

ANNEX TO FINANCIAL
REPORT AND ACCOUNTS 2014





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REPORT AND ACCOUNTS
2014**



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Introduction to the Annex

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

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

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

A copy of the 2014 Financial Report and Accounts can be found on the States of Jersey website (www.gov.je); alternatively a hard copy can be obtained from the States Assembly Information Centre at the following address:

*Morier House
St. Helier
Jersey
JE1 1DD*

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

Explanation of the contents of Department/Fund Pages

The detailed information 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.

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	✓	✓/X	X
Staff FTE	✓	✓	X
Financial Statements	✓	✓	✓
Trading Fund Balance	X	✓	X

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 purposes. The CIF is an administrative arrangement, not a separate fund, and provides a simple cost effective way of pooling funds for investment purposes. The aim of the CIF is to provide greater investment opportunities, economies of scale and minimise fees and costs.

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

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

Effect of changes to Accounting Standards

Accounting Standards evolve with time, and the Minister has a policy of annually updating the Accounting Standards used by the States of Jersey. In 2014 there have been several changes in the Accounts, and details of these changes are given in Section 6 and Note 9.3 of the main Accounts document. Previous years’ figures have been restated in both the main Accounts and Annex to ensure consistency between years and compliance with IAS 10.

The incorporation of the Housing department into a separate legal entity (a company limited by guarantee) was approved by the States under P.63/2013. The transfer into the new company was effective from the 1st July 2014. The 2013 Financial Report and Accounts were prepared on the assumption that the newly formed housing company would fall outside of the direct control of the States of Jersey and so would not be consolidated. On that basis, they were treated as a discontinuing operation as per IFRS 5, with a view to being treated the same way as the other Strategic Investments.

Following the agreement of the Memorandum of Understanding for Andium Homes, further consideration was given to whether this was appropriate as the governance framework in place for Andium Homes resulted in a more significant involvement of the States of Jersey in decision making than was the case for the other Strategic Investments. By virtue of those arrangements, it was deemed that the States appeared to operate direct control of Andium Homes.

To reflect this change the results of the Housing Department and Andium Homes are now shown within the consolidated financial statements.

Final Approved Budgets

Revenue Approvals

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

The final approved budget for each department may vary from that approved in the Medium Term Financial

Plan for several reasons, including additional budget allocations during the year, transfers between revenue and capital heads of expenditure and other transfers between departments (which are approved by formal Ministerial Decisions).

A summary is set out in the table below:

Department	MTFP 2014 Total NRE Near Cash £'000	Carry Forward from 2013 £'000	Allocation of Contingency £'000	Allocation of Additional Funding £'000	Transfers between capital and revenue £'000	Departmental Transfers £'000	2014 Final Approved Budget Near Cash £'000	2014 Final Approved Budget Non Cash £'000	2014 Final Approved Budget £'000
Ministerial Departments									
Chief Minister	22,067	1,997	3,603	290	4,855	(268)	32,544	485	33,030
Grant to the Overseas Aid Commission	9,794	151	–	–	–	–	9,945	–	9,945
Economic Development	18,513	899	35	5,000	–	(181)	24,266	3	24,269
Education, Sport and Culture	110,775	3,959	1,697	–	1,394	187	118,012	276	118,288
Department of the Environment	5,971	397	121	–	66	–	6,555	384	6,939
Health and Social Services	198,457	2,280	(77)	–	(48)	(110)	200,502	3,308	203,810
Home Affairs	49,306	1,463	(2,798)	43	(12,964)	497	35,547	592	36,139
Housing	(27,192)	1,064	130	13,834	1,909	(51)	(10,306)	10,321	15
Social Security	186,619	757	(16)	–	–	51	187,411	–	187,411
Transport and Technical Services	27,912	1,610	(92)	–	(855)	–	28,575	20,164	48,739
Treasury and Resources	32,009	3,599	(3,527)	–	3,474	(44)	35,511	20,621	56,132
Non Ministerial States Funded Bodies									
Bailiff's Chamber	1,654	60	137	–	–	36	1,887	–	1,887
Law Officers' Department	7,961	225	229	–	–	808	9,223	9	9,232
Judicial Greffe	6,905	88	(57)	–	(88)	(36)	6,812	19	6,831
Viscount's Department	1,424	318	(3)	–	(318)	(681)	740	35	775
Official Analyst	636	83	(2)	–	(330)	–	387	47	434
Office of the Lieutenant Governor	730	119	41	–	–	26	916	4	920
Office of the Dean of Jersey	26	2	–	–	–	–	28	–	28
Data Protection Commission	234	75	–	–	(50)	–	259	–	259
Probation Department	2,213	187	(3)	–	(187)	(266)	1,944	27	1,971
Comptroller and Auditor General	769	500	(9)	–	–	–	1,260	–	1,260
States Assembly and its services	5,185	40	5,185	–	–	31	10,441	11	10,452
Allocations for Contingencies	7,633	18,345	(4,594)	700	–	–	22,084	–	22,084
Net Revenue Expenditure	669,601	38,218	–	19,867	(3,142)	–	724,541	56,306	780,850

Notes:

1. Carry Forwards from 2013

Carry Forwards from 2013 were approved by Ministerial Decision (MD-TR-2014-0011: "2013 Year End Carry Forwards"), which approved the carry forward of £19.9 million of departmental underspends from 2013 to 2014, the carry forward of £18.3 million to Allocations for Contingencies in 2014 (£17.4 million of unallocated contingency, £0.7 million of departmental underspends and £0.2 million of Court and Case Costs underspends).

2. Allocations for Contingency

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

3. Additional Funding Approved in Year

The Public Finances Law allows the approval of 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 2014, budget adjustments have been required to bring the budget into line with accounting definitions.

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

Capital Approvals

The table below shows how total Capital Approvals within the Consolidated Fund have changed during 2014.

	£'000
Previous Approvals	101,140
2014 Approval	65,192
Revenue to Capital Transfers	3,143
Other Transfers	(16,473)
Disposal Receipts Applied	2,400
2014 Capital Expenditure	(51,735)
Amounts Returned to Consolidated Fund	(6,400)
Unspent Capital Approvals Carried Forwards	97,267



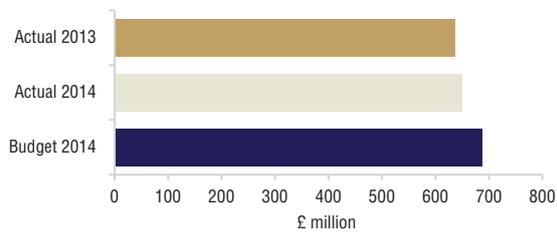
The Consolidated Fund

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

Key Results:

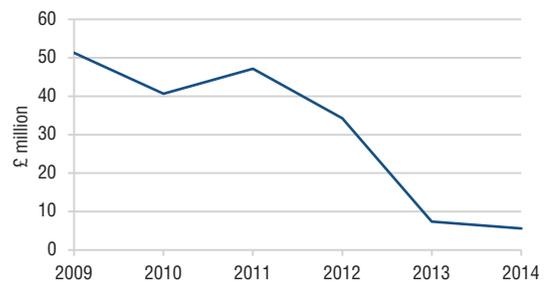
NET GENERAL REVENUE INCOME

£649.0 million



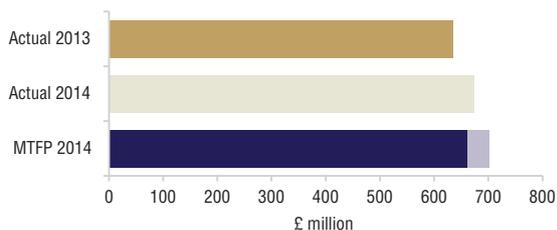
AVAILABLE CONSOLIDATED FUND BALANCE

£5.6 million



DEPARTMENTAL NET REVENUE EXPENDITURE (NEAR CASH)

