM owned vehicles.

The supplies and services costs are primarily fuel costs, but also include the costs relating to the third party leasing arrangements.

NEAR CASH BY EXPENDITURE TYPE BREAKDOWN



Financial Statements

Statement of Comprehensive Net Expenditure

2016 MTFP (Updated) £'000	2016 Final Approved Budget £'000		2016 Actual £'000	2015 Actual £'000
Revenue				
(4,371)	(4,371)	Sales of Goods and Services	(4,294)	(4,540)
(10)	(10)	Investment Income	(20)	(10)
–	–	Other Income	(17)	(1)
(4,381)	(4,381)	Total Revenue	(4,331)	(4,551)
Expenditure: Near Cash				
1,072	1,072	Staff Expenditure	1,031	1,062
1,046	1,046	Supplies and Services	798	912
3	3	Administrative Expenditure	5	4
971	971	Premises and Maintenance	956	1,009
–	–	Other Operating Expenditure	(10)	(14)
–	–	Finance Costs	14	14
3,092	3,092	Total Expenditure: Near Cash	2,794	2,987
(1,289)	(1,289)	Net Revenue Income: Near Cash	(1,537)	(1,564)
Non Cash Amounts				
1,205	1,205	Depreciation and Amortisation	1,142	1,174
(55)	(55)	Loss/(Gain) on Disposal of Non-Current Assets	17	(24)
1,150	1,150	Total Non Cash Amounts	1,159	1,150
(139)	(139)	Net Revenue Income	(378)	(414)

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	5,838	6,732	6,506
Intangible Assets	–	–	5
Total Non-Current Assets	5,838	6,732	6,511
Current Assets			
Inventories	59	31	52
Trade and Other Receivables	141	148	117
Balance due from the Consolidated Fund	4,990	2,729	2,198
Total Current Assets	5,190	2,908	2,367
Total Assets	11,028	9,640	8,878
Current Liabilities			
Trade and Other Payables	(73)	(264)	(216)
Total Current Liabilities	(73)	(264)	(216)
Assets Less Liabilities	10,955	9,376	8,662
Taxpayer's Equity			
Accumulated Revenue Reserves	10,955	9,376	8,662
Total Taxpayer's Equity	10,955	9,376	8,662

Trading Fund Balance

	Trading Fund Balance £'000
Balance Brought forward	2,645
Net Revenue Income	378
Additional States Funding	1,200
Capital Expenditure	(485)
Depreciation and Disposals (NBV)	1,159
Other Balance Sheet Movements	220
Trading Fund Balance 31 December 2016	5,117
Comprising:	
Net Current Assets	5,117
Trading Fund Balance 31 December 2016	5,117
Less: Unspent Capital Approvals	(4,267)
Available Trading Fund Balance 31 December 2016	850



Special Funds Named in the Public Finances (Jersey) Law 2005

Strategic Reserve Fund

Established under the Public Finances (Jersey) Law 2005, as a permanent reserve. The policy for the reserve was agreed by the States under P.133/2006, stating that it is to be used only in exceptional circumstances to insulate the Island's economy from severe structural decline (such as the sudden collapse of a major island industry) or from major natural disaster. The States have subsequently approved P.122/2013 which defined the Fund balance of £651,216,000 as at 31st December 2012 as the capital value of the Fund and that, for future years, the capital value be maintained in real terms by increasing the capital value in line with increases in Jersey RPI(Y). P.76/2015 then proposed that the Minister for Treasury and Resources is requested to bring forward proposals for the use of income earned on the Strategic Reserve above that required to maintain the capital value.

Summary Snapshot

FUND POSITION	NET REVENUE INCOME
£819,584,141	£104,893,165
6.2% increase from 2015	386.5% increase from 2015

1. Fund Performance

1. Income

Actual 2016	Actual 2015
£105.0	£21.6
million	million

The Strategic Reserve Fund continues to pursue its investment strategy through investment in the Common Investment Fund. The Fund's portfolio includes a balance of return seeking and capital preservation focussed assets. The year end holdings are illustrated per the diagram under 'Performance of CIF Investments'.

During 2016 the Strategic Reserve generated gains on its investments of £105.0 million, this represented a net performance in excess of 13.5%. Variation in the Funds level of earnings is expected as the return seeking assets, whilst generating higher yields, are also subject to greater short term volatility. Due to this volatility the returns of the Fund are best reviewed over a long term investment horizon. The long term net return of the Fund, measured over three years, shows estimated annualised performance of 7.7%, in line with the Funds benchmark and in excess of the Fund's expected long term return of 5%. Over 5 years the annualised return rises to 9.4% and exceeds the benchmark.

During the year the majority of the performance of the Fund was generated by the equity class investments which contributed £95.6 million to the total Fund return. Of the remaining £9.4 million, the fixed income class, including UK Corporate Bonds, Absolute Return Bond and UK Gilt pools contributed £8.1 million with the other classes returned the balance of £1.3 million.

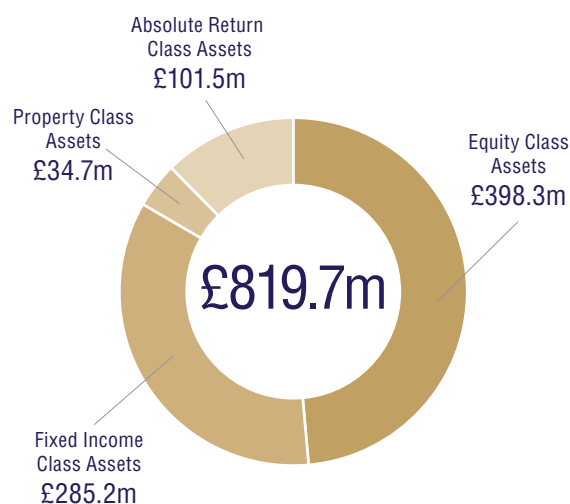
A proportion of this significant gain was driven by the devaluation of Sterling which occurred following the results of the EU referendum, this resulted in a rise in the sterling value of foreign currency denominated assets held in the portfolio. Subsequently a hedging arrangement has been entered into to protect a proportion of this gain from a recovery in the value of Sterling. Derivative instruments used to implement the hedge are held within the relevant CIF pool and therefore any associated gains or losses are incurred within that pool and recognised by Participants through unrealised gains or losses on the units they hold.

In 2015 the Investment Strategy of the Fund was amended to include an allocation to Absolute Return class assets, this allocation was funded from the equity classes

and completed during the course of 2016. The Pool is expected to diversify the sources of return available to the fund and to provide a more consistent, lower volatility return combined with greater downside protection relative to the equity classes. Over 2016 the performance of this class has been moderately positive however insufficient time has elapsed to properly assess the underlying manager's performance.

Performance of CIF Investments

The Strategic Reserve Fund participates in a range of CIF pools. Investments are held by the CIF, which recognises income, expenditure and gains/losses on Investments. The Fund recognises only gains or losses on the CIF units it holds.



The table below shows the share of transactions in the CIF attributable to the Fund.

CIF AMOUNTS ATTRIBUTABLE TO THE STRATEGIC RESERVE FUND

	2016 £'000	2015 £'000
Income	(13,532)	(15,240)
Expenditure	5,751	4,098
Gain on Investments	(97,189)	(10,491)
Total Gains Recognised	(104,970)	(21,633)

2. Expenditure

Actual 2016

£0.1

million

Actual 2015

£0.1

million

Assets held within the CIF recognise income, expenditure and gain/losses on investments within the CIF pool. The Fund recognises these movements through gains or losses on the CIF units held.

Some expense relating directly to the Strategic Reserve cannot be paid by the CIF Pool and are charged to the Fund directly. These fees remain low and in line with the prior year.

3. Changes in Fund Net Asset Value

Fund Balance 2016

£819.6

million

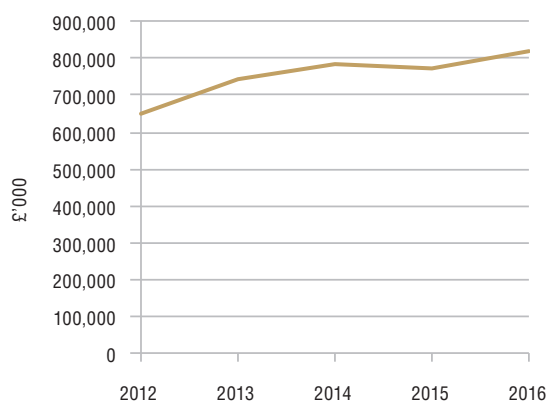
Fund Balance 2015

£771.4

million

The Net Asset Value (NAV) of the Fund increased from £771.4 million to £819.6 million over 2016, an increase of £48.2 million (6.2%). The movement reflects net earnings of £104.9 million but drawings of £56.7 million. Drawings on the Fund were approved in the 2016–19 Medium Term Financial Plan.

STRATEGIC RESERVE FUND NET ASSET VALUE OVER TIME



4. Protected value of the Fund

Fund Capital Value 2016

£691.1

million

Fund Capital Value 2015

£678.9

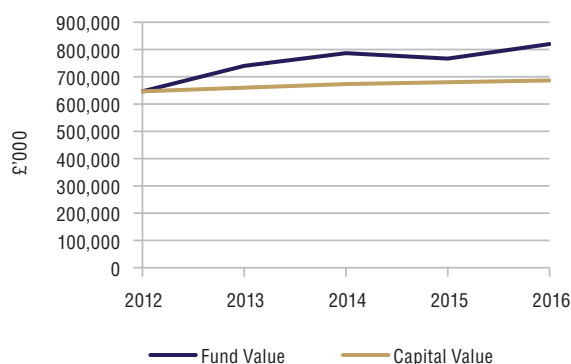
million

P.122/2013 defined the Fund balance of £651,216,000 as at 31st December 2012 as the capital value of the Fund and that, for future years, the capital value be maintained in real terms by increasing the capital value in line with increases in Jersey RPI (Y).

P.76/2015 allowed for the use of income earned on the Strategic Reserve above that required to maintain the capital value on lodgement of successful propositions by the Minister for Treasury and Resources.

The Capital Value of the Fund was inflated by an RPI (Y) of 1.8% over 2016 rising to £691.1 million from £678.9 million at the end of 2015. Relative to the year end Fund value of £819.6 the excess holding of the Fund was therefore £128.5 million.

STRATEGIC RESERVE FUND VALUE VS CAPITAL VALUE



Financial Statements

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Investment Income	(104,973)	(21,646)
Total Revenue	(104,973)	(21,646)
Expenditure: Near Cash		
Supplies and Services	85	85
Finance Costs	–	1
Foreign Exchange Gain	(5)	–
Total Expenditure: Near Cash	80	86
Net Revenue Income	(104,893)	(21,560)
Total Comprehensive Income	(104,893)	(21,560)

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Investments held at Fair Value through Profit or Loss	819,651	771,373	786,543
Total Non-Current Assets	819,651	771,373	786,543
Current Assets			
Cash and Cash Equivalents	37	28	25
Total Current Assets	37	28	25
Total Assets	819,688	771,401	786,568
Current Liabilities			
Trade and Other Payables	(25)	(12)	(10)
Balance due to the Consolidated Fund	(79)	(7)	(36)
Total Current Liabilities	(104)	(19)	(46)
Assets Less Liabilities	819,584	771,382	786,522
Taxpayer's Equity			
Protected Capital Value	691,152	678,931	674,868
Excess Earnings	128,432	92,451	111,654
Total Taxpayer's Equity	819,584	771,382	786,522

Stabilisation Fund

Established under the Public Finances (Jersey) Law 2005, the purpose of this Fund is to provide a reserve which can be used to make Jersey's fiscal policy more countercyclical in order to create a more stable economic environment. The Fund receives cash allocations in more buoyant economic conditions and makes payments at times of anticipated economic downturn.

Summary Snapshot

FUND POSITION	NET REVENUE INCOME
£6,210	£11
0.2% increase from 2015	37.9% decrease from 2015

Fund Performance

1. Income

Actual 2016	Actual 2015
£16	£21

The Stabilisation Fund was used in the 2009–2011 period to provide fiscal stimulus funding. The remaining balance, following the transfer in 2014 to the Consolidated Fund in accordance with the provisions of Article 4A(2) of the Public Finances (Jersey) Law 2005, is £6,210. It is intended that this Fund will be rebuilt once the economy recovers sufficiently. The 2016 income reflects the low balance of the Fund.

Performance of CIF Investments

Stabilisation Fund no longer participates in the CIF pools due to the low balance held.

2. Expenditure

Actual 2016	Actual 2015
£5	£4

The Fund expenditure was effectively nil, reflecting the low balance of the account. No activity outside the management of the nominal cash holding occurred over 2016.

3. Changes in Fund Net Asset Value

Fund Balance 2016	Fund Balance 2015
£6,210	£6,199

The Net Asset Value (NAV) increased from £6,199 to £6,210 during 2016, an increase of 0.2%.

Financial Statements

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Total Revenue	–	–
Expenditure: Near Cash		
Total Expenditure: Near Cash	–	–
Net Revenue Income	–	–
Total Comprehensive Income	–	–

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Investments held at Fair Value through Profit or Loss	–	–	1
Total Non-Current Assets	–	–	1
Current Assets			
Cash and Cash Equivalents	6	6	1
Balance due from the Consolidated Fund	–	–	4
Total Current Assets	6	6	5
Total Assets	6	6	6
Taxpayer's Equity			
Accumulated Revenue Reserves	6	6	6
Total Taxpayer's Equity	6	6	6

Jersey Currency Fund

Established under the Public Finances (Jersey) Law 2005, the Currency Notes (Jersey) Law 1959, and the Decimal Currency (Jersey) Law 1971, the Fund holds assets that match the value of Jersey currency notes and coinage in circulation, such that the holder of Jersey currency could be repaid on request. It also produces and issues currency notes and coins, and administers the currency in issue.

Summary Snapshot

FUND POSITION	NET REVENUE INCOME
£6,108,413	£4,344,419
246.3% increase from 2015	£4,343,523 increase from 2015

Fund Performance

1. Income

Actual 2016

£8.1
million

Actual 2015

£1.9
million

Jersey Currency Fund generates its returns through a combination of investments through the States of Jersey Common Investment Fund (CIF). (£79.8million), cash holdings held outside the CIF through the States Cash Manager (£28.9 million) and through its portfolio of Infrastructure Investments (£10.8 million).

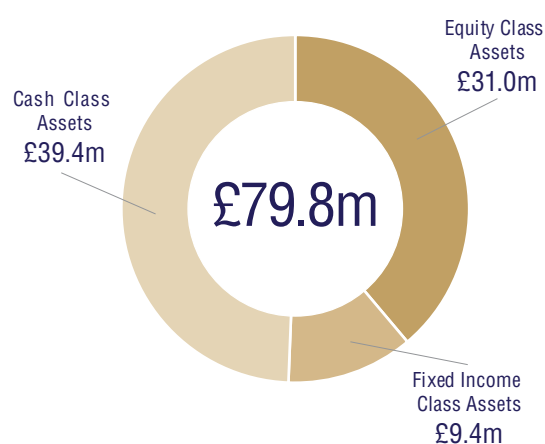
The purpose of the Fund is to back the value of Jersey currency in circulation; its value fluctuates during the year in line with the cyclical demands for Jersey currency of the general public, peaking in December during the Christmas period.

The majority of the Fund income was generated by equity held through the CIF. CIF investments generated returns of £7.3 million, of this balance equity contributed £6.5 million, up from £0.9 million generated in 2015. Although generating much of the return only a small proportion of the total Fund value is invested in equity reflecting an investment strategy focused on capital preservation. Equity performed exceedingly well during the year, reflecting both market movements and outperformance by underlying investment managers. The majority of the Fund value is held in fixed income and cash investments, these assets generated a consistent but low return reflecting the ongoing low interest rate environment.

Other sources of income for the Fund include the return from infrastructure investments, included within Investment Income, which returned £0.3 million, in line with 2015, and earnings from the issue of commemorative coins, included as other income, which returned £0.5 million, also in line with returns from 2015.

Performance of CIF Investments

Jersey Currency Fund participates in a range of CIF pools. Investments are held by the CIF, which recognises income, expenditure and gains/losses on Investments. The Fund recognises only gains or losses on the CIF units it holds.



The table below shows the share of transactions in the CIF attributable to the Fund

CIF AMOUNTS ATTRIBUTABLE TO THE JERSEY CURRENCY FUND

	2016 £'000	2015 £'000
Income	(984)	(1,091)
Expenditure	214	244
Gain on Investments	(6,546)	(329)
Total Gains Recognised	(7,316)	(1,176)

The above table shows the income and expenditure paid within the CIF pools apportioned to the Jersey Currency Fund through the movement in value of CIF units held. These values represent the share of income and expense if the Fund's assets were held directly. The majority of the rise in income was attributable to higher returns from the equity portion of the Portfolio, which reflected more favourable market conditions. Expenditure is attributable mostly to investment management fees. The remaining

investment income is generated outside the CIF through the Fund's holdings of infrastructure investments and cash invested by the States Cash Manager.

2. Expenditure

Actual 2016

£3.8
million

Actual 2015

£1.9
million

The total expenditure of the Jersey Currency Fund was £3.8 million, £1.9 million higher than 2015. The largest component of the expenditure is the financial return of £3.2 million. The financial return relates to the transfer to the Consolidated Fund of profits made by the Fund in excess of those required to back the currency in circulation. The rise in the financial return reflects the higher earnings of the Fund.