£674.2 million



Consolidated Fund – Aggregated Statements

Aggregated Statement of Comprehensive Net Expenditure

	2013 Actual £'000	2014 Actual £'000
Revenue		
Taxation Revenue	(534,474)	(518,134)
Duties, Fees, Fines and Penalties	(91,816)	(100,990)
Sales of Goods and Services	(114,999)	(96,963)
Investment Income	(13,644)	(18,198)
Other Income	(16,994)	(52,853)
Total Revenue	(771,927)	(787,138)
Expenditure: Near Cash		
Social Benefit Payments	178,855	177,298
Staff Expenditure	346,024	362,721
Other Operating Expenditure	196,098	209,635
Grants and Subsidies Payments	36,986	49,828
Impairments of Financial Assets	6,136	1,616
Finance Costs	14,446	17,304
Foreign Exchange (Gain)/Loss	(134)	118
Total Expenditure: Near Cash	778,411	818,520
Net Revenue Expenditure: Near Cash	6,484	31,382
Non Cash Amounts		
Investment Income	(16)	417
Donations of Property, Plant and Equipment	(113)	(116)
Staff Expenditure	168	205
Other Operating Expenditure	–	2,735
Depreciation and Amortisation	53,929	59,233
Impairments of Property, Plant and Equipment	(1,328)	18,909
(Gain)/Loss on Disposal of Non-Current Assets	(153)	146
Movement in Pension Liability	(11,999)	28,375
Total Non Cash Amounts	40,488	109,904
Net Revenue Expenditure	46,972	141,286
Other Comprehensive Income		
Revaluation of Property, Plant and Equipment	(112,602)	(40,953)
Gain on Revaluation of Strategic Investments during the period	(25,000)	(3,900)
Reclassification adjustments for gains/losses included in Net operating costs	–	–
Loss on Revaluation of Other AFS Investments during the period	(40)	(229)
Reclassification adjustments for gains/losses included in Net operating costs	8	(428)
Actuarial Loss/(Gain) in respect of Defined Benefit Pension Schemes	1,089	(637)
Total Other Comprehensive Income	(136,545)	(46,147)
Total Comprehensive (Income)/Expenditure	(89,573)	95,139

Aggregated Statement of Financial Position

	1 Jan 2013 Actual £'000	31 Dec 2013 Actual £'000	31 Dec 2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	2,760,932	2,855,572	2,185,844
Intangible Assets	9,648	9,440	8,225
Loans & Advances	2,157	3,209	3,572
Strategic Investments	308,800	333,800	1,015,871
Other Available for Sale investments	14,589	15,408	304
Investments held at Fair Value through profit or loss	195,798	181,731	178,562
Derivative Financial Instruments expiring after more than one year	230	–	–
Trade and Other Receivables	7	7	6
Total Non-Current Assets	3,292,161	3,399,167	3,392,384
Current Assets			
Non-Current Assets classified as held for sale	538	3,987	–
Inventories	5,216	6,339	7,504
Loans & Advances	993	435	806
Derivative Financial Instruments expiring within one year	263	174	–
Trade and Other Receivables	100,338	99,378	107,986
Cash and Cash Equivalents	77,186	67,946	36,648
Total Current Assets	184,534	178,259	152,944
Total Assets	3,476,695	3,577,426	3,545,328
Current Liabilities			
Trade and Other Payables	(131,423)	(135,438)	(147,665)
Balance due to Other States Funds	(69,753)	(81,691)	(67,433)
Finance Lease Obligations	(871)	(930)	(1,030)
Provisions for liabilities and charges	(1,327)	(1,471)	(512)
Total Current Liabilities	(203,374)	(219,530)	(216,640)
Total Assets Less Current Liabilities	3,273,321	3,357,896	3,328,688
Non-Current Liabilities			
Finance Lease Obligations	(6,658)	(5,728)	(4,698)
Provisions for liabilities and charges	(2,735)	(2,648)	(5,541)
PECRS Pre-1987 Past Service Liability	(228,396)	(218,856)	(254,599)
Provision for JTSF Past Service Liability	(97,747)	(101,057)	(104,452)
Defined Benefit Pension Schemes Net Liability	(9,282)	(10,488)	(7,065)
Total Non-Current Liabilities	(344,818)	(338,777)	(376,355)
Assets Less Liabilities	2,928,503	3,019,119	2,952,333
Taxpayer's Equity			
Accumulated Revenue Reserves	2,207,055	2,162,151	2,254,261
Revaluation Reserve	502,096	612,584	449,131
Investment Reserve	219,352	244,384	248,941
Total Taxpayer's Equity	2,928,503	3,019,119	2,952,333

Consolidated Fund Balance

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

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

The Consolidated Fund excludes:

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

Available Consolidated Fund Balance

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

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

Available Consolidated Fund Balance

2013 Actual £'000		2014 Actual £'000
184,947	Available Non-Current Financial Assets	182,140
(41,269)	Net Current Assets	(63,696)
(3,987)	Less: NCA Held for Sale	–
(2,648)	Less: Non-Current Provisions	(5,541)
	– Add Back: Provision for Financial Guarantee	2,735
2,080	Add Back: Provision for Decommissioning	2,080
930	Add Back: Current Finance Lease Liabilities	1,030
6,084	Add back: Current Pension Liabilities	5,345
3,040	Add back: Accruals for untaken leave	3,245
149,177	Consolidated Fund Balance	127,338
(101,146)	Unspent Capital	(97,267)
(2,321)	Voted amounts to be allocated	(2,380)
(19,872)	Departmental Carry forwards	(13,011)
(18,345)	Carry forward of Contingency	(9,966)
7,493	Unallocated Consolidated Fund Balance	4,707

Reconciliation of Movement in Available Consolidated Fund Balance

	2013 £'000	2014 £'000
Opening Balance	31,160	7,493
Net General Revenue Income	636,688	648,967
Net Revenue Expenditure – Near Cash	(636,186)	(674,163)
Transfer of Housing Underspend to Andium	–	(2,265)
Add Back: Carry Forwards from 2012/2013	52,110	38,217
Add Back: Additional Allocations	217	1,033
Remove: Transfers between Capital and Revenue		
Rephasing of Capital	–	7,820
Other	(6,363)	(10,963)
Approvals Carried Forward:		
Departmental Carry forwards	(19,872)	(13,011)
Carry forward of Contingency	(18,345)	(9,966)
Capital Approval in the Year	(12,566)	(65,192)
Transfer to Jersey Fleet Management for Asset Replacement	–	(1,500)
Other Capital Funding Sources	(24,760)	–
Funding from the Central Planning Vote	800	500
Funding from Strategic Reserve for new Hospital	–	10,200
Funding from Currency Fund	–	3,000
JPH Receipts Applied	2,348	2,874
Return from Andium	–	38,490
Transfers from:		
Dwelling House Loan Fund	2,000	6,914
Insurance Fund	–	2,500
Stabilisation Fund	–	1,058
Currency Fund	–	3,500
Jersey Car Parks	–	2,635
Returns to the Consolidated Fund	141	–
COCF Funding previously spent from Consolidated Fund	–	6,400
Other	–	–
Other Movements	121	166
Fund Movement	(23,667)	(2,786)
Closing Balance	7,493	4,707

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

£31,163,053

34.2% increase
from 2013

£1,382,353

4.2% 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
£22.1 million	£10.4 million	£32.5 million

In 2014 adjustments totalling £10.4 million were made to the budget presented in the Annual Update to the Medium Term Financial Plan. The most significant variations were £3.6 million for the purchase of the Plémont headland, £2.5 million for Public Sector Reform programmes and £1.2 million to meet the costs of the Committee of Inquiry into Historical Child Abuse. Full 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

Actual 2013	Actual 2014	Budget 2014
£2.2 million	£2.5 million	£1.9 million

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

A major external income stream relates to Population Office fees for the issue of business licenses and licenses under the Control of Housing and Work Law as well as for the registration of lodging houses.

Income is also received from the Ports of Jersey to fund the office of the Director of Civil Aviation.

MAJOR INCOME STREAMS

	£'000
Support to Departments	(1,181)
Population Office Fees	(802)
Airport payment for the DCA	(139)
Other	(337)
Total Income	(2,459)

Performance against Near Cash Final Approved Budget

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

Actual 2013	Actual 2014	Budget 2014
£23.2 million	£31.2 million	£32.5 million

KEY VARIANCES FROM BUDGET

	£'000
Public Sector Reform	706
Information Services	396
Financial Services	299
Other Variances	(18)
Net Underspend	1,383

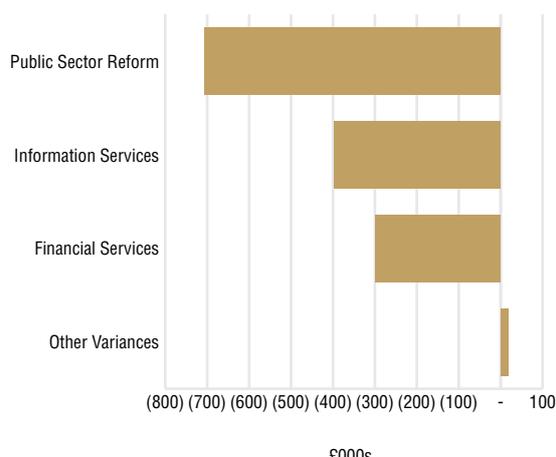
Public Sector Reform planned to underspend by £0.7 million in 2014 because part of the programme's 2014 budget was intended to be carried forward to meet expenditure in 2015.

Information Services underspent by £0.4 million through reductions in non-staff expenditure and the careful management of staff vacancies in order to respond to pressures elsewhere within the Department.