Remaining expenditure of £0.6 million relates to the cost of issue of currency and services relating to the administration of currency, such as transport, storage and counting of notes by a third party contractor. These costs remained largely unchanged from the prior year.

3. Changes in Fund Net Asset Value

Fund Balance 2016

£6.1
million

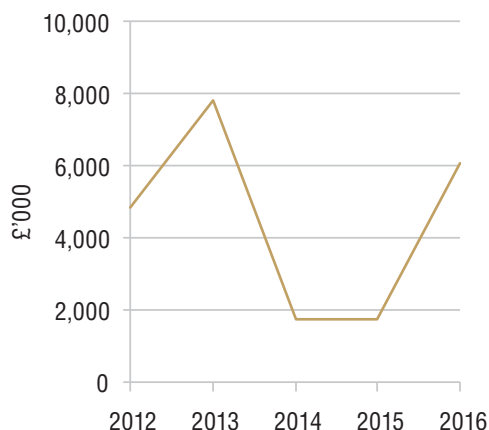
Fund Balance 2015

£1.8
million

The Net Asset Value (NAV) increased from £1.8 million to £6.1 million during 2016, an increase of £4.3 million (246.3%). The NAV of the Fund equals the holdings of the fund in excess of the currency in circulation.

The Medium Term Financial Plan (2016–19) allocated £25.5 million of the Fund portfolio for investment in the Sewage Treatment Works; as at the year end no money had yet been drawn to fund that investment.

JERSEY CURRENCY FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Sales of Goods and Services	(15)	(7)
Investment Income	(7,681)	(1,520)
Other Income	(450)	(403)
Total Revenue	(8,146)	(1,930)
Expenditure: Near Cash		
Supplies and Services	553	608
Administrative Expenditure	3	3
Premises and Maintenance	16	15
Other Operating Expenditure	27	4
Finance Costs	3	3
Total Expenditure: Near Cash	602	633
Net Revenue Income: Near Cash	(7,544)	(1,297)
Non Cash Amounts		
Depreciation and Amortisation	10	10
Total Non Cash Amounts	10	10
Net Revenue Income (before Financial Return)	(7,534)	(1,287)
Financial Return to Consolidated Fund	3,190	1,286
Net Revenue Income	(4,344)	(1)
Total Comprehensive Income	(4,344)	(1)

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	44	54	64
Investments held at Fair Value through Profit or Loss	79,763	72,447	71,269
Infrastructure Investment	10,750	10,750	10,000
Total Non-Current Assets	90,557	83,251	81,333
Current Assets			
Inventories	1,173	1,240	1,511
Trade and Other Receivables	124	222	243
Cash and Cash Equivalents	28,943	28,137	24,712
Total Current Assets	30,240	29,599	26,466
Total Assets	120,797	112,850	107,799
Current Liabilities			
Trade and Other Payables	(11)	(237)	(94)
Currency in Circulation – Notes	(102,309)	(100,646)	(95,116)
Currency in Circulation – Coinage	(9,307)	(8,942)	(8,644)
Balance due to the Consolidated Fund	(3,062)	(1,261)	(2,182)
Total Current Liabilities	(114,689)	(111,086)	(106,036)
Assets Less Liabilities	6,108	1,764	1,763
Taxpayer's Equity			
Accumulated Revenue Reserves	4,358	14	13
Circulation Reserve	1,750	1,750	1,750
Total Taxpayer's Equity	6,108	1,764	1,763

Insurance Fund

The States of Jersey manages the cost of insurance by operating a level of self-insurance with reserves accumulated in a Special Fund to provide a buffer against possible future insurance claims.

The Fund was formally established in 2013 under the terms of the Public Finances Law.

Summary Snapshot

FUND POSITION	NET REVENUE INCOME
£5,681,936	£183,201
3.1% decrease from 2015	196.6% decrease from 2015

Fund Performance

1. Income

Actual 2016

£1.6
million

Actual 2015

£1.4
million

Income for the Insurance Fund reflects recharges made to departments and other insured bodies which enjoy cover under States of Jersey arrangements. The level of recharge is based upon the anticipated drawings upon the Fund which were expected to remain broadly in line with the prior year.

2. Expenditure

Actual 2016

£1.7
million

Actual 2015

£1.2
million

The Insurance Fund saw an increase of expenditure in 2016 of £0.5 million. The increase was attributable to movements in a number of provisions, most significant was an increase in the level of the provisioning relating to medical malpractice claims which could potentially require settlement by the Fund.

3. Changes in Fund Net Asset Value

Fund Balance 2016

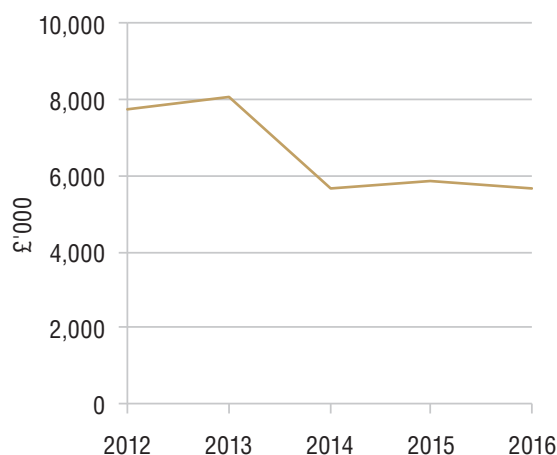
£5.7
million

Fund Balance 2015

£5.9
million

The movement from 2015 to 2016 is attributable to a £0.2 million surplus of income generated by an increase in the level of insurance recharging to parties within the insurance programme, offset by a £0.4 million increase of expenditure relating to a rise in claim settlements from the Fund.

INSURANCE FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Other Income	(1,557)	(1,429)
Total Revenue	(1,557)	(1,429)
Expenditure: Near Cash		
Supplies and Services	133	126
Premises and Maintenance	1,607	1,113
Total Expenditure: Near Cash	1,740	1,239
Net Revenue Expenditure/(Income)	183	(190)
Total Comprehensive Expenditure/(Income)	183	(190)

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Current Assets			
Trade and Other Receivables	–	–	106
Balance due from the Consolidated Fund	9,705	9,015	7,890
Total Current Assets	9,705	9,015	7,996
Current Liabilities			
Trade and Other Payables	(238)	(286)	(13)
Total Current Liabilities	(238)	(286)	(13)
Total Assets Less Current Liabilities	9,467	8,729	7,983
Non-Current Liabilities			
Provisions for Liabilities and Charges	(3,785)	(2,864)	(2,307)
Total Non-Current Liabilities	(3,785)	(2,864)	(2,307)
Assets Less Liabilities	5,682	5,865	5,676
Taxpayer's Equity			
Accumulated Revenue Reserves	5,682	5,865	5,676
Total Taxpayer's Equity	5,682	5,865	5,676

Special Funds for Specific Purposes

Dwelling Houses Loan Fund

The Fund was established in 1950 to enable residentially qualified first-time buyers who have never owned residential freehold property in Jersey to purchase a Jersey home.

Summary Snapshot

FUND POSITION	NET REVENUE INCOME
£4,723,410	£196,776
4.3% increase from 2015	21.9% decrease from 2015

Fund Performance

1. Income

Actual 2016

£0.2
million

Actual 2015

£0.3
million

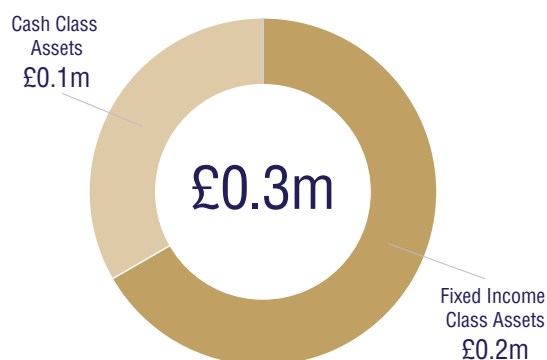
Loan interest received in 2016 was £237,095 a decrease of £50,684 (17.6%), from 2015. This was attributable to a lower loan balance as capital repayments were received during the year.

Gains on Common Investment Fund investments of £3,508 were earned during the year.

Returns from investments remain low reflecting the low risk portfolio and continuing low interest rate environment.

Performance of CIF Investments

The Dwelling Houses Loan Fund participates in two CIF Pools. Investments are held by the CIF, which recognises income, expenditure and gains/losses on Investments. The Fund recognises only gains or losses on the CIF units held.



The table below shows the share of transactions in the CIF attributable to Fund.

CIF AMOUNTS ATTRIBUTABLE TO THE DWELLING HOUSES LOAN FUND

	2016 £'000	2015 £'000
Income	(7)	(8)
Expenditure	–	–
Losses on Investments	4	7
Total Gains recognised	(3)	(1)

2. Expenditure

Actual 2016

£0.05
million

Actual 2015

£0.04
million

Supplies and Services were charged to the Fund of £52,390.94 an increase of 24.9% compared to 2015. The increase was attributable to one off charges of £20,212 relating to data migration costs incurred as part of the reorganisation of the administrative arrangements of the Fund.

3. Changes in Fund Net Asset Value

Fund Balance 2016

£4.7
million

Fund Balance 2015

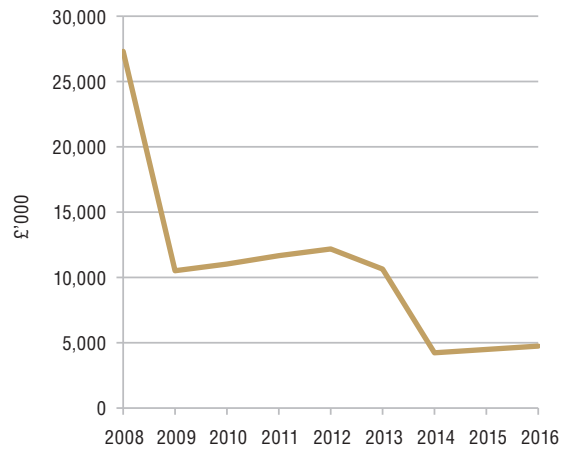
£4.5
million

The Fund increased during 2016 as a result of gains on investments and receipts of loan interest.

No new loans were issued by the Fund in 2016.

For clarity any arrears have been split out from the Loans and Advances and are included in Debtors. Any overpayments have been recorded in Creditors.

DWELLING HOUSES LOAN FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Investment Income	(249)	(294)
Total Revenue	(249)	(294)
Expenditure: Near Cash		
Supplies and Services	50	42
Impairments of Financial Assets	2	–
Total Expenditure: Near Cash	52	42
Net Revenue Expenditure/(Income)	(197)	(252)

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Loans and Advances	2,124	2,556	3,169
Investments held at Fair Value through Profit or Loss	274	271	270
Total Non-Current Assets	2,398	2,827	3,439
Current Assets			
Loans and Advances	282	414	374
Trade and Other Receivables	35	39	41
Balance due from the Consolidated Fund	2,080	1,308	472
Total Current Assets	2,397	1,761	887
Total Assets	4,795	4,588	4,326
Current Liabilities			
Trade and Other Payables	(72)	(61)	(51)
Total Current Liabilities	(72)	(61)	(51)
Total Assets Less Current Liabilities	4,723	4,527	4,275
Assets Less Liabilities	4,723	4,527	4,275
Taxpayer's Equity			
Accumulated Revenue Reserves	4,723	4,527	4,275
Total Taxpayer's Equity	4,723	4,527	4,275

Assisted House Purchase Scheme

Established in 1977 to aid the recruitment of staff from the UK, facilitating the purchase of suitable properties by the States on behalf of the employee.

Summary Snapshot

FUND POSITION	NET REVENUE INCOME
£2,212,834	£21,442
1% increase from 2015	18.7% increase from 2015

Fund Performance

1. Income

Actual 2016	Actual 2015
£0.02 million	£0.03 million

Loan interest received was £18,523 in 2016, a decrease of £4,429 (19.3%), attributable to capital being repaid during 2016.

Interest paid on the balance due from the Consolidated Fund was £5,250.30 an increase of 34.9% on 2015. The rise was attributable to an increase in the balance due to repayments of loan capital into that Fund.

2. Expenditure

Actual 2016	Actual 2015
£0.00 million	£0.01 million

Supplies and Services of £2,331 were charged to the Fund a decrease of 73.4% during 2016 following reorganisation of administrative arrangements charged to the Fund.

3. Changes in Fund Net Asset Value

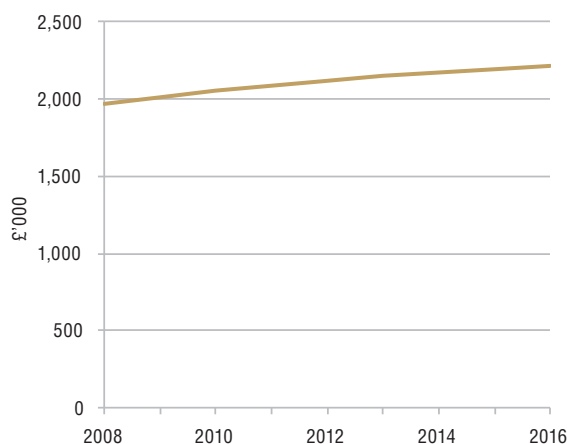
Fund Balance 2016	Fund Balance 2015
£2.2 million	£2.2 million

The Net Asset Value (NAV) of the Fund increased by £21,442 (1%).

During the year the Fund did not issue any new loans. Loans and Advances decreased by £431,888 (33.8%) due to capital repayments.

For clarity any arrears have been split out from the Loans and Advances and are included in Debtors.

ASSISTED HOUSE PURCHASE SCHEME NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Investment Income	(23)	(27)
Total Revenue	(23)	(27)
Expenditure: Near Cash		
Supplies and Services	2	9
Total Expenditure: Near Cash	2	9
Net Revenue Income	(21)	(18)

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Loans and Advances	742	1,142	1,497
Total Non-Current Assets	742	1,142	1,497
Current Assets			
Loans and Advances	105	137	149
Trade and Other Receivables	2	2	2
Balance due from the Consolidated Fund	1,364	910	526
Total Current Assets	1,471	1,049	677
Total Assets	2,213	2,191	2,174
Taxpayer's Equity			
Accumulated Revenue Reserves	2,213	2,191	2,174
Total Taxpayer's Equity	2,213	2,191	2,174

99 Year Leaseholders Fund

To lend to individuals offering leasehold property as security when there was no share transfer or flying freehold legislation.

Summary Snapshot

FUND POSITION	NET REVENUE INCOME (BEFORE FINANCIAL RETURN)
£830,207	£15,028
<0.1% decrease from 2015	5% decrease from 2015



Fund Performance

1. Income

Actual 2016	Actual 2015
£0.02 million	£0.02 million

Income received in 2016 was marginally lower than in the prior year. Interest received was £12,219 in 2016 a decrease of £463 (3.7%) compared to 2015. This was primarily attributable to lower loan balances as repayments were received over the year.

Remaining income was interest received from funds held by the Consolidated Fund, this was £3,404 an increase of £8 (0.2%) on 2015.

2. Expenditure

Actual 2016	Actual 2015
£0.02 million	£0.02 million

Surplus revenue income is transferred to Jersey Property Holding's cash limit at the end of each year and is presented as a Financial Return. This year a return of £15,193 was charged to the Fund representing a decrease of £631 (4%) compared to 2015.

3. Changes in Fund Net Asset Value

Fund Balance 2016	Fund Balance 2015
£0.8 million	£0.8 million

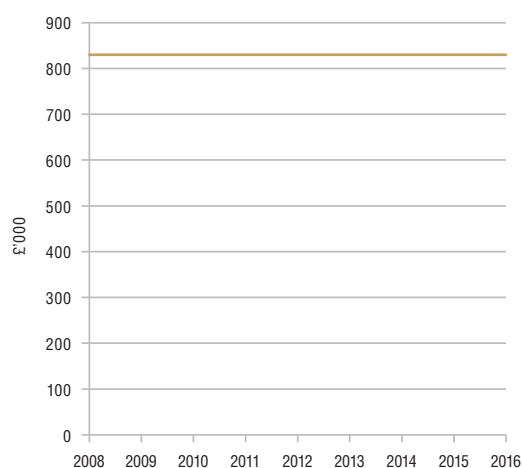
During the year the Fund did not issue any new loans.

Loans and advances reduced by £8,508 due to capital repayments.

There is no change in the Net Asset Value (NAV) from 2015 as surplus revenue income is transferred to Jersey Property Holding's cash limit at the end of each year and is presented as a Financial Return.

For clarity any arrears have been split out from the Loans and Advances and are included in Debtors.

99 YEAR LEASEHOLDERS FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Investment Income	(16)	(16)
Total Revenue	(16)	(16)
Expenditure: Near Cash		
Supplies and Services	1	—
Financial Return	15	16
Total Expenditure: Near Cash	16	16
Total Comprehensive Expenditure	—	—

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Loans and Advances	114	118	143
Total Non-Current Assets	114	118	143
Current Assets			
Loans and Advances	11	15	(2)
Trade and Other Receivables	20	18	15
Balance due from the Consolidated Fund	685	679	674
Total Current Assets	716	712	687
Total Assets	830	830	830
Taxpayer's Equity			
Accumulated Revenue Reserves	830	830	830
Total Taxpayer's Equity	830	830	830

Agricultural Loans Fund

To authorise lending to bona fide inhabitants of Jersey who are wholly or mainly in work of an agricultural nature in Jersey for specific purposes.

Summary Snapshot

FUND POSITION	NET REVENUE INCOME
£534,431	£14,451
2.8% increase from 2015	53.5% decrease from 2015

Fund Performance

1. Income

Actual 2016	Actual 2015
£0.02	£0.04
million	million

Loan interest received was £14,451 in 2016, a decrease of £16,645 (53.5%) due to capital repayments received from borrowers.

2. Expenditure

Actual 2016	Actual 2015
£0.01	£0.01
million	million

Supplies and services were charged to the Fund of £9,281 in line with the 2015 charge.

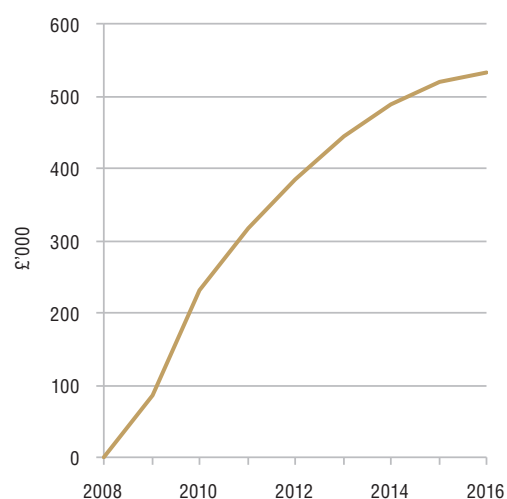
3. Changes in Fund Net Asset Value

Fund Balance 2016	Fund Balance 2015
£0.5	£0.5
million	million

During the year the Fund did not issue any new loans.

Loans and advances decreased by £64,957 (17.2%) due to capital repayments by borrowers

AGRICULTURAL LOANS FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Investment Income	(23)	(41)
Total Revenue	(23)	(41)
Expenditure: Near Cash		
Supplies and Services	9	9
Finance Costs	–	1
Total Expenditure: Near Cash	9	10
Net Revenue Income	(14)	(31)

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Loans and Advances	261	320	624
Total Non-Current Assets	261	320	624
Current Assets			
Loans and Advances	51	58	69
Trade and Other Receivables	13	15	30
Balance due from the Consolidated Fund	209	127	–
Total Current Assets	273	200	99
Total Assets	534	520	723
Current Liabilities			
Balance due to the Consolidated Fund	–	–	(234)
Total Current Liabilities	–	–	(234)
Assets Less Liabilities	534	520	489
Taxpayer's Equity			
Accumulated Revenue Reserves	534	520	489
Total Taxpayer's Equity	534	520	489

Tourism Development Fund

The Tourism Development Fund (TDF) was established by the States in December 2001. The aim of the Fund is to stimulate investment in the tourism industry and infrastructure in order to improve Jersey's competitiveness and sustain the industry as a second pillar of the economy.

Summary Snapshot

FUND POSITION	NET REVENUE EXPENDITURE
£420,322	£234,507
35.8% decrease from 2015	34.9% increase from 2015

Fund Performance

1. Income

Actual 2016

£0
million

Actual 2015

£0.5
million

The Fund received a grant of £0.5 million from the Economic Development Department in 2015 which was not repeated in 2016. The Fund receives small amounts of interest from the Common Investment Fund.

2. Expenditure

Actual 2016

£0.2
million

Actual 2015

£0.7
million

There was a decrease of £0.5 million (65.0%) in grants paid compared to 2015. Grants from the Fund are considered and recommended to the Minister by an Advisory Panel of business leaders. The amount paid in grants each year is dependent upon the number and financial amounts of applications received and recommended by the Advisory Panel.

Eleven grants were paid in 2016 ranging from under £1,000 to £76,000. Full details of grants paid by the Fund in 2016 of over £75,000 are shown in note 9.12 of the Financial Report and Accounts. Grants under £75,000 are shown in Appendix A to this Annex.

3. Changes in Fund Net Asset Value

Fund Balance 2016

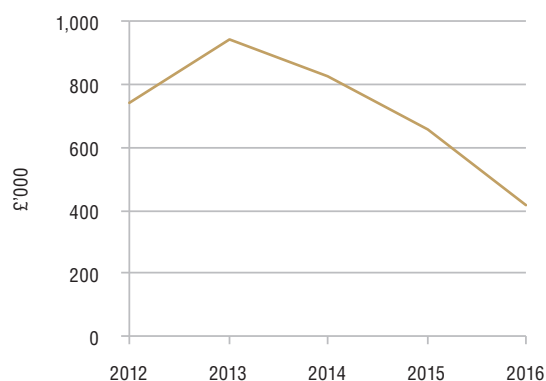
£0.42
million

Fund Balance 2015

£0.65
million

The decrease of £0.2 million was due to the payment of grants (£0.23 million).

TOURISM DEVELOPMENT FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Investment Income	(3)	(4)
Other Income	–	(500)
Total Revenue	(3)	(504)
Expenditure: Near Cash		
Supplies and Services	1	3
Grants and Subsidies Payments	236	675
Total Expenditure: Near Cash	237	678
Net Revenue Expenditure	234	174
Total Comprehensive Expenditure	234	174

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Current Assets			
Balance due from the Consolidated Fund	450	711	1,057
Total Current Assets	450	711	1,057
Current Liabilities			
Trade and Other Payables	(30)	(56)	(228)
Total Current Liabilities	(30)	(56)	(228)
Assets Less Liabilities	420	655	829
Taxpayer's Equity			
Accumulated Revenue Reserves	420	655	829
Total Taxpayer's Equity	420	655	829

Jersey Innovation Fund

Established in 2013 with funding commencing in 2014, to support innovation, which will include a wide range of activities, from direct business support to strategic infrastructure investments, in the private, public and third sectors.

The Jersey Innovation Fund is an important element of the States of Jersey's Economic Growth and Diversification Strategy.

Summary Snapshot

FUND POSITION	NET REVENUE EXPENDITURE
£2,918,232	£1,386,921
32.2% decrease from 2015	102.9% increase from 2015

Fund Performance

1. Income

Actual 2016

£0.1
million

Actual 2015

£0.1
million

In 2016 loan interest of £0.1 million was received and there were no new loans issued.

2. Expenditure

Actual 2016

£1.5
million

Actual 2015

£0.8
million

Total operating expenses in 2015 were £1.5 million which includes the Board's costs and administration costs.

In 2016 a decision was taken to make a provision of £1.4 million against doubtful loan and interest repayments.

3. Changes in Fund Net Asset Value

Fund Balance 2016

£2.9
million

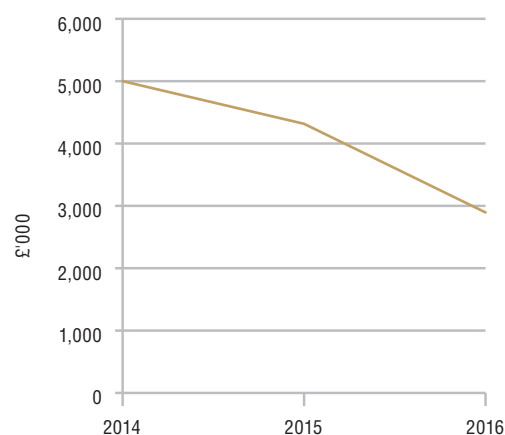
Fund Balance 2015

£4.3
million

The Net Asset Value (NAV) was £2.9 million.

During the year, the Fund decreased by £1.4 million due to an additional provision made against doubtful loan and interest repayments.

JERSEY INNOVATION FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Investment Income	(127)	(104)
Total Revenue	(127)	(104)
Expenditure: Near Cash		
Staff Expenditure	39	39
Supplies and Services	49	57
Administrative Expenditure	1,426	692
Total Expenditure: Near Cash	1,514	788
Net Revenue Expenditure	1,387	684
Total Comprehensive Expenditure	1,387	684

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Loans and Advances	912	1,445	850
Total Non-Current Assets	912	1,445	850
Current Assets			
Loans and Advances	685	453	61
Trade and Other Receivables	382	3	14
Balance due from the Consolidated Fund	3,012	3,094	4,066
Total Current Assets	4,079	3,550	4,141
Total Assets	4,991	4,995	4,991
Current Liabilities			
Trade and Other Payables	–	–	(2)
Total Current Liabilities	–	–	(2)
Total Assets Less Current Liabilities	4,991	4,995	4,989
Non-Current Liabilities			
Provisions for Liabilities and Charges	(2,073)	(690)	–
Total Non-Current Liabilities	(2,073)	(690)	–
Assets Less Liabilities	2,918	4,305	4,989
Taxpayer's Equity			
Accumulated Revenue Reserves	2,918	4,305	4,989
Total Taxpayer's Equity	2,918	4,305	4,989

Channel Islands Lottery (Jersey) Fund

The purpose of the Channel Islands Lottery (Jersey) Fund is to promote and conduct public lotteries in aid of good causes.

Summary Snapshot

FUND POSITION	NET REVENUE EXPENDITURE
£100,000	£0
0% increase from 2015	£80,172 in 2015

Fund Performance

1. Income

Actual 2016
£14.7
million

Actual 2015
£12.9
million

Ticket sales and Guernsey's contribution to the prize fund accounted for almost all income at £14.6 million (99.5%). The Christmas draw and Super Red Hot 7s contributed the majority of that revenue, accounting for £8.6 million (58.8%) of sales. Other income from investment returns and time expired prizes amounted to £0.1 million (0.5%).

Overall income from ticket sales grew by £1.8 million (14.3%) driven by a strong increase in Jersey. Sales of Super Red Hot 7s accounted for £1.5 million of that increase. Income from investments and time expired prizes was in line with 2015.

Performance of CIF Investments

The Channel Islands Lottery (Jersey) Fund participates in a range of CIF pools. Investments are held by the CIF, which recognises income, expenditure and gains/losses on Investments. The Fund recognises only gains or losses on the units held in the CIF.



The table below shows the share of transactions in the CIF attributable to Fund.

CIF AMOUNTS ATTRIBUTABLE TO THE CHANNEL ISLANDS LOTTERY (JERSEY) FUND

	2016 £'000	2015 £'000
Income	(1)	(1)
Expenditure	–	–
Losses on Investments	–	–
Total Gains recognised	(1)	(1)

2. Expenditure

Actual 2016
£14.7
million

Actual 2015
£13.0
million

Prize payments and commission to distributors were the principal costs in 2016. Together they accounted for expenditure of £11.8 million (80.2%) and £1.3 million (8.6%) respectively.

Overall expenditure grew by £1.7 million (13.4%) in 2016. Prize payments showed the largest absolute increase at £0.9 million (8.2%).

Total amounts paid to the Association of Jersey Charities (AJC) increased by £0.8 million (175.4%) in 2016. This increase was driven by a number of factors including: a reduction in administrative costs, improvements to the approach taken to estimate prize liabilities following review, and a renegotiation of the distribution agreement leading to an increase in the underlying profitability of the lottery.

3. Changes in Fund Net Asset Value

Fund Balance 2016

£0.1

million

Fund Balance 2015

£0.1

million

In 2016 all profits from the Channel Islands Lottery were paid to the Association of Jersey Charities. As a result the net asset value of the Channel Islands Lottery (Jersey) Fund remained static at £0.1 million.

Financial Statements

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Sales of Goods and Services	(14,668)	(12,833)
Investment Income	(11)	(14)
Other Income	(59)	(73)
Total Revenue	(14,738)	(12,920)
Expenditure: Near Cash		
Supplies and Services	1,655	1,607
Other Operating Expenditure	11,833	10,939
Grants and Subsidies Payments	1,250	454
Total Expenditure: Near Cash	14,738	13,000
Net Revenue Expenditure	–	80
Total Comprehensive Expenditure	–	80

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Investments held at Fair Value through Profit or Loss	145	144	143
Total Non-Current Assets	145	144	143
Current Assets			
Trade and Other Receivables	1,618	1,905	1,816
Balance due from the Consolidated Fund	2,099	1,222	2,683
Total Current Assets	3,717	3,127	4,499
Total Assets	3,862	3,271	4,642
Current Liabilities			
Trade and Other Payables	3,762	3,171	4,462
Total Current Liabilities	3,762	3,171	4,462
Assets Less Liabilities	100	100	180
Taxpayer's Equity			
Accumulated Revenue Reserves	100	100	180
Total Taxpayer's Equity	100	100	180

Housing Development Fund

Established in 1999 to fund social rented and first time buyer housing development programs. The terms of the Fund in Budget 2014 were extended to allow for commercial borrowing through the Fund and lending to Housing Trusts/Associations/Companies or bodies with the same purpose registered in Jersey.

Summary Snapshot

FUND POSITION	NET REVENUE INCOME
(£6,031,895)	£4,563,214
310.7% decrease from 2015	3.5% increase from 2015

Fund Performance

1. Income

Actual 2016

£5.0
million

Actual 2015

£5.1
million

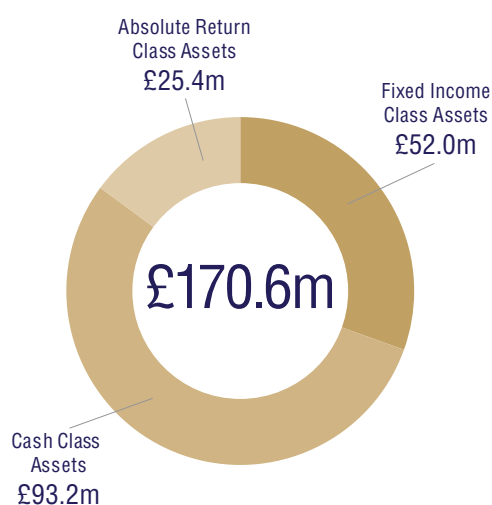
On 9 June 2014 the States of Jersey issued a £250 million Bond at a coupon rate of 3.75% with a 40 year maturity. The cash received from the Bond (£243.8 million) was transferred into the Housing Development Fund and is being used to lend money to affordable housing providers in the Island, in particular Andium Homes Limited, in order to finance a comprehensive programme of investment in affordable homes for Jersey's future.

The proceeds of the Bond are invested in the Common Investment Fund ('CIF') until they are drawn down as loans on commencement of housing projects in line with the aims of the Fund described above. As at the 31 December 2016 a total of £82 million (2015: £71.9 million) in loans had been committed and £71.5 million (2015: £59.5 million) had been drawn.

During the year the Fund generated a total return of £5 million; £3.1 million earned through loan interest with the remaining £1.9 million generated via investment returns from the CIF. CIF returns fell from £2.8 million in the prior year, the fall reflected a lower investment balance and lower returns from the cash class, the largest asset class, reflecting a reduction in base rates which occurred following the EU referendum. Loan interest received continued to increase slightly due to further loans being drawn by Andium Homes Limited.

Performance of CIF Investments

The Housing Development Fund participated in a range of CIF pools in 2016, investing the Bond proceeds until they are lent out. Investments are held by the CIF, which recognises income, expenditure and gains/losses on investments. The Fund recognises only gains or losses on the units held in the CIF.



The table below shows the share of transactions in the CIF attributable to the Fund.

CIF AMOUNTS ATTRIBUTABLE TO THE HOUSING DEVELOPMENT FUND

	2016 £'000	2015 £'000
Income	(359)	(2,508)
Expenditure	914	491
Gain on Investments	(2,447)	(834)
Total Gains Recognised	(1,892)	(2,851)

2. Expenditure

Actual 2016

£9.5

million

Actual 2015

£9.5

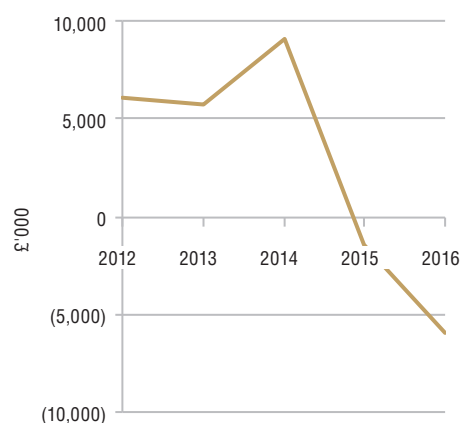
million

Two payments of £4.7 million Bond interest are paid to investors at the coupon rate of 3.75% on 9th June and 9th December.

The Bond discount (which is the difference between the Bond value of £250 million and the cash received of £243.8 million) and Bond issuance costs are amortised over the life of the Bond (40 years).

Virtually all expenses incurred in 2016 related to the States Bond, including both coupon payments and the amortisation of the Bond discount and issuance costs using an effective interest rate.

HOUSING DEVELOPMENT FUND NET ASSET VALUE OVER TIME



3. Changes in Fund Net Asset Value

Fund Balance 2016

(£6.0)

million

Fund Balance 2015

(£1.5)

million

The movement is attributable to excess bond coupon payments over investment earnings during 2016. This drawdown was anticipated in the early days of the Fund as in the initial years, following the bond issuance, a high proportion of Fund assets must be held in low volatility, low risk investments pending loan drawdown. During this period the Fund is anticipated to yield a negative short term return, however once a sufficient proportion of the Fund is issued as loans, returns from interest receipts are projected to exceed coupon payments and the Fund value will recover.