Financial Services underspent by £0.3 million in 2014 by tightly managing non-staff expenditure and delaying staff recruitment in order to ensure that the full programme of projects planned for 2015 could be funded.

Other variances consists of the balance of several smaller underspends and offsetting overspends.

Underspend Breakdown



Staffing

At the year end the department employed 261.8 Full Time Equivalent (FTE) employees.

This represents an increase of 40.4 FTE (18.2%) on 2013, which is mainly driven by the creation of temporary posts to deliver projects. This includes 17.8 FTE for the implementation of the Freedom of Information Law, 9.7 FTE for Public Sector Reform and 2.0 FTE related to the Committee of Inquiry into Historical Child Abuse. These posts will expire once the projects have been completed.

Other increases are driven by recruitment to posts that were vacant at the end of 2013 as well as additional staffing to support Financial Services, Law Drafting, the Population Office and Constitutional Affairs.

Fixed Assets

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

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

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

NON CASH EXPENDITURE

Actual 2013	Actual 2014	Budget 2014
£0.4	£0.6	£0.5
million	million	million

Non cash expenditure was higher than budget in 2014 as the cost and consequent depreciation of assets held by the Population Office was higher than originally estimated when the non cash budget was set.

Changes in Expenditure

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

KEY VARIANCES FROM 2013

	£'000
2013 NRE	23,223
Chief Executives Office	4,920
Public Sector Reform	1,484
Information Services	628
External Relations	374
Other Variances	534
2014 NRE	31,163

The majority of the change in expenditure between 2014 and 2013 relates to an increase of £4.9 million in the cost of the Chief Executive's Office. The primary drivers of this increase were a one-off grant of £3.6 million to the National Trust to purchase the Plémont headland and expenditure of £0.9 million on the Committee of Inquiry into Historical Child Abuse.

Expenditure on Public Sector Reform increased by £1.5 million as 2014 was the first full year of operation for the majority of projects including eGovernment, implementing Lean methodology and updating employee terms and conditions.

Information Services grew by £0.6 million in the year as the Freedom of Information Implementation Project entered its next phase of development, incurring costs of

£1.0 million. These costs were partially offset by efforts to manage staff recruitment in order to support pressures in other areas of the Department, which resulted in a reduction of £0.4 million.

External Relations expenditure rose by £0.4 million in 2014 due to the establishment of the London Office costing £0.6 million. This increase was partially offset by operational efficiencies elsewhere within the section that saved £0.2m.

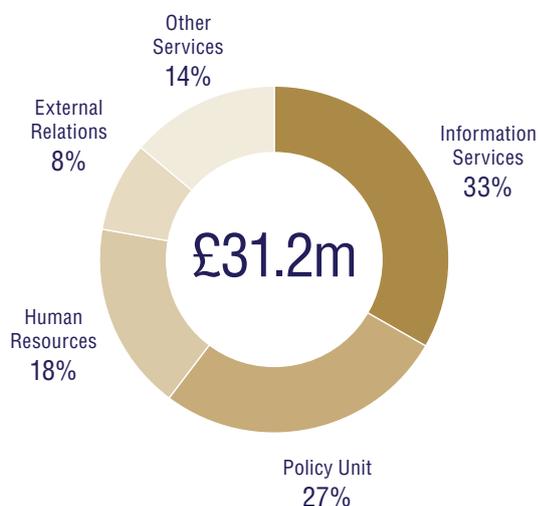
Other variances include investment in HR to support workforce modernisation, additional funding for the implementation of the Financial Services Industry Policy Framework and delivery of the 3 yearly Household Expenditure Survey.

2. What we have spent funding on

Near Cash by Service Area

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Policy Unit				
1,375	6,578	Chief Executive's Office	1,549	6,469
230	230	Communications Office	238	192
234	484	Population Office	736	778
432	531	Statistics	403	550
408	408	Economics	375	411
10	10	Legislation Advisory Panel	9	5
2,689	8,241	Policy Unit	3,310	8,405
2,054	2,498	External Relations	2,238	2,612
1,030	1,572	Financial Services	1,066	1,273
1,011	1,072	Law Drafting Department	869	1,006
9,690	10,775	Information Services	9,751	10,379
5,361	5,655	Human Resources	5,446	5,461
233	2,733	CSR	543	2,027
22,068	32,546	Net Revenue Expenditure	23,223	31,163

NEAR CASH BY SERVICE AREA BREAKDOWN



Information Services

Information Services (IS) supports departmental business change through the use of technology, and manages the corporate IT services such as the network infrastructure, PC management, data centres, and provides the framework for managing IS projects and business projects with an IS element.

In 2014 key activities included:

- delivery of exemplar projects for e-Government including Gov.je redesign and e-Form solutions;
- consolidating support activities through the Service desk;
- involvement with projects to improve finance and HR systems and processes including the introduction of a procure-to-pay purchasing system – Supply Jersey;
- business information system upgrades and supporting the establishment of Andium Homes and Ports of Jersey as 3rd party agencies;
- facilitating departments prepare for Freedom of Information Law with over 900 people trained and 25 people recruited.

Human Resources

The central Human Resources function provides strategic and transactional people management support to States Departments to deliver both organisational and departmental objectives.

In 2014 key activities included:

- review of terms and conditions;
- harmonisation of policies and contracts of employment;
- job evaluation of all roles in Health and Social Services to inform the creation of a new reward framework;
- provision of organisational development and performance management improvements;
- commencement of a project to upgrade or replace the human resources information system (HRIS);
- reshaping HR to support the future structure of the States organisation;
- implementation of succession planning and development of talent management process focussing on supplying the right successful local candidates for key roles;
- delivery of Modern Manager Programme – levels 3, 5 & 7.

Policy Unit

The Policy Unit coordinates the development and implementation of Government Policy as well as providing specialist professional support and advice to the Chief Minister and the Council of Ministers. The Unit consists of the Chief Executive's Office, Communications Office, Population Office, Statistics, Economics and the Legislation Advisory Panel.

The services of the Policy Unit are diverse and varied, including the provision of economic advice to ministers, the development of new policy initiatives and the publication of statistical reports such as the House Price Index. Some significant outputs in 2014 included:

- introduction of the Charities Commission and the purchase of the Plémont headland by the Chief Executive's Office;
- launch of the 3 yearly Household Expenditure Survey by the Statistics Unit.

External Relations

The Ministry for External Relations seeks to ensure Jersey's international responsibilities are fulfilled and the Island's unique constitution and autonomy are protected.

Through offices in Jersey, Brussels, London and Normandy, the Ministry develops beneficial relations with other jurisdictions and promotes the Island's international identity and good reputation in accordance with the Common Policy on External Relations agreed by the Council of Ministers.

The past year has been notable for a number of achievements; particularly the establishment of the government office in London, the removal of Jersey from a French blacklist of jurisdictions and the continued engagement with individual governments and relevant institutions reflecting Jersey's global standing as a cooperative jurisdiction complying with international multilateral standards.

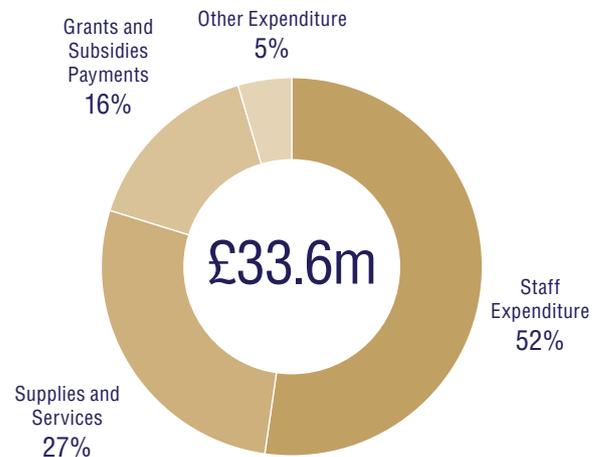
Other Services

Public Sector Reform consists of a series of workstreams designed to bring about a more responsive, efficient and effective public service. This year saw the continuation of projects aimed at delivering reform including eGovernment, implementing Lean methodology in all States departments, updating employee terms and conditions and development of a new reward framework supported by a State-wide job evaluation process as well as initiatives related to leadership and performance management.

The Financial Services Team works to protect and promote Jersey's financial services industry. During the year Financial Services was given additional funding to take forward the recommendations of the Financial Services Industry Policy Framework.

The Law Draftsman's Office provides the legislative framework in which the States operates. During 2014 the Law Draftsman's Office continued to deliver the Council of Minister's Law Drafting Programme and was given additional resource to work specifically on the incorporation of the Ports of Jersey.