The drawdowns of loans is dependent on the ability of Andium Home to progress housing projects. Andium expect to receive approval for a number of significant projects in the short term future which will enable the Fund to loan additional monies and achieve the increased returns required to rebuild the Fund value over a medium term time horizon. Other Housing Trusts and Associations have also expressed positive interest in utilising the HDF for their requirements as agreed in the original terms of the Fund.

Financial Statements

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Investment Income	(4,967)	(5,136)
Total Revenue	(4,967)	(5,136)
Expenditure: Near Cash		
Supplies and Services	53	67
Finance Costs	9,477	9,478
Total Expenditure: Near Cash	9,530	9,545
Net Revenue Expenditure	4,563	4,409
Total Comprehensive Expenditure	4,563	4,409

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Loans and Advances	65,623	56,569	39,625
Investments held at Fair Value through Profit or Loss	170,604	186,253	206,428
Infrastructure Investment	681	–	–
Total Non-Current Assets	236,908	242,822	246,053
Current Assets			
Loans and Advances	1,550	1,967	927
Trade and Other Receivables	1,313	11,192	–
Balance due from the Consolidated Fund	–	–	5,138
Total Current Assets	2,863	13,159	6,065
Total Assets	239,771	255,981	252,118
Current Liabilities			
Trade and Other Payables	(5)	(2)	(27)
Balance due to the Consolidated Fund	(2,600)	(14,335)	–
Total Current Liabilities	(2,605)	(14,337)	(27)
Total Assets Less Current Liabilities	237,166	241,644	252,091
Non-Current Liabilities			
Other Financial Liabilities	(243,198)	(243,113)	(243,030)
Total Non-Current Liabilities	(243,198)	(243,113)	(243,030)
Assets Less Liabilities	(6,032)	(1,469)	9,061
Taxpayer's Equity			
Accumulated Revenue Reserves	(6,032)	(1,469)	9,061
Total Taxpayer's Equity	(6,032)	(1,469)	9,061

Criminal Offences Confiscations Fund

This fund was established under the Proceeds of Crime (Jersey) Law 1999 to hold amounts confiscated under law. These funds are then distributed in accordance with the relevant legislation.

Summary Snapshot

FUND POSITION	NET REVENUE INCOME
£3,863,032	£843,667
27.9% increase from 2015	100.9% increase from 2015

1. Fund Performance

1. Income

Actual 2016

£9.1
million

Actual 2015

£0.5
million

Income into the Fund is made up of amounts recovered under, or in satisfaction of, confiscation orders, or received under assets-sharing agreements for offences against the Proceeds of Crime (Jersey) Law 1999. Bank interest is also earned on bank account balances.

Total confiscations of £9.1 million were received in 2016 (2015: £0.5 million). £9.0 million of this relates to three confiscations but further work is required between the relevant jurisdictions involved in these cases to establish the extent to which these assets should be repatriated or shared. Unless otherwise advised by the legal teams involved in the cases, a prudent approach is taken to all confiscations received which recognises a provision against the full amount received. This is to acknowledge that the assets are likely to be repatriated or shared and so they should not be recognised in the Fund until such time that the case has been concluded and a final agreement reached between parties.

2. Expenditure

Actual 2016

£8.3
million

Actual 2015

£0.5
million

Expenditure must be used to promote or support measures that prevent, suppress or otherwise deal with criminal conduct, that deal with the consequences of criminal conduct or facilitate in the enforcement of any enactment dealing with criminal conduct. Funds may also be used to discharge Jersey's obligations under asset-sharing agreements and to meet the expenses of administering the Fund.

In 2016 grants totalling £0.1 million (2015: £0.2 million) were made to Community and Constitutional Affairs.

£0.1 million (2015: £0.1 million) was actually paid out in respect of asset sharing agreements, with the balance

of expenditure comprising provisions being raised for possible future asset sharing agreements.

Gains as a result of Foreign Exchange of £0.7 million were made in 2016 (2015: £0.2 million).

3. Changes in Fund Net Asset Value

Fund Balance 2016

£3.9
million

Fund Balance 2015

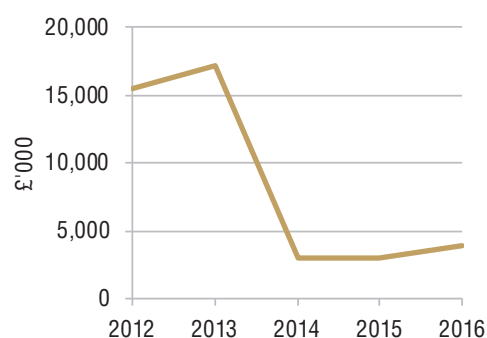
£3.0
million

Whilst income of £9.1 million was received in 2016, the Net Asset Value of the Criminal Offences Confiscations Fund (COCF) has only increased by £0.9 million from 2015 due to the provisions raised against the confiscations received.

The cash position has increased by £9.4 million due to confiscations received and both foreign exchange gains and interest on confiscations held. Payables have marginally reduced as grants already approved have been paid out.

The indicative capital programme in the Medium Term Financial Plan 2016 – 2019 included an allocation in 2018 for 'Prison Improvement Works – Phase 6' of £8.2 million which was subject to funding from the COCF should there be a sufficient balance available. As at the end of 2016, the Net Asset Value of the Fund is not sufficient to support this project but the position will be reviewed in 2017 in advance of the 2018 capital programme being lodged in the Budget 2018.

CRIMINAL OFFENCES CONFISCATIONS FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Investment Income	(20)	(16)
Other Income	(9,084)	(452)
Total Revenue	(9,104)	(468)
Expenditure: Near Cash		
Supplies and Services	3	3
Other Operating Expenditure	8,826	398
Grants and Subsidies Payments	119	241
Foreign Exchange Gain	(688)	(167)
Total Expenditure: Near Cash	8,260	475
Net Revenue (Income)/Expenditure	(844)	7
Total Comprehensive (Income)/Expenditure	(844)	7

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Current Assets			
Trade and Other Receivables	110	110	137
Cash and Cash Equivalents	15,750	6,313	16,144
Balance due from the Consolidated Fund	81	–	–
Total Current Assets	15,941	6,423	16,281
Current Liabilities			
Trade and Other Payables	(8)	(96)	(722)
Balance due to the Consolidated Fund	–	–	(9,534)
Total Current Liabilities	(8)	(96)	(10,256)
Total Assets Less Current Liabilities	15,933	6,327	6,025
Non-Current Liabilities			
Provisions for Liabilities and Charges	(12,070)	(3,308)	(2,998)
Total Non-Current Liabilities	(12,070)	(3,308)	(2,998)
Assets Less Liabilities	3,863	3,019	3,027
Taxpayer's Equity			
Accumulated Revenue Reserves	3,863	3,019	3,027
Total Taxpayer's Equity	3,863	3,019	3,027

Civil Asset Recovery Fund

This fund was established under the Civil Asset Recovery (International Cooperation) (Jersey) Law 2007 to enable Jersey to co-operate with other countries in external civil asset recovery proceedings and investigations and for related purposes.

Summary Snapshot

FUND POSITION	NET REVENUE INCOME
£248,267	£39,490
18.9% increase from 2015	406.7% increase from 2015

Fund Performance

1. Income

Actual 2016

£0.0
million

Actual 2015

£0.0
million

The Fund's main source of income is from seizures made by Customs and Immigration during the year. In 2016 seizures amounted to £37,960 (2015: £9,760).

2. Expenditure

Actual 2016

£0.0
million

Actual 2015

£0.0
million

Administration recharges of £830 (2015: £830) were made during the year, with a gain on foreign exchange of £2,390 recognised (2015: loss of £1,099) on Euros held by the Fund.

3. Changes in Fund Net Asset Value

Fund Balance 2016

£0.2
million

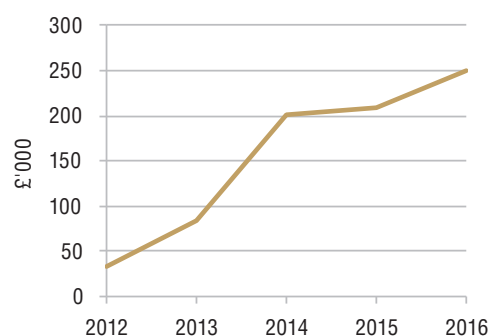
Fund Balance 2015

£0.2
million

The net asset value of the fund increased by £39,490.

This increase is due to the Net Revenue Income and gains on Foreign Exchange earned by the Fund.

CIVIL ASSET RECOVERY FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Other Income	(38)	(10)
Total Revenue	(38)	(10)
Expenditure: Near Cash		
Supplies and Services	1	1
Foreign Exchange (Gain)/Loss	(2)	1
Total Expenditure: Near Cash	(1)	2
Net Revenue Income	(39)	(8)
Total Comprehensive Income	(39)	(8)

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Current Assets			
Cash and Cash Equivalents	119	22	23
Balance due from the Consolidated Fund	235	292	289
Total Current Assets	354	314	312
Current Liabilities			
Trade and Other Payables	(105)	(105)	(111)
Total Current Liabilities	(105)	(105)	(111)
Assets Less Liabilities	249	209	201
Taxpayer's Equity			
Accumulated Revenue Reserves	249	209	201
Total Taxpayer's Equity	249	209	201

Social Security Funds

Social Security Fund

The Social Security Fund is administered by the Social Security Department and receives contributions from employers, working age adults and general tax revenues and provides contributors with benefits at times when they are unable to work and pensions when they reach a certain age.

Summary Snapshot

FUND POSITION	NET REVENUE INCOME
£72,155,386	£14,237,580
18.4% decrease from 2015	20.4% decrease from 2015

1. What resources we have used

Fund Income

Actual 2016	Actual 2015
£239.1 million	£235.4 million

Income within the Social Security Fund has increased by £3.7 million over the prior year.

Contribution income for the year increased by £3.4 million (2.0%), however, the States Grant remained at the 2015 level.

Contributions to the fund are paid by working age adults (5.2% of earnings) and their employers (5.3%) up to the Standard Earnings Limit (SEL) of £49,128 per annum.

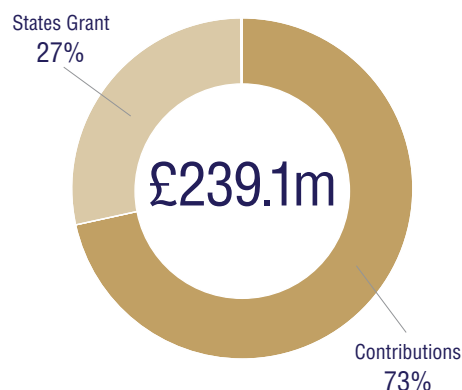
Contributors with earnings below the SEL, but above the Lower Earnings Limit (LEL) of £10,368 per annum, normally receive a supplement to bring their contributions up to the SEL. This is in order to protect pensions and benefit entitlement.

The States provide an annual contribution to the Fund, which partly covers the cost of supplementation. The 2016 grant was £65.3 million, the same level as in 2015 and is recorded as expenditure in the Social Security Department pages of this Annex. The amount is governed by a formula which was suspended for the period of this MTFP and a fixed grant of £65.3 million will be paid each year. The formula reflects that the fund received contributions 2% payable on earnings by employers and Class 2 contributors between the SEL and the Upper Earnings Limit (UEL) of £162,504 per annum. This was introduced in 2012, and the States Grant reduced as a result.

In 2015 the actual cost of supplementation was £77.3 million, and in 2016 it is forecast to be £79.2 million.

MAJOR INCOME STREAMS

	£'000
Contributions	(173,014)
States Grant	(65,300)
Other	(824)
Total Income	(239,138)



Fund Position

The Fund saw a current year surplus of £14.2 million, a decrease of £3.6 million (20.4%) compared to 2015.

KEY VARIANCES FROM 2015

	£'000
2015 NRI	(17,884)
Contributions	(3,355)
Social Benefit Payments	7,353
Other Variances	(352)
2016 NRI	(14,238)

The decrease in the surplus was caused by an increase in benefit expenditure of £7.4 million (3.5%), partially offset by an increase in Contribution income of £3.4 million (2.0%).

Fund Balance 2016	Fund Balance 2015
£72.2 million	£88.5 million

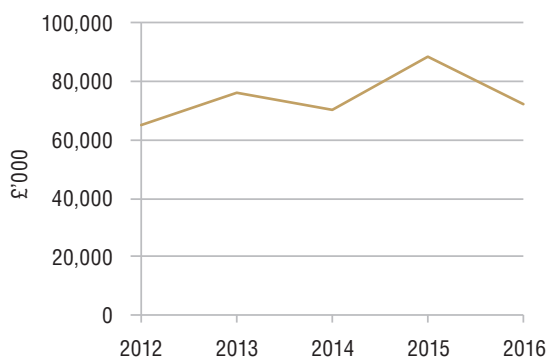
As the Fund was generating a surplus, £30 million was transferred to the Social Security Reserve Fund (SSRF) during the year to maximise returns on Funds not currently required. When comparing the Fund balance to 2015, it has decreased by 18.4% (£16.3 million) mainly as a result of the transfer.

The States Grant will continue to be frozen until 2019 (reducing the total amount paid over the period by £20 million) and benefits are expected to increase faster than contributions. Therefore, it is projected that the fund will move to a deficit position in the next five years at which point the fund balance will begin to reduce.

The regular tri-ennial actuarial review of the Social Security Fund as at 31 December 2015 was undertaken during 2016. In addition, a review of the sustainability of the fund is currently being carried out, to identify possible changes which could be made to address pressures caused by the aging population, including potential use of investment returns, and eventually capital in the SSRF.

Assets are mainly receivables for contributions along with fixed assets including the buildings which house the department and working cash balances. The fund invests its surplus in the SSRF which sets aside funds for the future provision of pension benefits for those in employment so as to reduce the impact of pensions in future generations, as well as to smooth contributions for Social Security benefits over time.

SOCIAL SECURITY FUND NET ASSET VALUE OVER TIME



2. What we have spent funding on

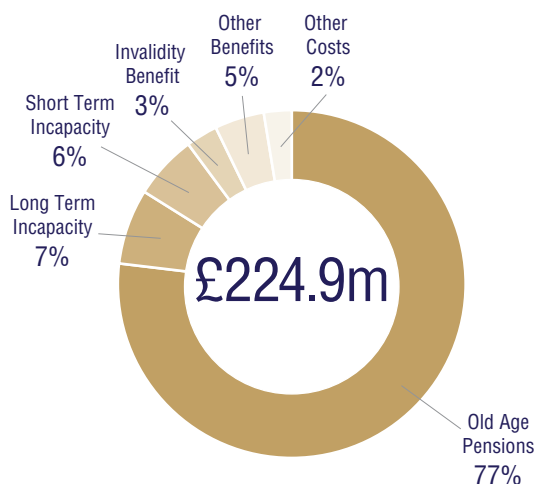
Near Cash by Service Area

	2016 Actual £'000	2015 Actual £'000
States Grant to Social Security Fund	(65,300)	(65,300)
Social Security Contributions	(173,014)	(169,659)
Contributory Benefits		
Old Age Pensions	172,933	166,746
Long Term Incapacity Benefit	15,755	15,515
Invalidity Benefit	6,631	7,289
Short Term Incapacity Benefit	13,402	12,315
Survivors Benefit	4,475	4,550
Maternity Benefit	2,751	2,340
Maternity Grant	573	618
Death Grants	582	522
Home Carers Allowance	1,886	1,872
Redundancy Protection	106	(26)
Contributory Benefits	219,094	211,741
Administration	4,982	5,334
Net Revenue Income – Near Cash	(14,238)	(17,884)
Depreciation	510	564
Net Revenue Income	(13,728)	(17,320)

Fund Expenditure

Actual 2016	Actual 2015
£224.9	£217.5
million	million

Expenditure has increased by £7.4 million (3.5%) during 2016. This is due to increases in social benefits payments, mainly due to an increase Pensions paid in line with expectations.



Old Age Pensions

£172.9 million

Just over three-quarters of Social Security benefit expenditure is in respect of old age pensions. This cost is growing year on year as the number of pensioners increases.

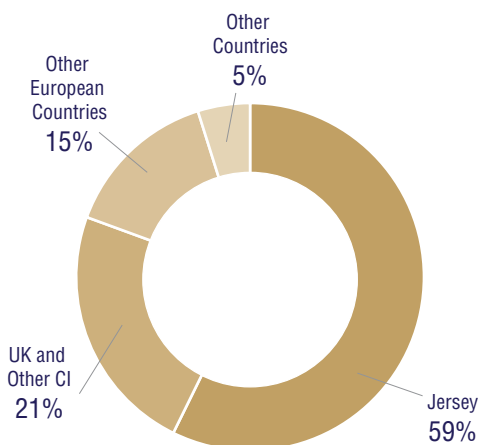
The value of the pension depends on the number of years of contributions with the maximum, full rate of pension being paid to those with a contribution record of 45 years or more.

In October 2016 the standard rate of pension increased by 2.1% from £199.99 to £204.19 per week.