Near Cash by Expenditure Type



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

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

Also included in supplies and services are professional fees, legal fees and hired services. Spending on these areas has increased in 2014 most notably as a result of the Committee of Inquiry into Historical Child Abuse, the Freedom of Information Implementation Project and the commencement of projects related to the Public Sector Reform Programme.

Grants are another important area of expenditure for the Chief Minister's Department. In 2014 spending on grants increased significantly as a proportion of total spend due primarily to the purchase of the headland at Plémont. Other grants were made to the Jersey Financial Services Commission, Channel Islands Brussels Office and the newly established London Office and Bureau des Isle Anglo Normades.

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

3. What we have achieved

Population Office

MTFP OBJECTIVE

Population levels that achieve a balance between economic growth and the additional demand migration places on accommodation, infrastructure and resources.

SUCCESS CRITERIA

Improved mechanisms in place to control population.

PERFORMANCE

2014 was the first full calendar year of operation under the Control of Housing and Work Law and during this period the following activities occurred:

- 22,284 registration cards were issued
- 4,873 applications for business licences were processed.

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

Islanders could access more services under one roof during the year, and the move of the Population Office to Social Security in December 2014 improved access for customers even further.

Corporate Policy

MTFP OBJECTIVE

The co-ordinated development and implementation of States policies.

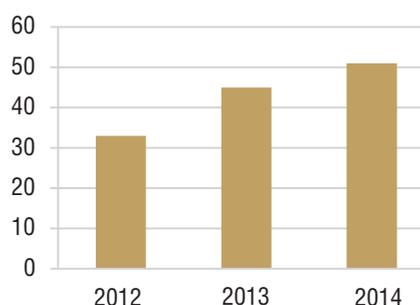
SUCCESS CRITERIA

A robust framework in place with clear processes defined for developing, co-ordinating and communicating policy to deliver the Strategic Plan and to achieve a balance of economic, social and environmental objectives.

PERFORMANCE

During 2014, forty nine propositions and thirteen reports were lodged with the Assembly.

NUMBER OF PROPOSITION LODGED



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

The Corporate Policy Unit including the Strategic Housing Unit was further developed to include the Development of the Strategic Plan.

Human Resources & Public Sector Reform

MTFP OBJECTIVE

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

SUCCESS CRITERIA

Agreed model for reformed public sector based on service redesign, workforce modernisation and cultural change.

PERFORMANCE

During 2014:

- 2,000 employees attended the Public Sector Reform and Change Communication event in July 2014;
- 684 jobs have been matched by the evaluations team;
- 503 staff trained as Lean practitioners – working on 170 projects

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

Events and training were held for staff during the year to provide updates on Public Sector Reform.

Law Draftsman

MTFP OBJECTIVE

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

SUCCESS CRITERIA

Structures in place to ensure proper governance processes.

PERFORMANCE

The Law Draftsman's Office is a vital service providing the legislative framework within which the States operates and all but minor and routine drafting items need to be placed on the Law Drafting Programme in order for them to be drafted.

During 2014:

- 49 Laws were registered;
- 217 regulations and Orders were made; and
- the 2014 annual update to the Revised Edition of the Laws of Jersey was completed.

For the Law Drafting Office this was a record amount of legislation completed in one year.

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

Two additional law draftsmen were employed in order to reduce waiting time on legislation.

Financial Statements

Statement of Comprehensive Net Expenditure

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Revenue				
(302)	(302)	Duties, Fees, Fines and Penalties	(205)	(583)
(1,436)	(1,436)	Sales of Goods and Services	(1,985)	(1,695)
(131)	(131)	Other Income	–	(181)
(1,869)	(1,869)	Total Revenue	(2,190)	(2,459)
Expenditure: Near Cash				
15,044	17,114	Staff Expenditure	15,508	17,574
6,475	11,082	Supplies and Services	7,554	9,260
521	447	Administrative Expenditure	655	765
529	529	Premises and Maintenance	636	752
1	1	Other Operating Expenditure	10	12
1,367	5,242	Grants and Subsidies Payments	1,046	5,256
–	–	Impairments of Financial Assets	4	–
–	–	Finance Costs	–	3
23,937	34,415	Total Expenditure: Near Cash	25,413	33,622
22,068	32,546	Net Revenue Expenditure: Near Cash	23,223	31,163
Non Cash Amounts				
485	485	Depreciation and Amortisation	428	620
–	–	Impairments of Property, Plant and Equipment	–	3
485	485	Total Non Cash Amounts	428	623
22,553	33,031	Net Revenue Expenditure	23,651	31,786

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	363	224	107
Intangible Assets	2,082	4,406	5,216
Total Non-Current Assets	2,445	4,630	5,323
Current Assets			
Trade and Other Receivables	267	553	376
Total Current Assets	267	553	376
Total Assets	2,712	5,183	5,699
Current Liabilities			
Trade and Other Payables	(1,394)	(2,116)	(2,165)
Provisions for Liabilities and Charges	(30)	–	–
Total Current Liabilities	(1,424)	(2,116)	(2,165)
Assets Less Liabilities	1,288	3,067	3,534
Taxpayer's Equity			
Accumulated Revenue Reserves	1,288	3,067	3,534
Total Taxpayer's Equity	1,288	3,067	3,534



Jersey Overseas Aid Commission

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

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£9,798,123

6.7% increase
from 2013

£147,363

1.5% 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 how much can be spent 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
£9.8 million	£0.1 million	£9.9 million

In 2014 adjustments to the budget presented in the Annual Update to the Medium Term Financial Plan totalling £0.1 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.

Performance against Near Cash Final Approved Budget

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

Actual 2013	Actual 2014	Budget 2014
£9.2 million	£9.8 million	£9.9 million

The £0.1 million underspend against Near Cash Final Approved Budget includes funding of £0.1 million which was a Best Bequest awarded to the Commission and not part of the States grant. The actual underspend against Near Cash Final Approved Budget against the States Grant was £11,584.

Staffing

At the year end the Commission employed the equivalent of 1.5 full time employees. There is no change from 2013.

Fixed 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 Creditors.

Changes in Expenditure

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

KEY VARIANCES FROM 2013

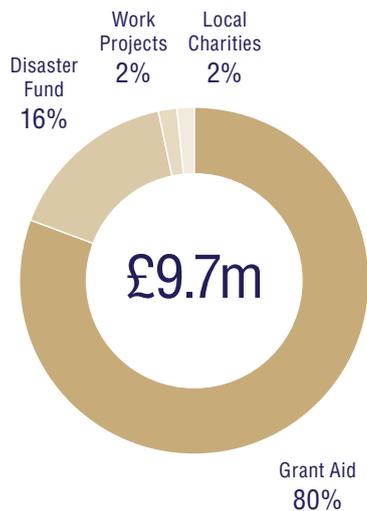
	£'000
2013 NRE	9,182
Grants and Subsidies Payments	611
Other Variances	5
2014 NRE	9,798

In 2014, the Commission received applications which totalled in excess of £13.5 million from its approved agencies and had to reject many worthy projects due to its budget limits. The Commission also received additional funding enquiries from over 140 other organisations.

Grants totalling £9.7 million were made during the year, an increase of £0.6 million compared to 2013.

2. What we have spent funding on

Total Grants Awarded



Fourteen applications totalling £0.2 million were approved for grants made to local organisations for aid projects overseas. Some charities, with an established record of project implementation with the Commission, were awarded grants covering the total funding required, whilst others were awarded grants on the basis of matching on monies fundraised by the submitting organisation itself.

Other operating costs remained low at £0.1 million, less than 1% of the total States grant awarded.

Most of the expenditure in 2014 was by way of direct grants to agencies, both large and small, with all grants based on the individual merits of projects covering clean water, health, sanitation, education, agriculture, livestock, and revolving credit schemes for small businesses. This amounted to £7.8 million.

The Commission allocated £1.6 million (net of refunds) to emergency relief projects and made exceptional grants to its standard policy in response to the Ebola crisis affecting Sierra Leone, Liberia and Guinea.

Community Work Projects were organised to Ghana and Nepal, involving 24 volunteers at a net cost inclusive of materials and equipment of £0.2 million.

Financial Statements

Statement of Comprehensive Net Expenditure

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Expenditure: Near Cash				
79	79	Staff Expenditure	78	79
13	13	Supplies and Services	9	12
2	2	Administrative Expenditure	5	6
9,700	9,851	Grants and Subsidies Payments	9,090	9,701
9,794	9,945	Total Expenditure: Near Cash	9,182	9,798
9,794	9,945	Net Revenue Expenditure	9,182	9,798

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Current Assets			
Trade and Other Receivables	–	72	–
Total Current Assets	–	72	–
Total Assets	–	72	–
Current Liabilities			
Trade and Other Payables	(74)	(385)	(805)
Total Current Liabilities	(74)	(385)	(805)
Assets Less Liabilities	(74)	(313)	(805)
Taxpayer's Equity			
Accumulated Revenue Reserves	(74)	(313)	(805)
Total Taxpayer's Equity	(74)	(313)	(805)



Economic Development Department

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

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£23,932,690

40.7% increase
from 2013

£332,749

1.4% 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
£18.5 million	£5.8 million	£24.3 million

In 2014 adjustments to the budget presented in the Annual Update to the Medium Term Financial Plan totalling £5.8 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 amount includes additional funding of £5.0 million for onward grant to the Jersey Innovation Fund, funds of £0.9 million carried forward from 2013 to 2014 and other minor adjustments.

Departmental Income

Actual 2013	Actual 2014	Budget 2014
£2.0 million	£1.9 million	£1.7 million

The small overachievement against budget is mainly due to a recharge to Ports of Jersey £0.1 million for onward grant to slight increases to all income streams.

MAJOR INCOME STREAMS

	£'000
Tourism	(772)
Licence Fees	(660)
Trading Standards	(144)
Shipping registry	(127)
Other	(221)
Total Income	(1,924)

Performance against Near Cash Final Approved Budget

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

Actual 2013	Actual 2014	Budget 2014
£17.0 million	£23.9 million	£24.3 million

KEY VARIANCES FROM BUDGET

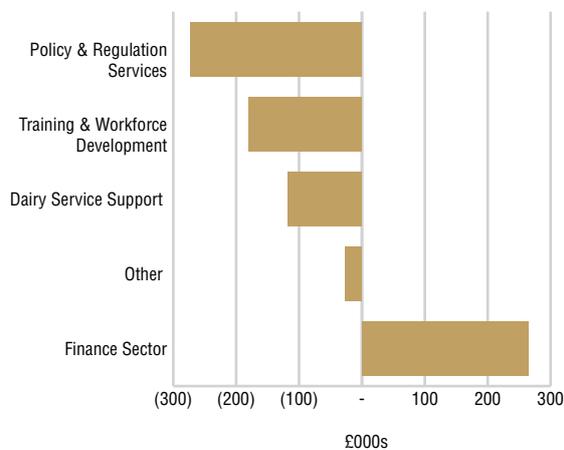
	£'000
Policy & Regulation Services	272
Training & Workforce Development	180
Dairy Service Support	118
Other	27
Finance Sector	(264)
Net Underspend	333

Overall the department had a net underspend of £332,749 (1.4%) against Near Cash Final Approved Budget.

This was mainly due to a reduction of £0.1 million costs for the cattle testing programme and a reduction of £0.2 million of the Apprenticeship grants paid in the old scheme and a delay in the launch of Graduate Internship Programme.

There was a transfer of £0.3 million funds from the Policy & Regulation area to Financial Services (£0.3 million overspend) for an additional grant to Jersey Finance.

Underspend Breakdown



Staffing

At the year end the department employed the equivalent of 54.7 full time employees. This is a decrease of 3.2 (5.5%) from 2013, and is mainly due to a reduction of staff in Tourism.

Changes in Expenditure

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

KEY VARIANCES FROM 2013

	£'000
2013 NRE	17,015
Jersey Innovation Fund	5,000
Financial Services	885
Policy & Regulation	391
Other Variances	641
2014 NRE	23,932

The increase in Net Revenue Expenditure (NRE) from 2013 to 2014 was £6.9 million (40.7%).

The Jersey Innovation Fund (JIF) was set up in 2014 and the department was allocated an additional £5.0 million for onward grant to the JIF.

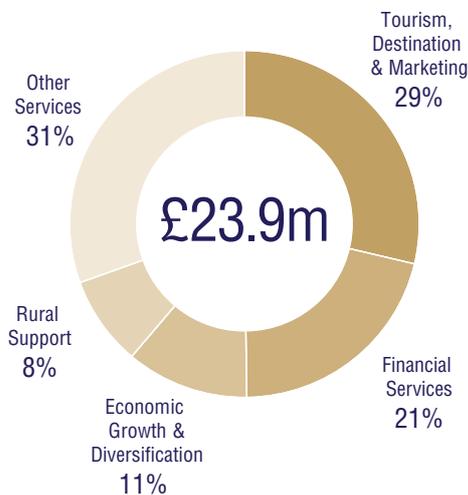
There was an increase in Financial Services £0.9 million due to an additional grant made to Jersey Finance Limited (JFL). The increase of £0.4 million in Policy & Regulation Services was mainly due to additional cost for the setting up of the Jersey Aircraft Registry and research in respect of Broadcasting plus a reduction in Ofcom income.

2. What we have spent funding on

Near Cash by Service Area

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Economic Growth & Diversification				
600	700	Enterprise Support	614	607
2,075	2,222	Investment and Diversification	1,923	2,112
2,675	2,922	Economic Growth & Diversification	2,537	2,719
Tourism, Destination & Marketing				
1,098	3,910	Joint Marketing	959	975
3,794	663	Destination Marketing and Communication	4,090	4,251
650	1,093	Events	705	736
124	124	Research and Statistics	91	94
368	500	Visitor Services	278	313
500	350	Tourism Development	500	500
6,534	6,640	Tourism, Destination & Marketing	6,623	6,869
Policy and Regulation				
300	355	Competition Law	335	345
675	725	Consumer Affairs/Trading Standards	681	671
353	368	Rural Sector	475	347
609	656	Policy Development	63	454
1,937	2,104	Policy and Regulation	1,554	1,817
4,859	4,785	Financial Services	4,165	5,049
Rural Support				
888	885	Single Area Payment	863	828
460	902	Dairy Service Support Payment	711	756
317	313	Rural Initiative	320	390
61	57	General Support	48	26
1,726	2,157	Rural Support	1,942	2,000
Skills				
782	657	Training and Workforce Development	194	478
782	657	Skills	194	478
Jersey Innovation Fund				
–	5,000	Jersey Innovation Fund	–	5,000
–	5,000	Jersey Innovation Fund	–	5,000
18,513	24,265	Net Revenue Expenditure	17,015	23,932

NEAR CASH BY SERVICE AREA BREAKDOWN



Tourism

Tourism promotes Jersey as a destination for all visitors. It provides an events programme to attract visitors to the Island and a visitor service experience which increases numbers and enhances the quality of stay.

A Tourism Shadow Board was created in May 2014 and established Visit Jersey which will lead on the development of the tourism sector from the second quarter of 2015.

There was an increase in expenditure compared with 2013 of £0.2 million which was mainly due to additional support for route development.

Financial Services

The department manages the day to day relationship between the States of Jersey and Jersey Finance Limited (JFL) ensuring a clear understanding between the Minister and JFL in relation to the States strategic aims and the role of JFL in helping the Financial services industry to play a full part in realising those aims.

A new Financial Services policy framework was published in 2014 which outlines the policies that are vital to the Financial Services Industry for future success and to prioritise growth and diversity of the industry.

There was an increase of £0.9 million grant paid to JFL compared with 2013 mainly as a result of increasing scope of overseas activities.

Economic Growth & Diversification

The Department published the 2014–15 Enterprise Action Plan with a specific focus on supporting high growth and high value businesses. The aim is to create new businesses resulting in employment for local job seekers.

Key areas of investment were Locate Jersey, Jersey Business Limited and Digital Jersey Limited to encourage creation and growth of local enterprises.

There was an increase of £0.2 million compared to 2013, mainly due to £0.3 million grant paid to Digital Jersey Limited offset by a repayment of a loan from the Small Firms Loan Guarantee Scheme of £0.1 million.

Policy and Regulation

Policy and Regulation is responsible for the development and administration of a diverse range of law and policy and undertaking regulatory activity in the areas of competition policy, Intellectual Property Rights. The hospitality industry regulation and maritime legislation, together with the enforcement of consumer protection laws.

Key areas of development in 2014 were:

- Intellectual Property – The Berne Convention for the Protection of Literary and Artistic Works was extended to Jersey, a consultation on the registered intellectual property rights took place and drafting was underway to produce a law on plant variety rights.
- Broadcasting, Communication and Digital Policy – The Jersey Competition Regulatory Authority made its recommendation to Ofcom on the allocation of 4G spectrum licences in July. Initial work on Jersey's cyber security capability was advanced and a green paper concerning aspects of the Electronic Communications law was in an advanced stage of development.
- Ports Incorporation – The primary law to incorporate the ports of Jersey was lodged.
- Competition Policy – supported the Ports of Jersey to put in place a long term agreement for the supply of ferry services which contains provisions to protect transport users.

There was an increase in expenditure of £0.3 million compared with 2013 primarily due to additional cost of £0.2 million for the setting up of the Jersey Aircraft Registry and research in respect of Broadcasting plus a reduction in Ofcom income for 2014 £0.2 million. This was offset by a grant of £0.1 million for Jersey Milk Marketing Board not repeated in 2014.