Pensioners living in Jersey have typically paid more Social Security contributions having lived and worked for more years in Jersey, and therefore receive a larger pension. The lower levels of pensions paid abroad reflect Jersey's

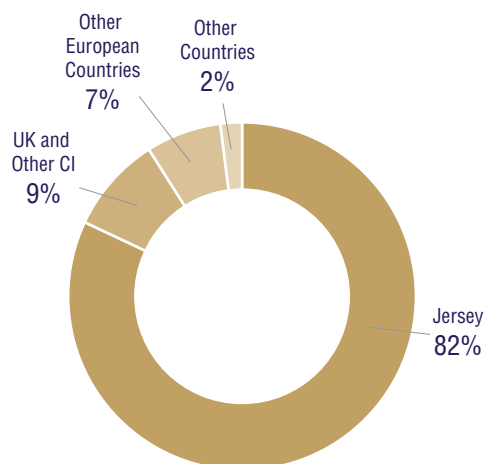
history of high levels of migrant labour where non Jersey born nationals have worked in Jersey for a relatively short period before leaving the island.

WHERE PENSIONERS ARE PAID



41% of Old Age Pensions are paid outside of Jersey but only 18% of the total value of Old Age Pensions is paid to these pensioners.

VALUE OF PENSIONS PAID



Long Term Incapacity Allowance (LTIA) and Invalidation Benefit (INV) £22.4 million

LTIA was introduced in October 2004 to replace Invalidation Benefit and Disablement Benefit.

Invalidation Benefit was payable as a result of a permanent illness and designed as 'income replacement', and did not allow claimants to undertake work whilst claiming.

Disablement Benefit was payable as a compensation for a permanent disability as a result of an accident, and allowed claimants to undertake work whilst claiming.

£6.6 million was paid out in Invalidation and Disablement Benefits in 2016. These benefits are no longer open to new claimants therefore numbers and cost are steadily reducing.

The LTIA benefit (£15.8 million in 2016) compensates people for their loss of faculty, regardless of whether it is as a result of an illness or injury. It is assessed as a percentage of the standard rate of benefit based on their loss of faculty and is an in work benefit. LTIA allows people to gradually return to work, or work when able to do so, whilst still receiving a benefit which provides some financial support.

Short Term Incapacity Allowance (STIA) £13.4 million

Short Term Incapacity Allowance (STIA) is usually authorised by GPs and paid to working age claimants who satisfy the necessary contribution conditions for periods of incapacity lasting between 2 and 364 days. Most STIA claims are paid at the standard rate of benefit. Costs have increased by £1.1 million (8.8%) compared to 2015.

Other Benefits

Survivor's Benefits £4.5 million

Two types of survivor's benefits are paid; Survivor's Allowance and Survivor's Pension. These benefits are paid on a percentage basis to survivors based on the contribution record of their deceased spouse or civil partner and are mainly paid to survivors while they are of working age.

Maternity and Adoption Benefits £3.3 million

A Maternity Grant (or Adoptive Parent Grant) is paid to help with the initial general costs of having a baby. The Grant is available as a lump sum to either the father or mother who satisfies the contribution conditions. A weekly Maternity Allowance can also be payable to the mother. This can be paid for up to 18 weeks, at the same rate as STIA, but based on only the mother's contribution record before she became pregnant. In 2015 changes came into place which made maternity allowance more flexible, allowing mothers more choice as to when they initiate their 18 week benefit period.

Home Carer's Allowance (HCA) £1.9 million

This benefit is similar to the previous Invalid Care Allowance, and is in place to help people who give up employment to take on a caring commitment for a person who needs a high level of personal care.

Death Grants £0.6 million

A contributory Death Grant is available in respect of most deaths in Jersey. Grants are also paid in respect of individuals living outside Jersey at the time of their death, if they were receiving a full-rate benefit, such as a 100% old age pension rate, immediately prior to the date of death or their departure from Jersey was less than six months prior to the date of death.

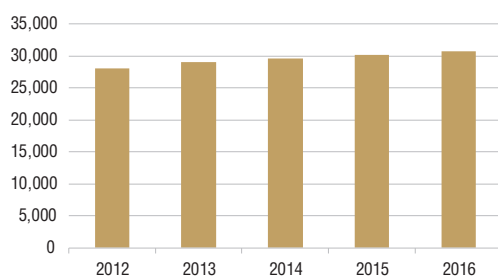
3. What we have achieved

Old Age Pensions

The number of Old Age Pensions in payment continues to increase each year in line with the growing population of this age group and increased life expectancy.

As of 31st December 2016 more than 30,500 old age pensions were in payment; with payments being made to pensioners living in 60 different counties across the world.

NO OF OLD AGE PENSIONS IN PAYMENT AT YEAR END 2011-2015

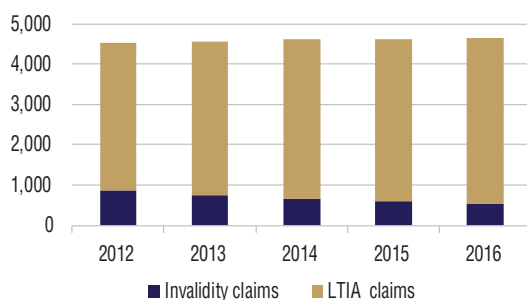


Long Term Incapacity Allowance (LTIA) and Invalidity Benefit (INV)

As Invalidity Benefits are gradually phased out, new claimants receive LTIA benefit; the combined total number of claimants of these benefits has remained quite consistent over the last five years.

As of 31st December 2016 just over 4,600 claims for these benefits were in payment.

LTIA AND INV BENEFITS IN PAYMENT AT YEAR END 2011-2015

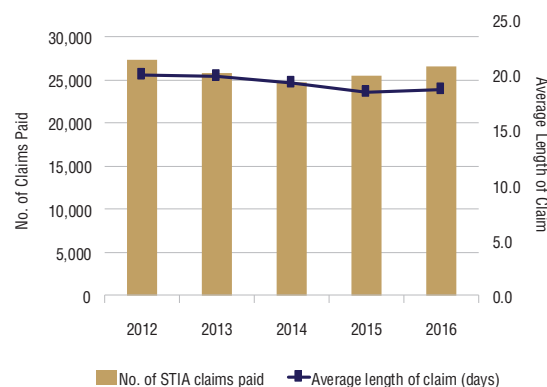


Short Term Incapacity Allowance (STIA)

Until recently, there had been a gradual decline in the number of STIA claims per year accompanied by a slight fall in the average length of a claim. In 2015 and 2016, these trends had levelled out and the numbers had begun to increase.

In 2016 over 26,000 STIA claims were paid.

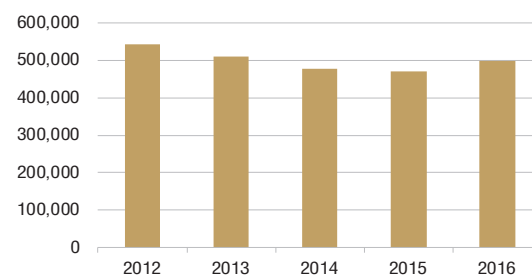
NO. OF STIA CLAIMS PAID AND AVERAGE LENGTH OF CLAIM 2011-2015



The number of claims paid had been decreasing each year since 2010, but has increased year on year in both 2015 and 2016.

The combined effects of an increase in the number of claims and the average length of claim in 2016 has resulted in an increase in the number of days paid compared with previous years.

NO. OF DAYS PAID





Financial Statements

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Contributions	(173,014)	(169,659)
States Contribution	(65,300)	(65,300)
Sales of Goods and Services	(63)	(130)
Investment Income	(229)	(265)
Other Income	(532)	–
Total Revenue	(239,138)	(235,354)
Expenditure: Near Cash		
Social Benefit Payments	219,094	211,741
Staff Expenditure	8	–
Supplies and Services	5,237	4,677
Administrative Expenditure	–	358
Premises and Maintenance	–	141
Other Operating Expenditure	28	(23)
Impairments of Financial Assets	533	540
Finance Costs	–	36
Total Expenditure: Near Cash	224,900	217,470
Net Revenue Income: Near Cash	(14,238)	(17,884)
Non Cash Amounts		
Depreciation and Amortisation	510	564
Total Non Cash Amounts	510	564
Net Revenue Income	(13,728)	(17,320)
Other Comprehensive Income		
Items that will not be reclassified to Net Revenue Expenditure		
Revaluation of Property, Plant and Equipment	–	(884)
Total Other Comprehensive Income	–	(884)
Total Comprehensive Income	(13,728)	(18,204)

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	6,433	6,757	6,291
Intangible Assets	917	625	1,110
Total Non-Current Assets	7,350	7,382	7,401
Current Assets			
Trade and Other Receivables	37,748	41,223	39,007
Cash and Cash Equivalents	38,068	24,863	25,223
Balance due from the Consolidated and Other Funds	–	15,394	–
Total Current Assets	75,816	81,480	64,230
Total Assets	83,166	88,862	71,631
Current Liabilities			
Trade and Other Payables	(417)	(390)	(1,268)
Balance due to the Consolidated and Other Funds	(10,594)	–	(95)
Total Current Liabilities	(11,011)	(390)	(1,363)
Assets Less Liabilities	72,155	88,472	70,268
Taxpayer's Equity			
Accumulated Revenue Reserves	67,965	84,282	66,962
Revaluation Reserve	4,190	4,190	3,306
Total Taxpayer's Equity	72,155	88,472	70,268

Health Insurance Fund

The Health Insurance Fund is administered by the Social Security Department and receives contributions from employers and working age adults and subsidises GP visits, pathology costs and drug and dispensing costs of prescriptions for Jersey residents.

Summary Snapshot

FUND POSITION	NET REVENUE INCOME
£86,341,015	£10,660,536
14.1% increase from 2015	£5.9 million Net Revenue Expenditure in 2015

1. What resources we have used

Fund Income

Actual 2016
£42.8
million

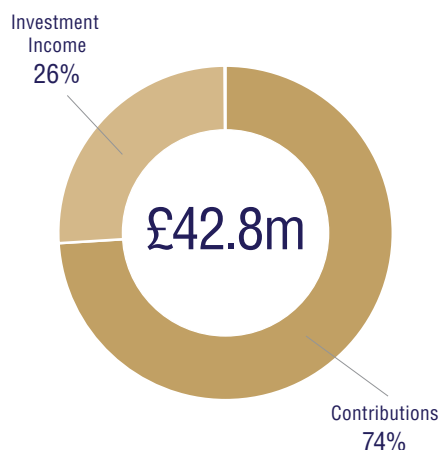
Actual 2015
£32.6
million

The Health Insurance Fund receives the majority of its income from contributions paid by working age adults (0.8% of earnings) and their employers (1.2%) up to the Standard Earnings Limit (SEL) of £49,128 per annum and investment returns.

Income within the Fund has increased by £10.2 million (31.3%) from the prior year due to a £9.9 million increase in investment income, along with a £0.6 million increase in contribution income. The underlying increase in contributions is due to an increase in the number of contributors and an increase in the earnings limits.

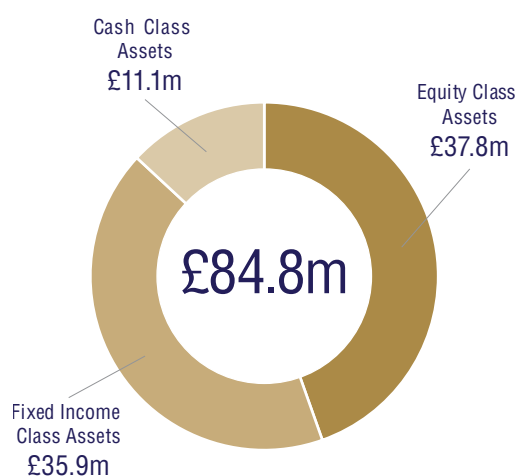
MAJOR INCOME STREAMS

	£'000
Contributions	(31,705)
Investment Income	(11,086)
Other	(43)
Total Income	(42,834)



Performance of CIF Investments

The Health Insurance Fund participates in a range of CIF pools. Investments are held by the CIF, which recognises income, expenditure and gains/losses on Investments. The Fund recognises only gains or losses on the units held in the CIF. The asset allocation as at 31st December is shown below.



The table below shows the share of transactions in the CIF attributable to Fund.

CIF AMOUNTS ATTRIBUTABLE TO THE HEALTH INSURANCE FUND

	2016 £'000	2015 £'000
Income	(720)	(802)
Expenditure	377	410
Gains on Investments	(10,743)	(783)
Total Gains recognised	(11,086)	(1,175)

During the year the Net Asset Value of the Fund's investment portfolio increased by £11.1 million to £84.8 million (2015: £73.7m). This is due to returns on investment – there were no drawings from or new investments from the CIF.

£8.1 million of the increased investment returns was attributable to equity class assets, driven by the devaluation of Sterling which occurred following the results of the EU

Referendum. Subsequently, a hedging arrangement has been entered into to protect a proportion of this again from a recovery in the value of Sterling.

Fixed income assets also made high returns in the year generating just under £2.9 million. Fixed income class assets are denominated in Sterling so did not directly benefit from the Sterling devaluation however saw gains following cuts to the UK base rate immediately following the EU referendum.

The remaining £0.1 million of investment return was generated by the Funds cash holdings, although relatively modest, given the market environment and risk constraints this represented a good performance by the manager.

Fund Position

The deficit of £5.9 million in 2015 reversed, to a surplus of £10.7 million in 2016 because of the following variances in income and expenditure.

KEY VARIANCES IN NET REVENUE EXPENDITURE/ (INCOME) FROM 2015

	£'000
2015 NRE	5,936
Increase in Investment Income	(9,911)
Reduction in grant to HSSD	(6,000)
Increase in Contributions	(575)
Other Variances	(111)
2016 NRI	(10,661)

In 2016 there was no transfer of £6.0 million to the Health and Social Services department in relation to the Primary Care funding.

Fund Balance 2016

£86.3
million

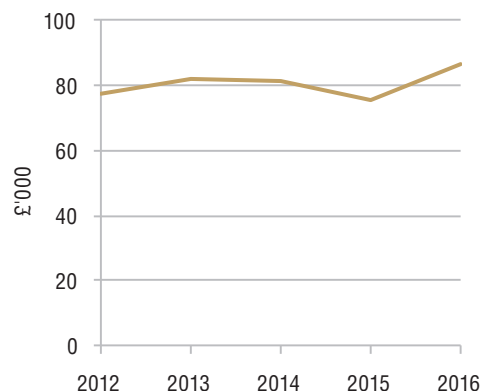
Fund Balance 2015

£75.7
million

Net Asset Value increased by £10.7 million (14.1%) in 2016, predominantly due to Investment Income.

Assets are predominantly investments held through the Common Investment Fund (CIF), which are managed in accordance with an investment strategy aligned to the HIF's strategic objectives. Trade receivables of £5.2 million are contributions due or accrued.

HEALTH INSURANCE FUND NET ASSET VALUE OVER TIME



2. What we have spent funding on

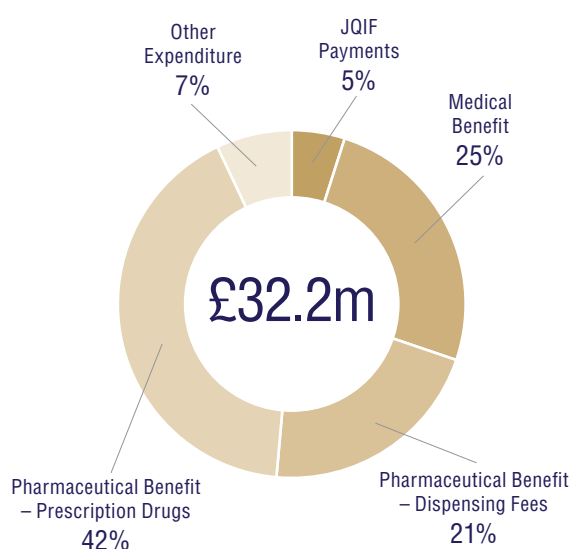
Near Cash by Service Area

	2016 Actual £'000	2015 Actual £'000
Social Security Contributions	(31,705)	(31,130)
Net Investment Returns	(11,074)	(1,169)
Contributory Benefits		
Medical Benefit	8,136	8,222
Pharmacy Benefit	20,191	20,166
Gluten Free Vouchers	393	329
Contributory Benefits	28,720	28,717
Jersey Quality Improvement Framework	1,587	1,583
Grant to Health and Social Services	–	6,000
Administration	1,811	1,935
Net Revenue Expenditure – Near Cash	(10,661)	5,936

Fund Expenditure

Actual 2016	Actual 2015
£32.2	£38.6
million	million

Expenditure has decreased by £6.4 million (16.6%) compared to 2015, mostly due to no further transfers to Health and Social Services being made (2015: £6 million).



Pharmaceutical Benefit **£20.2 million**

Pharmaceutical benefit covers the full cost of prescription drugs prescribed by GPs (£13.4 million) and includes a dispensing fee paid to community pharmacists (£6.8 million) in respect of each item dispensed. The Minister for Social Security is responsible for maintaining the list of drugs that are available on prescription from GPs.

Medical Benefit **£8.1 million**

A standard benefit is paid in respect of each GP consultation covered by the Health Insurance Fund. The separate benefit, paid at the same rate, previously available in respect of the cost of a letter of referral written by a GP to a hospital consultant or other specialist, was withdrawn in line with the introduction of the Jersey Quality Improvement Framework (JQIF) contract payments.

Throughout 2016 the value of the benefit was set at £20.28 per consultation.

In January 2010 the Health and Social Services Department introduced a charge for analysing blood samples provided by GPs. A new benefit was set up within the Social Security Department, funded through the Health Insurance Fund, to ensure that this cost was not passed on to the patient. The benefit covers blood samples taken for haematology testing and for clinical chemistry testing and was introduced at a standard rate of £10.00 before being increased to £10.35 in June 2012.

JQIF Payments to GP Practices **£1.6 million**

The 2016 Jersey Quality Improvement Framework (JQIF) contained 34 clinical and organisational measures describing the standards and activities which GP surgeries should achieve. These include, for example, the creation of a register of patients with diabetes and measures regarding specific interventions for this condition. Payments were made to GP practices according to their level of activity against each measure totalling £1.6 million, which is recorded within Supplies and Services.

Gluten-free Scheme **£0.3 million**

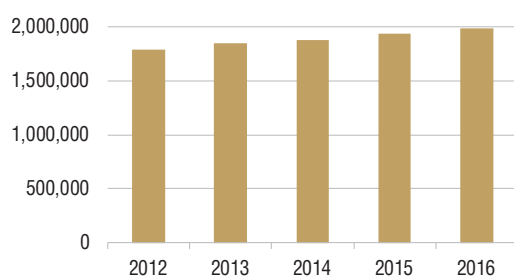
Individuals who require a gluten-free diet can receive vouchers towards the cost of purchasing gluten-free products. The current value of the vouchers is £14 per beneficiary per week.

3. What we have achieved

Pharmaceutical Benefit

The long-term growth in numbers of prescriptions continued in 2016 with almost 2.0 million items being prescribed.

NO. OF ITEMS PRESCRIBED 2012–2016



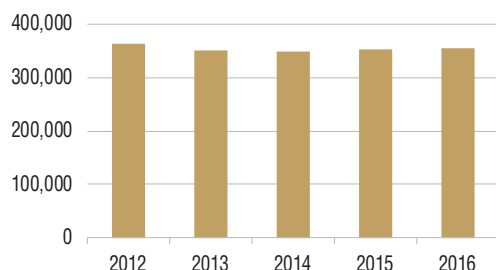
There has been an average rate of increase in the number of items prescribed during the last five years of 3.0%.

There were an average of 19 items prescribed per head of population in 2016, a similar number to that in 2015.

Medical benefit – GP Consultations

In 2016 medical benefit was paid in respect of more than 350,000 consultations from the health fund.

NO. OF GP CONSULTATIONS 2012–2016

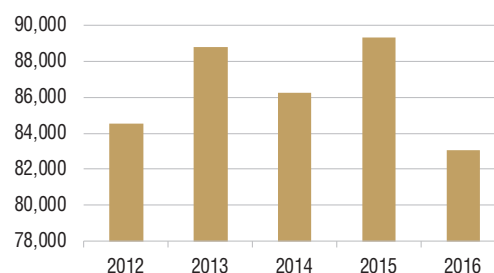


The number of GP consultations has remained relatively stable over the past five years.

Medical Benefit – Pathology Laboratory Benefit

In 2016, just over 83,000 Pathology Laboratory Benefit claims were paid, a 7% decrease on the previous year.

PATHOLOGY LABORATORY BENEFIT CLAIMS 2012–2016



Financial Statements

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Contributions	(31,705)	(31,130)
Sales of Goods and Services	–	(244)
Investment Income	(11,086)	(1,175)
Other Income	(43)	(71)
Total Revenue	(42,834)	(32,620)
Expenditure: Near Cash		
Social Benefit Payments	28,719	28,717
Staff Expenditure	2	–
Supplies and Services	3,244	3,596
Administrative Expenditure	–	129
Premises and Maintenance	–	17
Other Operating Expenditure	–	6,000
Impairments of Financial Assets	208	97
Total Expenditure: Near Cash	32,173	38,556
Net Revenue (Income)/Expenditure	(10,661)	5,936

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Investments held at Fair Value through Profit or Loss	84,775	73,689	78,514
Total Non-Current Assets	84,775	73,689	78,514
Current Assets			
Trade and Other Receivables	5,216	5,952	5,805
Cash and Cash Equivalents	–	–	1
Total Current Assets	5,216	5,952	5,806
Total Assets	89,991	79,641	84,320
Current Liabilities			
Trade and Other Payables	(2,413)	(2,396)	(1,975)
Balance due to the Consolidated and Other Funds	(1,237)	(1,565)	(728)
Total Current Liabilities	(3,650)	(3,961)	(2,703)
Assets Less Liabilities	86,341	75,680	81,617
Taxpayer's Equity			
Accumulated Revenue Reserves	86,341	75,680	81,617
Total Taxpayer's Equity	86,341	75,680	81,617

Social Security (Reserve) Fund

Established under the Social Security (Jersey) Law 1974, the Fund sets aside funds for the future provision of pension benefits for those in employment so as to reduce the impact of pensions in future generations, as well as to smooth contributions for Social Security benefits over time.

Summary Snapshot

FUND POSITION	NET REVENUE INCOME
£1,572,038,145	£253,654,948
22.0% increase from 2015	621.3% increase from 2015

Fund Performance

1. Income

Actual 2016	Actual 2015
£253.7	£35.2
million	million

The investment portfolio of the Social Security (Reserve) Fund ('SSR') is held through the Common Investment Fund ('CIF') and managed in accordance with an investment strategy aligned to the SSR's strategic objectives. At the year end the Fund was invested in line with its investment strategy with asset allocations within its strategic ranges. At the beginning of 2015 the Social Security (Reserve) Fund held a range of investments both within the CIF and with Legal and General outside. During 2015 these assets were transferred into the CIF. 2016 marks the first year where the Fund's full investment return was generated by the CIF.

The 2016 annual earnings of £253.7 million represents a net rate of return of in excess of 19%, exceeding the Fund's annual benchmark and significantly above the return seen in 2015. Variation in the Fund's level of earnings is expected as the return seeking assets, whilst generating higher returns, are also subject to greater short term volatility. Due to this volatility the returns of the Fund are best reviewed over a long term investment horizon. Investment returns from the CIF measured over three years equated to an annualised return of 10.2%, over that period performance of the Fund is in excess of the Fund's benchmark and the expected long term return assumed by the Fund's actuarial valuation.

In line with the Fund's long term investment horizon the performance of managers is also best assessed over the long term. Over three years, equity, fixed income and cash have outperformed their market benchmarks, only property has underperformed its relative benchmark, however this is attributable to the cost of investment which is expected to be recouped over the long run. The absolute return class, made up of multiple managers, was added at the end of 2015 and placements completed in the first quarter of 2016. The performance of this class has been moderately positive however insufficient time has elapsed to properly assess the underlying manager's performance.

Of the total 2016 return, £248.6 million was attributable to equity class assets, the largest of the Fund's strategic allocations, this represents an estimated rate of return of

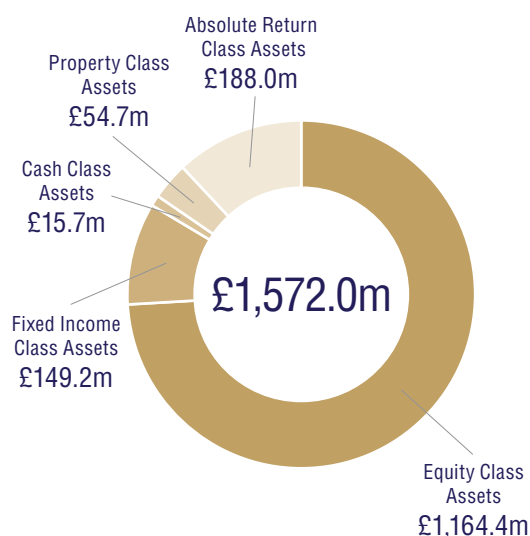
over 27%. A proportion of this significant gain was driven by the devaluation of Sterling which occurred following the results of the EU referendum, this resulted in a rise in the sterling value of foreign currency denominated assets held in the portfolio.

Subsequently a hedging arrangement has been entered into to protect a proportion of this gain from a recovery in the value of Sterling. Derivative instruments used to implement the hedge are held within the relevant CIF pool and therefore any associated gains or losses are incurred within that pool and recognised by Participants through unrealised gains or losses on the units they hold.

Most of the remaining return was generated by the fixed income assets, made up primarily of holdings in the 'absolute return bond' pool, which generated a net return of £2.7 million, an estimated rate of return of 1.8%. The 'alternative' asset classes of absolute return and property generated the remaining return of £1 million (<1%) and £1.2 million (1.7%), respectively.

Performance of CIF Investments

SSR participates in a range of CIF pools (see diagram below). Investments are held by the CIF, which recognises income, expenditure and gains/losses on Investments. The Fund recognises only gains or losses on the CIF units it holds.



The table below shows the share of transactions in the CIF attributable to Fund.

CIF AMOUNTS ATTRIBUTABLE TO THE SOCIAL SECURITY (RESERVE) FUND

	2016 £'000	2015 £'000
Income	(22,284)	(22,668)
Expenditure	13,165	8,033
Gains on Investments	(244,532)	(14,572)
Total Gains recognised	(253,651)	(29,207)

The above table shows the income and expenditure paid within the CIF pools apportioned to the Social Security (Reserve) Fund through the movement in value of CIF units. These values represent the share of income and expense if the Fund's assets were held directly. Income and gains on investment are generated by the performance of the managers; the expenditure represents a combination of administrative fees, such as custodian fees and transactional charges and the manager's fees. Total expenditure incurred during the year has risen primarily due to higher management fees, the rise in which is attributable to a combination of a higher value of funds under management, greater fees associated with the newly invested and more active absolute return class and performance fees earned in relation to the outperformance of the equity managers.

2. Expenditure

Actual 2016

£0.0
million

Actual 2015

£0.0
million

Investments held in the CIF recognise income, expenditure and gain/losses on investments within the CIF pool. The Fund recognises only gains or losses on the units held in the CIF. Expenses incurred by the Social Security (Reserve) Fund within the CIF are charged to the CIF pools and are therefore recognised within the unrealised gain or loss on the Units held by the Social Security (Reserve) Fund.

A small proportion of fees are paid outside the CIF and are recognised directly by the Social Security (Reserve) Fund. These expenses equated to £0.1 million and relate mostly to investment administration costs directly related to Social Security.

3. Changes in Fund Net Asset Value

Fund Balance 2016

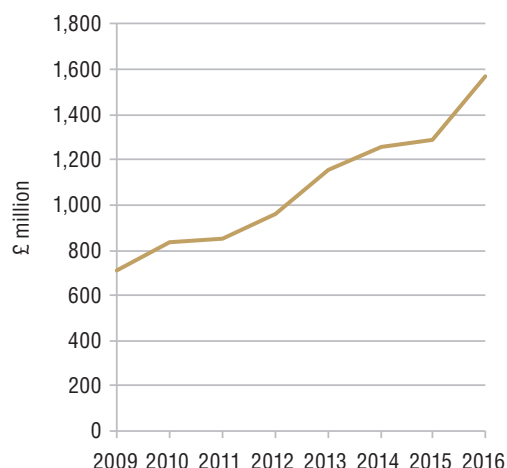
£1,572.0
million

Fund Balance 2015

£1,288.3
million

The Net Asset Value (NAV) of the Fund increased from £1,288.3 million to £1,572.0 million during 2016, an increase of £283.7 million (22.0%). Of this increase £30 million relates to contributions by the Social Security Fund into SSR, the remaining movement is attributable to gains made on investments retained in the Fund.

SOCIAL SECURITY (RESERVE) FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Investment Income	(253,653)	(35,168)
Total Revenue	(253,653)	(35,168)
Foreign Exchange (Gain)/Loss	(2)	–
Total Expenditure: Near Cash	(2)	–
Net Revenue Income	(253,655)	(35,168)
Total Comprehensive Income	(253,655)	(35,168)

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Investments held at Fair Value through Profit or Loss	1,572,024	1,288,372	1,253,208
Total Non-Current Assets	1,572,024	1,288,372	1,253,208
Current Assets			
Cash and Cash Equivalents	14	11	80
Total Current Assets	14	11	80
Total Assets	1,572,038	1,288,383	1,253,288
Current Liabilities			
Trade and Other Payables	–	–	(111)
Balance due to the Consolidated and Other Funds	–	(45)	(8)
Total Current Liabilities	–	(45)	(119)
Assets Less Liabilities	1,572,038	1,288,338	1,253,169
Taxpayer's Equity			
Accumulated Revenue Reserves	1,572,038	1,288,338	1,253,169
Total Taxpayer's Equity	1,572,038	1,288,338	1,253,169

Long-Term Care Fund

The Long-Term Care Fund is a ring fenced Fund administered by the Social Security Department. This is funded by the new Long-Term Care Charge payable by local residents and a grant from the States. The Fund pays benefits to adults with long-term care needs.

Summary Snapshot

FUND POSITION	NET REVENUE INCOME
£19,985,083	£8,800,383
78.7% increase from 2015	£598,704 Net Revenue Expenditure in 2015

1. What resources have we used

Fund Income

Actual 2016
£52.4
million

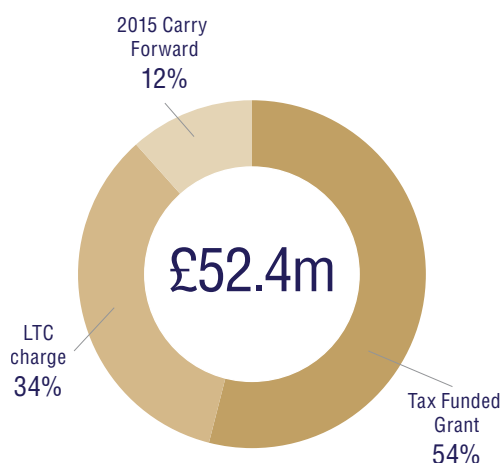
Actual 2015
£36.5
million

Income within the Long-Term Care Fund (LTCF) consists of both a grant from the States, (which reflects budgets relating to Long-Term Care previously held by the Health and Social Services Department and Social Security Departments) and the LTC charge, 1.0% (0.5% in 2015) of taxable income up to the Upper Earnings Limit.

Income has increased by £15.9 million from 2015. The LTC charge raised £18.0 million of income, an increase of £9.6 million (113.3%) compared to 2015, due to an increase in the rate from 0.5% to 1%. There was also a £6.1 million transfer from 2015 Social Security Departmental underspends, which accounts for the majority of the £6.3 million increase in the Grant made by the States.

MAJOR INCOME STREAMS

	£'000
Tax Funded Grant	28,247
LTC charge	18,008
2015 Carry Forward	6,074
Other Services and Revenue	115
Total Income	52,444



Performance of CIF Investments

The Long Term Care Fund participates in a range of CIF pools. Investments are held by the CIF, which recognises income, expenditure and gains/losses on Investments. The Fund recognises only gains or losses on the units held in the CIF. Funds were transferred into the CIF on 1st August 2016. The asset allocation is shown below.



The table below shows the share of transactions in the CIF attributable to Fund.

CIF AMOUNTS ATTRIBUTABLE TO THE LONG TERM CARE FUND

	2016 £'000
Income	(3)
Expenditure	15
Gain on Investments	(52)
Total Gains Recognised	(40)

Just over £10 million was transferred into the CIF on the 1st August, during the year there were no drawings from the investment portfolio and the investment gain of £40,000 has been retained in the Fund.

Over the five months the Fund was invested, the assets generated a net rate of return of around 0.4%. Given the low risk asset classes in which the Fund is invested, this return is above the market benchmark.

Fund Position

The Fund position has increased by £8.8 million (78.7%), as income exceeded benefits, mainly due to the £6.1 million transfer from Social Security Departmental 2015 underspends. This compares to a small deficit in 2015.

KEY VARIANCES FROM 2015

	£'000
2015 NRE	599
Social Benefit Payments	6,281
LTC charge	(9,565)
2015 Carry Forward	(6,074)
Other Variances	(41)
2016 NRI	(8,800)

Fund Balance 2016

£20.0
million

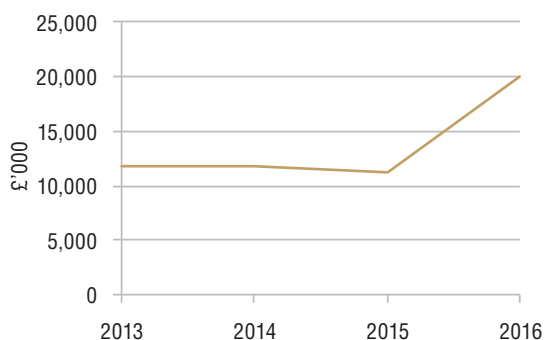
Fund Balance 2015

£11.2
million

The Net Asset value of the Fund at 31 December 2016 stood at £20.0 million. Debtors include £2.8 million due for uncollected LTC charges, and creditors are for accrued benefit.

Forecasts indicate that although the Fund is currently in surplus, it will move to a deficit position very soon as benefit spend is forecast to increase quicker than income.