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 promoting the Jersey Royal brand.

The Rural Development programme provides direct and indirect aid through the Single Area Payment, the Quality Milk Payment and the 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.

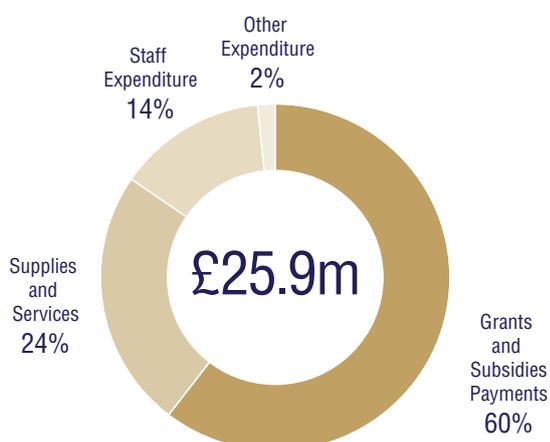
Key areas of development in 2014 were:

- Cattle testing – to support cattle exports requiring compliance with EU legislation.
- Support for Fisherman – a package of grants and subsidies awarded as a consequence of unprecedented bad weather in 2014.

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.

There was a small underspend against budget of £0.2 million mainly due to reduced costs for the cattle testing programme of £0.1 million and a slight reduction in Single area and Quality Milk payments of £0.1 million.

Near Cash by Expenditure Type



Grants and Subsidies

A large proportion of the department's budget (60.4%) is invested in growing and diversifying the economy through a combination of grants and subsidies.

There was an increase in grants paid compared to 2013 of £6.7 million mainly due to an increase in funding for following:

- Jersey Innovation Fund £5.0 million
- Jersey Finance £0.9 million
- Digital Jersey £0.3 million
- Route Development £0.2 million
- Skills Accelerator Scheme £0.2 million
- Cattle Testing £0.1 million and
- Fishing Industry £0.1 million

Supplies and Services

The majority of the department's supplies and services expenditure of £3.0 million is advertising and promotional activity for Tourism and Inward Investment attracting visitors.

Other Operating Expenditure

There was a loan repayment made of £0.1 million from the Small Firms Loan Guarantee Scheme.

3. What we have achieved

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

MTFP OBJECTIVE

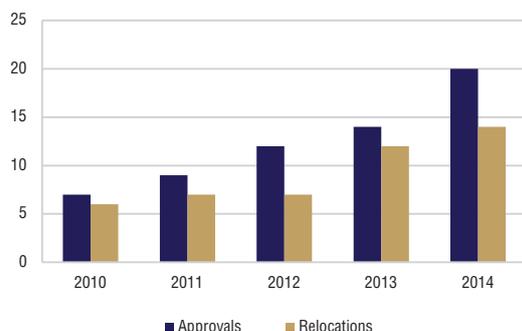
Create new businesses and employment in high-value sectors.

PERFORMANCE

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

In 2014 the number of high net worth approvals was 20 and in that year, 14 HNWI individuals 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)

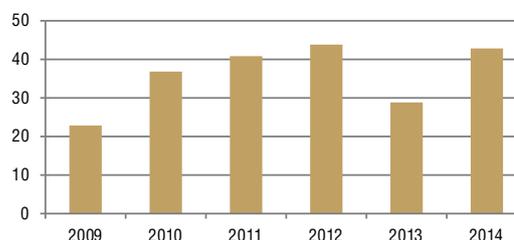
MTFP OBJECTIVE

Create new businesses and employment in high-value sectors.

PERFORMANCE

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

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 businesses who are then helped through the application process and encouraged to invest further in Jersey.

Financial Statements

Statement of Comprehensive Net Expenditure

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Revenue				
(668)	(668)	Duties, Fees, Fines and Penalties	(845)	(660)
(981)	(981)	Sales of Goods and Services	(1,039)	(1,116)
(75)	(75)	Other Income	(93)	(148)
(1,724)	(1,724)	Total Revenue	(1,977)	(1,924)
Expenditure: Near Cash				
3,493	3,493	Staff Expenditure	3,444	3,566
6,265	6,616	Supplies and Services	6,119	6,245
252	252	Administrative Expenditure	230	259
356	356	Premises and Maintenance	236	267
390	228	Other Operating Expenditure	11	(109)
9,481	15,044	Grants and Subsidies Payments	8,952	15,628
20,237	25,989	Total Expenditure: Near Cash	18,992	25,856
18,513	24,265	Net Revenue Expenditure: Near Cash	17,015	23,932
Non Cash Amounts				
3	3	Depreciation and Amortisation	2	1
–	–	(Gain)/Loss on Disposal of Non-Current Assets	(2)	–
3	3	Total Non Cash Amounts	–	1
18,516	24,268	Net Revenue Expenditure	17,015	23,933

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	6	2	1
Total Non-Current Assets	6	2	1
Current Assets			
Inventories	100	104	91
Trade and Other Receivables	226	62	845
Cash and Cash Equivalents	3	3	3
Total Current Assets	329	169	939
Total Assets	335	171	940
Current Liabilities			
Trade and Other Payables	(2,265)	(1,353)	(2,069)
Total Current Liabilities	(2,265)	(1,353)	(2,069)
Total Assets Less Current Liabilities	(1,930)	(1,182)	(1,129)
Non-Current Liabilities			
Provisions for Liabilities and Charges	(187)	(187)	–
Total Non-Current Liabilities	(187)	(187)	–
Assets Less Liabilities	(2,117)	(1,369)	(1,129)
Taxpayer's Equity			
Accumulated Revenue Reserves	(2,117)	(1,369)	(1,129)
Total Taxpayer's Equity	(2,117)	(1,369)	(1,129)



Education, Sport and Culture Department

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

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£113,526,610

6.2% increase
from 2013

£4,484,691

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 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. 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	Additional Approvals	Final Approved Budget
£110.8 million	£7.2 million	£118.0 million

In 2014 adjustments to the original budget voted in the Medium Term Financial Plan totalling £7.2 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

Actual 2013	Actual 2014	Budget 2014
£18.4 million	£18.5 million	£18.4 million

Income from Fee Paying Provided schools increased by £0.4 million (4.4%) compared to 2013 due to annual school fee increases at Victoria College, Victoria College Prep, Jersey College for Girls and Jersey College for Girls Prep. Pupil numbers across these schools remained unchanged from 2013 at about 2,100.

Highlands College fees from full and part time vocational courses, higher education and adult education matched 2013 income of £2.6 million. This represented a decrease on budget due to a small reduction in enrolments for higher and adult education. The College caters for approximately 7,000 students each year across all courses with around half of these taking adult education courses.

MAJOR INCOME STREAMS

	£'000
Fee Paying Provided Schools	(9,824)
Highlands College	(2,641)
Sports Division	(4,084)
Other	(1,916)
Total Income	(18,465)

Performance against Near Cash Final Approved Budget

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

Actual 2013	Actual 2014	Budget 2014
£106.9 million	£113.5 million	£118.0 million

KEY VARIANCES FROM BUDGET

	£'000
Schools and Colleges	
Non Fee Paying Provided	1,124
Fee Paying Provided	784
Culture and Lifelong Learning	
Higher Education	2,290
Committee of Inquiry into Historical Child Abuse	300
Other Variances	(13)
Net Underspend	4,485

The underspend in Schools and Colleges reflects the Delegated Financial Management arrangement that allows Non Fee Paying Provided Primary and Secondary Schools to carry forward funds to manage the differential between the academic and financial year. School funding is determined largely by pupil numbers which can fluctuate and have a significant impact on budgets. Allowing schools to carry forward underspends enables them to

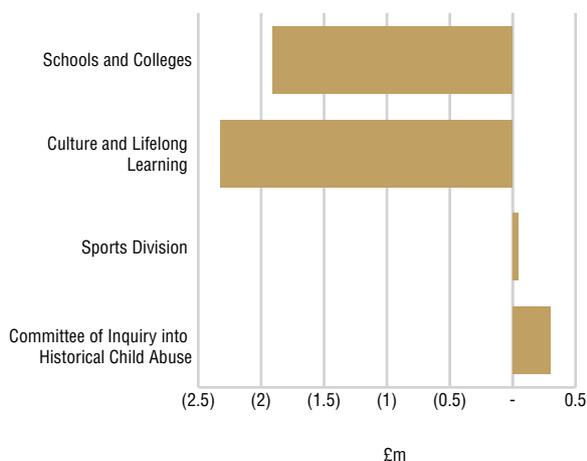
more effectively manage these changes over a longer period and plan for one-off minor capital projects e.g. decoration.