LONG TERM CARE FUND NET ASSET VALUE OVER TIME



2. What we have spent funding on

Near Cash by Service Area

	2016 Actual £'000	2015 Actual £'000
States Grant to Long-Term Care Fund	(34,321)	(27,981)
Long-Term Care Charge	(18,008)	(8,443)
Long-Term Care Benefit	42,274	35,993
Administration	1,255	1,030
Net Revenue (Income)/ Expenditure - Near Cash	(8,800)	599

Fund Expenditure

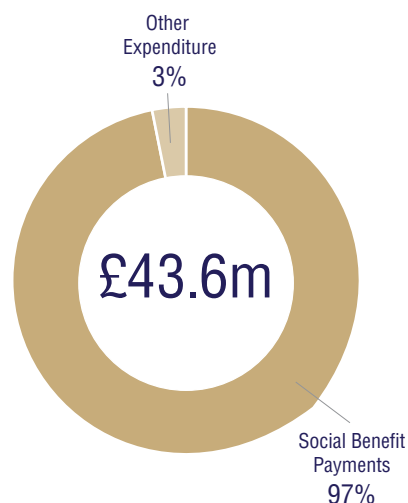
Actual 2016

£43.6
million

Actual 2015

£37.1
million

Expenditure on benefits from the LTCF in total amounted to £42.3 million during 2016, an increase of £6.3 million (17.5%) compared to 2015. Expenditure of £1.3 million was incurred on Administration including staff to operate the Scheme.



Long Term Care Benefit

From 1 July 2014 individuals with long term care needs have been able to claim benefits from the new long term care scheme. The value of the benefit depends on the assessed care level of the individual and where the care is being received. Claimants can receive care in their own home, in a specialist group home or in a residential home.

A means tested benefit is available from the start of the care for those with lower income and assets. Property loans are available which are secured against the value of the family home. Once standard care costs have reached a certain level all claimants are entitled to a benefit which covers their standard care costs.

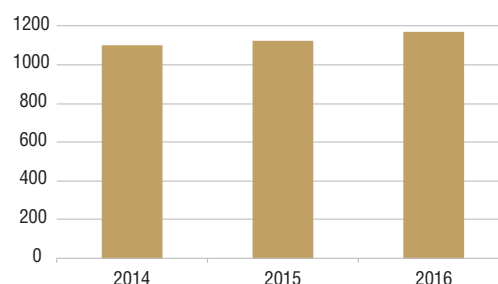
The £6.3 million increase in benefit expenditure is mainly attributable to the increase in claimants receiving a higher level of care than in 2015.

4. What we have achieved

On the 1 July 2014 600 claims were transferred from the previous Income Support system into the new long term care system. Since then, a further 600 individuals later joined the scheme, resulting in just under 1,200 people being supported.

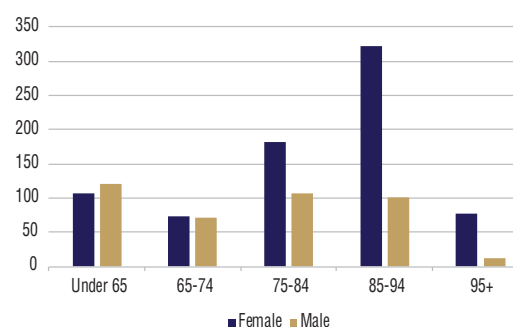
Since then, the number of new entrants has slightly exceeded the number of individuals exiting the scheme. As a result the overall number of individuals being supported by the scheme has increased slowly throughout 2015 and 2016.

INDIVIDUALS SUPPORTED THROUGH LTC SCHEME



There are almost twice as many women on the scheme as there are men, and this proportion grows with age.

AGE AND GENDER OF LTC CLAIMANTS



Financial Statements

Statement of Comprehensive Net Expenditure

	2016 Actual £'000	2015 Actual £'000
Revenue		
Long-Term Care Charge	(18,008)	(8,443)
States Grant	(34,321)	(27,981)
Investment Income	(115)	(111)
Total Revenue	(52,444)	(36,535)
Expenditure: Near Cash		
Social Benefit Payments	42,274	35,993
Supplies and Services	1,370	1,660
Administrative Expenditure	–	13
Premises and Maintenance	–	6
Other Operating Expenditure	–	(538)
Total Expenditure: Near Cash	43,644	37,134
Net Revenue (Income)/Expenditure	(8,800)	599
Total Comprehensive (Income)/Expenditure	(8,800)	599

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Intangible Assets	72	–	–
Investments held at Fair Value through Profit or Loss	10,057	–	–
Trade and Other Receivables	823	658	–
Total Non-Current Assets	10,952	658	–
Current Assets			
Trade and Other Receivables	4,774	8,759	4,558
Cash and Cash Equivalents	4,746	22,939	10,463
Total Current Assets	9,520	31,698	15,021
Total Assets	20,472	32,356	15,021
Current Liabilities			
Trade and Other Payables	(217)	(1,414)	(1,785)
Balance due to the Consolidated and Other Funds	(270)	(19,757)	(1,453)
Total Current Liabilities	(487)	(21,171)	(3,238)
Assets Less Liabilities	19,985	11,185	11,783
Taxpayer's Equity			
Accumulated Revenue Reserves	19,985	11,185	11,783
Total Taxpayer's Equity	19,985	11,185	11,783

Glossary of Terms

This glossary aims to explain some of the terms commonly used in the accounts, and covers both accounting terms and terminology relating specifically to the States. The definitions given here are intended to assist the user of the accounts, and it should be noted that some terms may have specific legal meaning or more precise definitions under accounting standards. The reader should also refer to the States Accounting Policies in Note 9.1 of the Accounts, which include some definitions for accounting purposes and give more detail on the accounting treatments for various items.

Accounting Officer

The Accounting Officer is the person responsible for the proper financial management of a States' funded body in accordance with the Public Finances (Jersey) Law 2005. In general, the Chief Officer of a department is also the Accounting Officer.

Accounting Period

This is the length of time covered by the accounts. For the States of Jersey this is a period of twelve months commencing on 1 January. The end of the accounting period is the balance sheet date, 31 December.

Accruals Basis

This is one of the main accounting concepts. Income and expenditure are shown in the accounting period that they are earned or incurred, not as money is received or paid.

Accrued Pension

This is the amount of the annual pension an officer is entitled to as at the year end, i.e. the amount that they would receive if they carried out no further service.

Annual Budget Statement

The States' Annual Budget sets out the taxation measures and the expected level of States income.

Asset

An asset is something that the States of Jersey owns; assets are sub-divided into fixed assets, financial assets and current assets. Property, Plant and Equipment assets are assets which the States of Jersey has bought or constructed to provide services over a period of time. Property, Plant and Equipment will have a life of more than one year; Non-Current Financial assets are investments such as bonds or equities, loans made to third parties, or strategic investments. These assets are expected to be held for longer than one year and typically provide a return

for the States; Current assets are assets typically sold or otherwise redeemed within one year of the end of the accounting period (e.g. inventory and receivables).

Audit of Accounts

An audit is an evaluation of the accounts by an independent expert. Please refer to the Auditor's Report for details of the work carried out.

Available-for-Sale Financial Assets

This category includes all Financial Assets that do not fall into one of the other categories (Fair Value through Profits & Loss (FVTPL), Held to Maturity or Loans and Receivables). Despite the name, it may be intended that the States holds these Assets indefinitely. Movements in the value of these investments are recorded in Taxpayers' Equity rather than income and expenditure for the year.

Budget (Approval)

A budget approval is the amount agreed either as the expected level of States Income (approved through the Annual Budget Statement), or the amount of expenditure a department may incur (approved through the Medium Term Financial Plan). Variations to these amounts may also be approved during the year. These accounts report two budget approval figures:

- 2016 MTFP: This is the original budget set and approved by the States Assembly in the 2015 debate of the MTFP 2016–2019, and updated where applicable to include the transfer of functions.
- Final Approved Budget: This is the final budget after taking account of authorised changes during the year.

Capital Expenditure

Expenditure on the acquisition or construction of non-current assets that will be used to provide services beyond



the current accounting period or expenditure that adds value to an existing fixed asset.

Cash Equivalent Transfer Values (CETV)

A cash equivalent transfer value (CETV) is a lump sum value in today's terms of the rights accrued within a member's pension scheme. It assumes the member is leaving service and makes a pension transfer from the pension fund to an alternative pension arrangement.

Cash Flow Risk

The risk that the States' available cash will not be sufficient to meet its financial obligations.

Common Investment Fund (CIF)

The Common Investment Fund is an administrative arrangement that allows States Funds (including those outside of the States of Jersey Accounting Boundary) to pool investments to benefit from greater investment opportunities and economies of scale.

Consolidated Fund

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

Contingent Liability

A contingent liability is a possible liability, as explained in Note 9.1 to the Accounts.

Corporate Bonds

Corporate bonds are issued by companies to raise capital. They are an alternative to issuing new shares on the stock market (equity finance) and are a form of debt finance.

Creditor

The UK GAAP term for a payable is a party who the States of Jersey owe money to at the end of the accounting period for goods or services provided within the accounting period.

Debtor

The UK GAAP term for a receivable. A debtor is a party who owes the States of Jersey money at the end of the accounting period for goods or services provided by the States of Jersey within the accounting period.

Departmental Income

Departmental Income is income derived from charges made for services provided by departments and accounted for as part of net revenue expenditure.

Derivative Financial Instruments

A derivative is a financial instrument or other contract whose value changes in response to the change in an underlying variable (e.g. interest rates, equity share prices, exchange rates etc.), and will be settled at a future date.

Equities

Equities are instruments that signify an ownership position in a corporation, and represent a claim on its proportionate share in the corporation's assets and profits

Financial Instruments

A contract that gives rise to either cash, equities or a contractual right to receive either cash or another financial instrument.

Foreign Exchange Risk

The risk of loss stemming from exposure to adverse foreign exchange rate movements.

Full Time Equivalents (FTE)

FTE represents the equivalent number of Full Time Employees a department has, taking into account any part-time and other flexible working arrangements. For example, if an employee works 75% of normal hours they would be recorded as a FTE of 0.75.

General Revenue Income (GRI)

General Revenue Income comprises taxation, duties, the Island rate, and other income to the Consolidated Fund covered by the Annual Budget Statement.

Generally Accepted Accounting Principles (GAAP)

Generally Accepted Accounting Principles (GAAP) are a standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as Accounting Standards. GAAP includes the standards, conventions, and rules accountants follow in recording and summarising transactions, and in the preparation of financial statements. Variations include UK GAAP (used by the States in 2010 and 2011), and IFRS. The States of Jersey follows GAAP, as interpreted by the Jersey Financial Reporting Manual.

Grants and Subsidies

Grants and subsidies are assistance from a States entity in the form of transfers of resources to an individual or organisation in return for past or future compliance with certain conditions.

Gross Departmental Expenditure

This is revenue expenditure incurred by States departments in the course of providing public services, before taking account of Departmental Income.

Head of Expenditure

A head of expenditure is either the annual net revenue expenditure limit of a States funded body, or an amount allocated for a capital project.

Impairment

Where the value of an asset (as shown in the Statement of Financial Position) exceeds its actual value to the States of Jersey, the amount included on the balance sheet for the asset is reduced. This reduction is recognised as a cost in the Operating Cost Statement, and is called an Impairment.

Interest Rate Risk

This is the financial risk to which a portfolio or institution is exposed to if interest rates change.

International Financial Reporting Standards (IFRS)

IFRS refers to a GAAP framework developed by the International Accounting Standards Board. The States of Jersey adopted IFRS for the first time in the 2012 Accounts. The States of Jersey follows IFRS, as interpreted by the Jersey Financial Reporting Manual.

Inventory

These are items that the States of Jersey has purchased, or is developing, but has not yet used in the provision of services. For example, supplies held in a store prior to being issued for use.

Investments held at Fair Value through Profit or Loss

The States of Jersey has designated Investments held in the Common Investment Fund as part of this category, as they are managed as a portfolio reported at Fair Value. Changes in the value of these investments are reported in income and expenditure in the year they occur, even if these gains/losses haven't yet been realised.

Jersey Financial Reporting Manual (JFRm)

The Jersey Financial Reporting Manual interprets GAAP for the public sector in Jersey, and is based on the UK Government version of the same document.

Key Management Personnel

Key management personnel are Accounting Officers (except those of smaller departments exempted by the Treasury and Resources Minister through a formal decision), members of the Council of Ministers, and Assistant Ministers.

Leases

A lease is a financial arrangement that provides for the use of an asset without direct ownership. For accounting purposes leases can be either:

Finance leases: A lease that transfers substantially all of the risks and rewards associated with owning the asset to the lessee (in these accounts the States of Jersey). Typically finance leases are entered into to finance large capital projects, or

Operating Lease: A lease where the risks and rewards of ownership are not borne by the lessee. Operating leases are entered into for a range of assets such as vehicles or plant and machinery.

Liability

A debt or obligation owed by the States of Jersey to another party.

Liquidity Risk

The risk that an organisation may not have, or may not be able to raise cash funds when needed.

Market Risk

The risk of losses resulting from adverse changes in market prices or other market rates.

Medium Term Financial Plan (MTFP)

The States approved changes to the Public Finances (Jersey) Law 2005 in July 2011 to introduce longer term financial planning and the approval of a 4 year Medium Term Financial Plan from 2013. This replaces the Annual Business Plan. The MTFP extends the States budgeting period from one to four years, and fits with the existing political cycle, where each Council of Ministers is elected for a four-year term.

Ministerial Department

A Ministerial Department is one for which a Minister is responsible to the States for its administration and funding.

Near Cash

Near Cash income or expenditure refers to items that will turn into cash flows soon, for example expenditure incurred that will be paid for within 30 days.

Net Revenue Expenditure (NRE)

NRE is the net of gross departmental expenditure and departmental Income. If income exceeds expenditure it is reported as Net Revenue Income.

Net Revenue Income (NRI)

See Net Revenue Expenditure.

Non Cash

Income and Expenditure are now recorded in line with GAAP, and so includes amounts to reflect the use of assets even where no cash flow occurs (for example depreciation). Non Cash amounts are recorded to ensure that expenditure reflects the full economic cost of activities, even where there is no direct cash flow



Non-Ministerial Department

A non-Ministerial Department is one for which no Minister is responsible to the States for its administration or funding but is a States Funded Body.

Operating Cost Statement (OCS)

Under UK GAAP this was a primary accounting statement showing the income and expenditure for the States in the current accounting period. The IFRS equivalent is the Statement of Comprehensive Net Expenditure.

Payable

A payable is an amount owed by the States of Jersey at the end of the accounting period for goods or services provided within the accounting period.

Primary Accounting Statements

The four primary accounting statements within the States of Jersey accounts are the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows and the Statement of Changes in Taxpayers' Equity.

Provision

This is an amount set aside in the accounts (included in liabilities on the balance sheet) for probable payments due after the end of the accounting period that relate to events that have taken place in the current, or previous, accounting period.

Related Party

Related Parties are more fully defined in International Accounting Standard 24 – Related Party Transactions, but in terms of the States are parties that are controlled or significantly influenced either by the States directly or indirectly through its strategic investments, or by a member of Key Management Personnel.

Retail Price Index (RPI)

The Jersey Retail Price Index is a measure of inflation compiled by the States of Jersey Statistics Unit.

RPI (X)

RPI (X) is RPI excluding mortgage interest payments, often considered as a measure of underlying inflation

Receivable

A receivable is an amount owed to the States of Jersey at the end of the accounting period for goods or services provided by the States of Jersey within the accounting period.

Revaluation

Accounting Standards require Property, Plant and Equipment Assets to be held at "Current Value", and so

regular revaluations of certain asset classes are required (as explained in Note 9.1 to the Accounts).

Revenue Expenditure

The day to day expenses associated with the provision of services, including the cost of employing staff, purchasing supplies and services and holding and using fixed assets.

Revenue Expenditure Limit

Revenue expenditure limits are approved by the States Assembly (through the Medium Term Financial Plan, or previously the Annual Business Plan), and are the key measure against which Accounting Officers are held to account for delivering services within an allocated expenditure limit.

Revenue Levied by the States of Jersey

Income such as taxes, duties or fines, raised by the States of Jersey where no or nominal consideration is provided in return. Whilst the States of Jersey does provide a range of services to islanders, it does not do so directly in consideration for payments received.

Special Funds

These are funds with a specific purpose and are usually established by legislation or a States' decision. They are also sometimes referred to as "Separately Constituted Funds".

Statement of Cash Flows

A primary accounting statement that explains actual movements in cash balances that have occurred in the year. This contrasts to the Statement of Comprehensive Net Expenditure which reports accrued income and expenditure. This is covered in more detail in Section 6 of the Accounts – "Introduction to the Accounts".

Statement of Changes in Taxpayers' Equity (SoCiTE)

This is a primary statement that gives details of the movements in Taxpayers' Equity. Under UK GAAP this information was included in the Reserves Note.

Statement of Comprehensive Net Expenditure (SoCNE)

This is a primary accounting statement showing the income and expenditure for the States in the current accounting period. It also includes "Other Comprehensive Income", which includes Gains and Losses not recorded in income and expenditure, such as unrealised gains such as those arising from the revaluation of Property, Plant and Equipment. Under UK GAAP this information was included in the Operating Cost Statement and the Statement of Total Recognised Gains and Losses.

Statement of Financial Position (SoFP)

This is a primary accounting statement that shows the assets, liabilities and taxpayers equity of the States of Jersey at the end of the accounting period. This is covered in more detail in Section 6 of the Accounts – “Introduction to the Accounts”. Under UK GAAP this is referred to as a Balance Sheet.

Statement of Outturn against Approvals (SoOaA)

The State’s accountability statements. Shows a comparison of outturn against the approval for each head of expenditure for both net revenue expenditure and capital expenditure.

Strategic Investments

Companies in which the States has a majority shareholding but which are not consolidated into the States’ accounts as their inclusion would distort the presentation of the States’ financial results.

Taxpayers’ Equity

Equal to Net Asset Value, Taxpayers’ Equity result from the accumulation of surpluses, deficits, revaluations of assets and other surplus sums.

Trading Operation

These are areas of operation of the States of Jersey, designated by the States to be a States Trading Operation. There are two States Trading Operations: Jersey Fleet Management and Jersey Car Parking.

Trading Fund

Trading Operations do not form part of the Consolidated Fund, and so each maintain a separate Trading Fund balance. This is calculated using the same method as the Consolidated Fund balance, as detailed in the Consolidation Fund section of the Annex to the Accounts

Transfer of Functions (ToF)

P.46/2015 – Draft States of Jersey (Transfer of Functions No.8) (Miscellaneous Transfers) (Jersey) Regulations 201- approved by the States Assembly on 16 December 2015 reorganised responsibilities between a number of Ministerial Departments from 1st January 2016. Prior year numbers have been restated to incorporate this change.

Summary of Acronyms and Initialisations

CETV	Cash Equivalent Transfer Value (Pensions)
CIF	Common Investment Fund
CSS	Civil Service Scheme
DPS	Discretionary Pension Scheme
EUSD	European Union Savings Directive
FSR	Fiscal Strategy Review
FTE	Full Time Equivalent
GAAP	Generally Accepted Accounting Principles
GST	Goods and Services Tax
IFRS	International Financial Reporting Standards
IJCI	Independent Jersey Care Inquiry
JFReM	Jersey Financial Reporting Manual
JPOPF	Jersey Post Office Pension Fund
JTSF	Jersey Teachers’ Superannuation Fund
MTFP	Medium Term Financial Plan
NRE	Net Revenue Expenditure
NRI	Net Revenue Income
PECRS	Public Employees’ Contributory Retirement Scheme
SoCF	Statement of Cash Flows
SoCiTE	Statement of Changes in Taxpayers’ Equity
SoCNE	Statement of Comprehensive Net Expenditure
SoFP	Statement of Financial Position
SOJ	States of Jersey
SOJDC	States of Jersey Development Company Limited
SoOaA	Statement of Outturn against Approvals
VER	Voluntary Early Retirement
VR	Voluntary Redundancy
VS	Voluntary Severance

Appendix A – Grants under £75,000

Full details of significant Grants and Subsidies awarded to any individual or organisation are given in Note 9.12 to the Accounts. This Appendix gives the detail of grants awarded under States of Jersey Grant Schemes and also summarises grants and subsidies of less than £75,000 made by the States of Jersey in 2016.

Details of significant grants awarded under States of Jersey Grant Schemes

DEPARTMENT FOR INFRASTRUCTURE

Name of Scheme	Reason for Grant	Amount £
Car2Cycle Scheme	Funding mechanism that enables local retailers within the private sector to deliver the States of Jersey Electric Bike Fund ("EBF")	100,840
Total payments under Significant Schemes – Department for Infrastructure		100,840

DEPARTMENT OF THE ENVIRONMENT

Name of Scheme	Reason for Grant	Amount £
Countryside Enhancement Scheme – Various recipients	Environmental improvement scheme which offers financial incentives to support and reward initiatives designed to look after Jersey's countryside	162,939
Energy Efficiency Service – Various recipients	Assist low-income and vulnerable households reduce their energy bills and keep warmer through the winter	77,913
Total payments under Significant Schemes – Department of the Environment		240,852

ECONOMIC DEVELOPMENT, TOURISM, SPORT AND CULTURE DEPARTMENT

Name of Scheme	Reason for Grant	Amount £
Area Payments	Support a base level of farming activity in the countryside	
Area Payments to Individuals		64,599
Woodside Farms Ltd		56,102
Meleches 2007 Ltd		40,480
Master Farms Ltd		33,805
Fosse Au Bois Growers Ltd		29,246
T H Barette Ltd		26,561
Somerleigh Farms 1996 Ltd		22,739
La Ferme Ltd		15,445
Lodge Farm Ltd		15,212
Labey Farms Ltd		13,488
J & S Growers (2009) Ltd		13,404
Cowley Farm Ltd		12,814
D A Richardson Ltd		12,579
R Le B Ltd		12,179
Classic Herd Ltd		11,390
Didier Hellio Ltd		10,529
Chalet Jersey Ltd		10,425
Trinity Manor Farm Ltd		9,886
Meadow Vale Farm Ltd		8,921
Freedom Farms Ltd		7,494
AMW (Jersey) Ltd		6,903
St Lawrence Growers Ltd		6,451
Le Gresley Farms Ltd		6,350
Bel Val Farm Ltd		5,604
Le Sech Farms Ltd		4,863
The Reserve		4,578
Amal-Grow Limited		3,904
Jersey Dairy		3,812
Les Cotils Farms Ltd		3,476
Cross Cottage Farm Ltd		3,391
Anneville Farm Ltd		3,305
Vermont Farm Ltd		2,853
Devon Villa (1991) Ltd		2,771
La Robeline Cider Company Ltd		2,572
Person & Freire Ltd		1,495
T & R Perchard Ltd		1,481

Name of Scheme	Reason for Grant	Amount £
Le Rendu & Son Ltd		1,399
Bayview Livery Ltd		1,330
La Pompe Ltd		1,173
La Mare Vineyards Ltd		1,019
Gold Leaf Farm Ltd		935
Rural Solutions Ltd		873
CAF Engineering Limited		863
Bon Air Stables		771
East Riding Ltd		449
Vers Les Monts Organic Farm		283
Total Area Payments		500,202
Quality Milk Payments	Transitional support to allow the industry to implement their Dairy Industry Recovery Programme	
Quality Milk Payments to individuals		55,680
La Ferme Ltd		34,500
T H Barette Ltd		32,676
R Le B Ltd		32,196
Chalet Jersey Ltd		31,571
Lodge Farm Ltd		31,188
Cowley Farm Ltd		27,864
Meadow Vale Farm Ltd		27,696
Master Farms Ltd		27,108
Trinity Manor Farm Ltd		25,284
Freedom Farms Ltd		13,476
AMW (Jersey) Ltd		11,856
Le Gresley Farms Ltd		10,212
Les Ormes Farm Ltd		9,570
Classic Herd Ltd		9,096
Cross Cottage Farm Ltd		7,032
Jersey Dairy		4,026
Total Quality Milk Payments		391,031

Name of Scheme	Reason for Grant	Amount £
Rural Initiative Scheme	Rural Initiative Scheme provides support for innovation and business diversification	
Jersey Products Promotion Ltd.		158,257
Jersey Dairy		45,000
Rural Initiative Scheme payments to individuals		12,780
La Robeline Cider Company Ltd		7,734
Total Rural Initiative Scheme		223,771
Support for travel to participate in sports events	Support individuals, clubs and associations in travel to participate in sports events	
Island Games Association of Jersey		52,500
Jersey Rugby Association		45,000
Jersey Netball Association		35,510
Jersey Cricket Board		32,400
Jersey Football Association		31,920
Jersey Spartan Athletic Club		26,620
Jersey Rugby Development Committee		20,000
Jersey Hockey Limited		18,970
Commonwealth Games Association of Jersey		17,380
Jersey Primary Schools Sports Association		16,000
Jersey Table Tennis Association		13,833
Jersey Lawn Tennis Association		11,365
Jersey Hockey Association Development Fund		9,455
Jersey Triathlon Club		7,355
Jersey Sports Assoc for the Disabled		7,200
Jersey Squash & Racketball Association		6,580
Bowls Jersey		6,370
Jersey Secondary Schools Sports Association		6,200
Jersey Cycling Association		6,165
St Catherines Sailing Club		5,760
The Kennel Club Of Jersey		5,760
Tigers (Jersey) Swimming Club		5,680
The Jeux des Iles Association		5,000
Archery Association of Jersey		4,940
British Show Jumping Association		4,600
Regent Gymnastic Club		4,440
Jersey Aquatic Rescue Club		4,240



Name of Scheme	Reason for Grant	Amount £
Jersey Irish Gaelic Athletic Club		4,000
Jersey Surfboard Club		3,830
Jersey Horse Driving Society		3,780
Jersey Paddleboard Association		3,430
Jersey Waterpolo Association		3,370
Jersey Swimming Club		3,315
Jersey Dressage Club		3,230
Jersey Rowing Club		2,960
Ten Pin Bowling Association		2,950
Kenpo Karate Association		2,600
Paws Agility Club Jersey		2,600
Jersey Fencing		2,565
Royal Channel Island Yacht Club		2,230
Jersey Softball Association		2,005
Jersey Freshwater Angling Association		2,000
Jersey Gymnastics Club		1,975
Caesarean Tennis Club		1,940
C I Freshwater Fishing Association		1,890
Jersey Volleyball Association		1,645
Jersey Petanque Club		1,600
Jersey Smallbore Shooting Association		1,590
Jersey Pistol Association		1,420
Archers of Jersey		1,400
Jersey Rifle Association		1,120
Jersey Indoor Bowling Association		670
European Agility Festival		640
Jersey Riding Club		480
St Lawrence Charity Horse Show		300
Jersey Touch Rugby		230
Jersey Billiards & Snooker Association		120
Commonwealth Games Association	Return of 2015 Underspend	(3,000)
Jersey Motorcycle & Light Car Club	Return of 2015 Underspend	(4,795)
Jersey Rugby Development Committee	Return of 2015 Underspend	(5,000)
Jersey Netball Association	Return of 2015 Underspend	(15,000)
Jersey Cricket Board	Return of 2015 Underspend	(15,000)
Jersey Football Association	Return of 2015 Underspend	(15,000)
Total support for travel to participate in sports events		415,333
Total payments under Significant Schemes – Economic Development Tourism Sport and Culture Department		1,530,337

EDUCATION DEPARTMENT

Name of Scheme	Reason for Grant	Amount £
Nursery Education Fund (NEF)	To provide pre-school learning via the NEF	2,057,367
Grants to Individuals (Jersey College for Girls)	Assist students in the payment of fees	141,010
Grants to individuals (Victoria College)	Assist students in the payment of fees	61,801
Total payments under Significant Schemes – Education Department		2,260,178

SOCIAL SECURITY DEPARTMENT

Name of Scheme	Reason for Grant	Amount £
Various employment schemes	Back to Work Grant Incentive Schemes	454,503
Total payments under Significant Schemes – Social Security Department		454,503
Total payments under Significant Schemes		4,586,710

Other Grants and Subsidies

ANDIUM HOMES

Grantee	Reason for Grant	Amount £
RADAR – Admin Support	Temp for Forum	1,430
Safeguarding Partnership Board	Sponsorship	1,000
Brooklyn Court – Residents	Community event	300
Les Cloches – Residents	Installation of Benches	295
St Helier Community in Bloom	Sponsorship	250
Hampshire Gardens – Residents	Installation of Bike Racks	237
Le Marais Fete	Community event	132
Total – Andium Homes		3,644

CHIEF MINISTER'S DEPARTMENT

Grantee	Reason for Grant	Amount £
Brighter Futures	Decision by CoM to support Brighter Futures to continue to deliver family support services during a particularly challenging financial period	13,886
Alliance Française de Jersey	Development of Jersey/France relations – promoting French language and culture	10,000
Total – Chief Minister's Department		23,886

DEPARTMENT OF THE ENVIRONMENT

Grantee	Reason for Grant	Amount £
European Plant Protection Organisation (EPPO)	EPPO Contribution to plant research	22,836
Total – Department of the Environment		22,836

ECOLOGY FUND

Grantee	Reason for Grant	Amount £
Jersey Seasearch	Hire of dive boat for seabed research and monitoring project	2,700
Jersey Bat Group	Purchase of bat detecting equipment	1,800
Jersey Barn Owl Conservation	Refurbishment of Jersey Barn Owl boxes	1,493
R Long	Dung Beetle survey	900
Société Jersiaise	Plant Identification course	416
Total – Ecology Fund		7,309

ECONOMIC DEVELOPMENT, TOURISM, SPORT AND CULTURE DEPARTMENT

Grantee	Reason for Grant	Amount £
Woodside Farm	Rural Initiative Scheme provides support for innovation and business diversification	40,400
Jersey Battle of Flowers (Events) Ltd	Fête de Noué Support for 2015 and 2016	30,000
Société Jersiaise	Grant to support Archisle photographic project	10,000
Parish of St Helier	Fête de Noué Support	8,500
Variety Club of Jersey	Variety International Conference 2016	5,500
Parish of St Brelade	Fête de Noué Support	1,000
Island Games Organising Committee	Return of Funding from 2015 Island games	(100,000)
Total – Economic Development, Tourism, Sport and Culture Department		(4,600)

EDUCATION

Grantee	Reason for Grant	Amount £
Victoria College Foundation	To support the operation of Victoria College foundation	72,000
Victoria College – Combined Cadet Force	To support the operations of the Combined Cadet Force (CCF)	23,500
Young Enterprise	To support the operations of Young Enterprise	2,000
Child Accident Prevention Jersey	To support the operations of Child Accident Prevention (CAP) Jersey	800
Total – Education Department		98,300

PORTS OF JERSEY

Grantee	Reason for Grant	Amount £
Channel Island Air Search	Support provision of air search service	8,000
Total – Ports of Jersey		8,000

COMMUNITY AND CONSTITUTIONAL AFFAIRS DEPARTMENT

Grantee	Reason for Grant	Amount £
Prison! Me! No Way!!	Contribution to annual running costs	60,000
Victim Support Jersey	Contribution to annual running costs	30,000
Community Relations Trust	Contribution to annual running costs	27,500
Jersey Air Training Corps	Contribution to annual running costs	10,000
Jersey Army Cadet Force	Contribution to annual running costs	10,000
Jersey Sea Cadets	Contribution to annual running costs	10,000
Combined Cadet Force	Contribution to annual running costs	10,000
Safer St Helier	Contribution to costs of Taxi Marshall Scheme	9,000
Jersey Voluntary and Community Sector	One off interim payment agreed by the Chief Minister	5,833
Total – Community and Constitutional Affairs Department		172,333

HEALTH AND SOCIAL SERVICES DEPARTMENT

Grantee	Reason for Grant	Amount £
Salvation Army	Provide support for the development of a Community Resource Centre	50,000
Citizens Advice Bureau Jersey (CAJ)	Provide an online directory for key health and social care services	21,500
Jersey Family Mediation Service	Provision of service to separating or divorced couples to assist in reaching agreements	12,236
Jersey Hyperbaric Treatment Centre	Contribution towards specific costs of the hyperbaric treatment centre	8,282
Total – Health and Social Services Department		92,018

JUDICIAL GREFFE

Grantee	Reason for Grant	Amount £
Jersey Family Mediation Service	To assist with running costs	60,000
Institute of Law	To assist with running costs	30,000
Total – Judicial Greffe		90,000

OFFICE OF THE LIEUTENANT GOVERNOR

Grantee	Reason for Grant	Amount £
Army Cadet Force	Contribution to HMS Duke Visit	3,000
Total – Office of the Lieutenant Governor		3,000

SOCIAL SECURITY DEPARTMENT

Grantee	Reason for Grant	Amount £
Jersey Council for Safety and Health at Work	Established by the States in 1973 to promote occupational health and safety in the work place	28,343
Jersey Post	Subsidies Public Sector Scheme – To assist people with disabilities into employment within the Public sector where the employing department contributed to an appropriate level of the person's salary equating to the person's ability	12,114
Citizen's Advice Bureau Jersey (CAJ)	To provide a free advice service for discrimination not in employment	6,000
Total – Social Security Department		46,457

TOURISM DEVELOPMENT FUND

Grantee	Reason for Grant	Amount £
Dance World Cup Ltd	Hosting the Dance World Cup in Jersey	58,622
Parish of St Helier	Town Orientation Signage	45,000
Jersey Int. Motoring Festival	Marketing and attractions	29,910
Jersey Literary Festival Association	Off-Island marketing campaign	11,330

Grantee	Reason for Grant	Amount £
Secrets Beneath Production Ltd	Marketing / promotion plan for interactive attractions	5,027
Jersey Arts Trust	Feasibility Study for The Happy Show	5,000
Jersey Classic & Modern Trials	International 2 day trail event	1,589
Blue Badge Guides	Jersey Tourist Guide Association Training	900
Journey Boutique	Marketing support for attracting Russian tourists	370
Total – Tourism Development Fund		157,748
Total other Grants and Subsidies		720,931
Total payments under Significant Schemes		4,586,710
Total significant Grants and Subsidies – see Accounts Note 9.12		38,188,103
Grand Total – Grants and Subsidies awarded in 2016		43,495,744