Fee Paying Provided Schools comprise Victoria College and Jersey College for Girls. 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. The underspend of £2.4 million against budget reflects favourable changes in these factors as well as a significant saving from the UK government's decision in 2012 to cap tuition fees at £9,000 per annum for UK universities, which has remained in place for three successive years. The MTFP provided for fee growth of £1.5 million in 2014 in anticipation of the relaxation of this cap which is next due for review at the end of 2015.

The department received funding of £0.3 million from the central contingency at the end of the year to cover the full costs associated with the Committee of Inquiry into Historical Child Abuse. No costs were incurred by the department in 2014 but are expected in 2015.

Underspend Breakdown



Staffing

At the year end the department employed the equivalent of 1,603.9 full time employees. This is an increase of 14.6 (0.9%) from 2013, and is mostly due to the recruitment of 6.5 staff to facilitate the expansion of the Trackers Apprentice Programme with the balance representing recruitment across the service in line with planned budget increases.

Fixed Assets

The department holds Property, Plant and Equipment of £2.9 million including Antiques and Works of Art (£0.7 million), School minibuses (£0.3 million) and Assets currently under the Course of Construction (£1.6 million) primarily in relation to capital project expenditure on the Sport Strategy "Fit for the Future 2014–2018".

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

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

Changes in Expenditure

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

KEY VARIANCES FROM 2013

	£'000
2013 NRE	106,909
Pay Awards	3,685
Supplies and Services	2,771
Grants and Subsidies Payments	654
Social Benefit Payments	(513)
Other Variances	21
2014 NRE	113,527

A three year pay deal was agreed across all States pay groups in 2013 and included a 4% consolidated pay award for 2014. Total additional spend on staff costs as a result was £3.7 million for the department.

Supplies and Services mainly represent an increase in school IT related spend following the roll out of the IT Strategy “Thinking Differently 2013–2015” during the year. Total funding of £3.0 million has been allocated to the IT Strategy spread over the period of the MTFP.

Grants and subsidies payments represent increased grant payments in relation to the Sport Strategy “Fit for the Future 2014–2018” which was launched during the year and provided for development funding of £1.5 million over 2 years, the first £0.75 million being released in 2014 to support clubs and associations, sporting events and an increase in general participation.

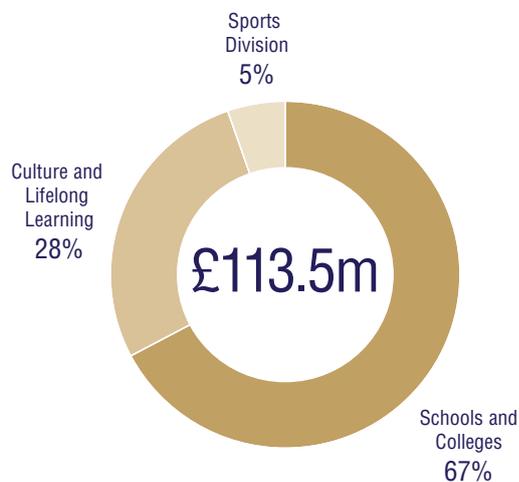
Social Benefit payments, which represent student university grants, decreased by £0.5 million in 2014 as a result of a combination of factors as referred to above. The number of Jersey students accessing higher education remained largely unchanged at about 1,400 in 2014.

2. What we have spent funding on

Near Cash by Service Area

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Schools and Colleges				
Non Fee Paying Provided Schools				
3,813	4,115	Pre-School Education	3,599	4,011
26,258	27,512	Primary Education	25,070	26,878
25,128	26,075	Secondary Education	24,275	25,456
8,262	8,569	Special Educational Needs and Special Schools	8,074	8,533
585	591	Jersey Music Service	1,047	860
5,756	6,515	Fee Paying Provided Schools	5,576	5,731
4,877	4,877	Non Provided Schools	5,043	4,877
74,679	78,254	Schools and Colleges	72,684	76,346
Culture and Lifelong Learning				
Further and Higher Education				
11,582	11,949	Further, Vocational and Tertiary Education	10,784	11,806
10,642	11,484	Higher Education	9,631	9,194
Youth, Careers and Child Care Support				
1,484	1,703	Youth Service	1,447	1,765
904	911	Careers Jersey	737	907
385	386	Child Care Support	386	386
Culture, Heritage and Libraries				
1,734	1,753	Public Libraries	1,568	1,711
2,728	3,377	Heritage (Grant to the JHT)	3,606	3,377
1,869	1,880	Culture (including the Grant to the JAT)	1,827	1,975
31,328	33,443	Culture and Lifelong Learning	29,986	31,121
Sports Division				
1,722	1,840	Sports Centres	1,644	1,825
1,364	1,383	Playing Fields and Schools Sports	1,369	1,317
518	1,079	Sport Development	502	968
896	1,429	Grants and Advisory Council	418	1,422
166	182	Playschemes and Outdoor Education	168	181
102	102	Minor Capital Expenditure	138	347
4,768	6,015	Sports Division	4,239	6,060
-	300	Committee of Inquiry into Historical Child Abuse	-	-
110,775	118,012	Net Revenue Expenditure	106,909	113,527

NEAR CASH BY SERVICE AREA BREAKDOWN



Service Area

Non Fee Paying Provided Schools

Non Fee Paying Provided or States schools comprise: 17 Nursery, 22 Primary, 5 Secondary and 3 Special Needs schools (including UK placements) together with the Jersey Music Service with a total annual near cash budget in 2014 of £66.9 million.

Overall the number of pupils in States schools (excluding nursery) remained consistent at circa. 8,700 with a small increase in primary numbers offset by a similar drop in secondary numbers.

The spending increase over 2013 of £3.7 million (5.9%) reflects the 4% consolidated pay award and non-staff inflation in 2014. Approximately 88% of all primary and secondary school expenditure relates to staff costs.

The net underspend of £1.1 million (1.7%) against Final Approved Budget is due to the Delegated Financial Management arrangements in place for schools.

Youth Service

The Youth Service provides a broad range of personal and social development opportunities targeted at young people aged 12 to 18 in Jersey as well as the Prince's Trust programmes which support young people aged 16 to 25. The Youth Service comprises: 14 centre based Youth Clubs, Crabbe Activity Centre, Move on Café and the newly refurbished St James Centre with a total annual near cash budget in 2014 of £1.7 million.

Expenditure in 2014 exceeded 2013 by £0.3 million (22.0%) as a result of additional funding from the central contingency to facilitate the expansion of the Prince's Trust programmes. This enabled 2 more programmes to be scheduled in 2014 in support of 24 unemployed young people.

Approximately 150 to 200 young people per week are engaged in Youth Service activities.

Culture, Heritage and Libraries

Culture, Heritage and Libraries expenditure includes: grants to Jersey Heritage Trust, Jersey Opera House, Jersey Arts Trust and Jersey Arts Centre together with the Island's Public Library with a total annual near cash budget in 2014 of £7.0 million.

The marginal spending increase over 2013 of £0.1 million (0.9%) represents the 4% consolidated pay award, non-staff inflation and an additional one-off grant to the Jersey Heritage Trust of £0.3 million for emergency repairs to the Mont Orgueil castle first gate. These increases were offset by the one-off grant to the Jersey Heritage Trust in 2013 of £0.7 million to fund the acquisition and restoration of the coin hoard and other precious metals found in Grouville in June 2012.

Further and Higher Education

Further and Higher Education expenditure includes: Highlands College, Skills Board, the Trackers Apprentice Programme and the provision of Higher Education grants for students attending university with total annual near cash budgets in 2014 of £23.4 million.

The spending increase over 2013 of £0.6 million (2.9%) represents the expansion of the Trackers training and education initiative at a cost of £0.2 million to fund 77 additional apprentices and £0.4 million at Highlands College as a result of pay awards and non-staff inflation.

The net underspend of £2.3 million (10.4%) against Final Approved Budget mainly represents saving on Higher Education due its dependence not only on the number of students attending university but also the universities and courses chosen which can vary in cost and the changes to assessment criteria this year which included the introduction of household income and a reduction in maximum capital assets excluding main residence.

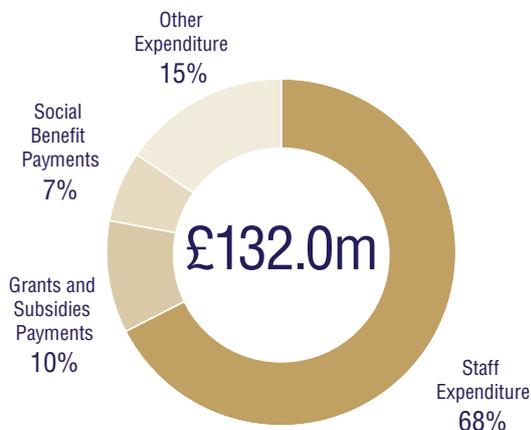
Sports Division

Sports Division expenditure includes 3 main sports centres with a variety of sports facilities and playing fields spread throughout the Island. The division also has responsibility for sports development, grants, and community sports with a total annual near cash budget in 2014 of £6.0 million.

Spend in 2014 increased substantially over 2013 at £1.8 million (43.0%) due to the 4% consolidated pay award, non-staff inflation and additional funding of £0.75 million from the central contingency for the Sport Strategy “Fit for the Future 2014–2018” which was launched in October 2013 to develop and promote participation within schools, exercise referral and to support clubs and sporting events.

In continued challenging economic times, Active Card income remains buoyant at £1.9 million (2013: £1.9 million) and the centres continue to attract in excess of 1.2 million visits per year.

Near Cash by Expenditure Type



Staff Expenditure

Staff expenditure represents 67.5% of total expenditure. Cost increases over 2013 of £3.8 million (4.5%) reflects the 4% consolidated pay award for 2014 and the cost of 14.6 additional full time equivalent employees as referred to previously.

The increase over budget of £0.2 million (0.3%) arises from restructuring costs including staff redundancy.

Grants and Subsidies Payments

Grant increases over 2013 of £0.7 million (5.0%) represent the net impact of increases for the 4% consolidated pay award, the Sport Strategy and the 2015 NatWest Island Games offset by the net reduction in one-off grants paid to the Jersey Heritage Trust, as explained previously, and FCJ Primary school which received a one-off grant in 2013 of £0.3 million for building works to increase school capacity.

The underspend against budget of £0.4 million (3.3%) mainly represents savings on subsidies for free nursery education provided under the Nursery Education Fund as a result of fewer children than expected accessing the provision.

Social Benefit Payments

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 1,400 students.

Costs for 2014 decreased by £0.5 million (5.6%) on 2013 due to changes in the mix of universities and courses chosen, the introduction of household income rather than parental income assessment and the reduction in the maximum parental contribution, based on joint capital assets excluding main residence, from £750,000 to £500,000.

The underspend of £2.3 million (21.0%) against budget has been explained previously. Any increase in the UK cap on university tuition fees in 2015 is likely to have a significant impact on the departments funding requirements for tuition fees in future years.

Other Expenditure

Supplies and services represents 64.2% of budgeted total other expenditure and include items such as computer hardware and software purchases, sports equipment purchases, teaching materials and hired services. Costs exceeded 2013 by £2.8 million (29.3%) mainly due to costs associated with the IT and Sport Strategies which received extra funding in the year of £1.0 million and £0.75 million respectively. The underspend against budget of £2.1 million (14.5%) reflects the arrangement for Delegated Financial Management allowing schools to carry forward funds to manage the differential between the

academic and financial year and the underspend on the Committee of Inquiry into Historical Child Abuse referred to previously.

Premises and maintenance represents 31.2% of budgeted total other expenditure and include items such as minor building works, grounds maintenance, cleaning, insurance and utility costs. Costs exceeded budget by £0.6 million (8.8%) mainly due to increased spending on minor building works and utility costs, in particular higher electricity costs than expected in the sports centres and secondary schools.

3. What we have achieved

MTFP KEY OBJECTIVE 1

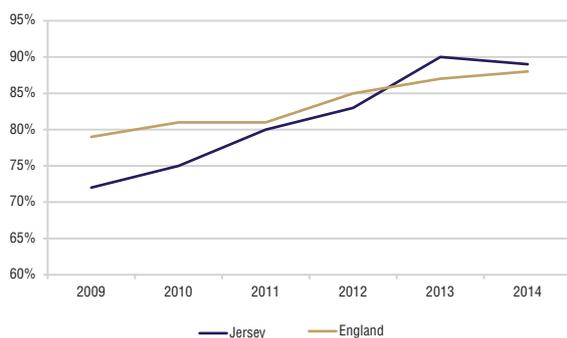
Provide opportunities for all learners to succeed.

Primary School Performance

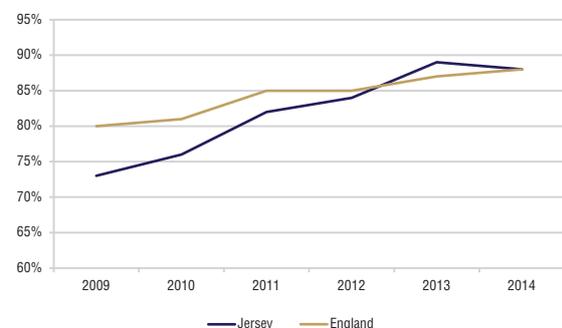
PERFORMANCE

Primary schools have continued with sustained progress in the core subjects. Performance in Jersey in both English and Mathematics now outperforms the attainment of 11 year olds in England in the key measure of Level 4 or better.

ENGLISH AT THE END OF KEY STAGE 2: 2009 TO 2014



MATHEMATICS AT THE END OF KEY STAGE 2: 2009 TO 2014



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

- 2014 was the fifth year of the Professional Partner programme of school evaluation and development;
- Subject specialists have worked across schools;

- Moderation continues to be robust;
- Leadership has been strengthened through new appointments and development programmes for heads, deputies and middle leaders;
- New investment in ICT in supporting learning.

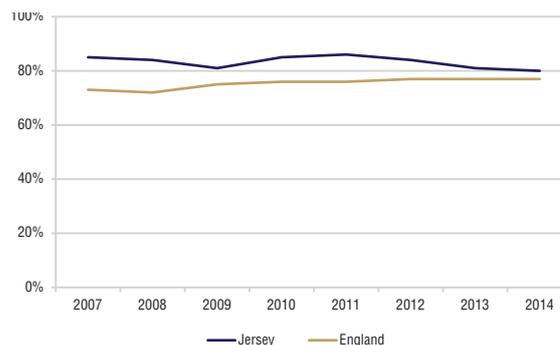
Secondary School Performance: GCSE and A-Level Results

2014 was a successful year at GCSE, with a significant improvement on the previous year's performance by the accepted measure of 5 or more good (A*–C) GCSEs including English and Mathematics.

For 2014 the Department for Education in England has significantly changed the measurement of GCSEs for its performance tables making it difficult to compare Jersey's results with the United Kingdom.

Nevertheless, provisional data for 2014 demonstrates Jersey has closed the gap with England, from 5.2% in 2013 to 4.6% in 2014.

Performance at A-Level, including the International Baccalaureate, has been sustained in 2014.



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

- Improved collaboration between the four fee-paying Sixth Forms has seen improved results and economies of scale;
- Results in the International Baccalaureate are above international averages.

MTFP KEY OBJECTIVE 1

Provide opportunities for all learners to succeed.

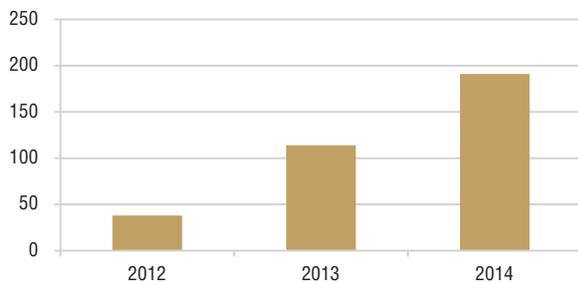
Trackers Apprentice Scheme

PERFORMANCE

Trackers was launched in December 2012 with 38 apprentices across 9 traditional industry areas including construction and hairdressing with targeted growth of 120 apprentices and 85 health care apprentices by the end of 2015.

By December 2014, 152 apprentices (excluding health care) had been mentored exceeding the 3 year target in 2 years. Health care apprentices remain on target with 62 being mentored at the end of 2014. Retention of apprentices in 2013 was 100% and by the end of 2014 was over 96%.

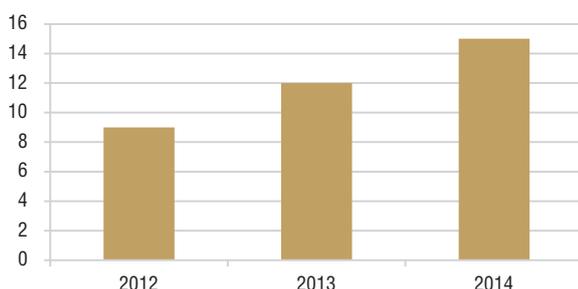
NUMBER OF TRACKERS APPRENTICES



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

Trackers has expanded the opportunities for apprentices to include health care, dental nursing and green keeping as well as introducing two full time learner programmes for 16–18 year olds: hospitality junior management apprenticeship and a foundation apprenticeship.

NUMBER OF INDUSTRIES COVERED BY TRACKERS



The number of staff on a full time equivalent basis has increased by 6.5 to 14.0 to facilitate the expansion of the Trackers Apprentice Programme.

MTFP KEY OBJECTIVE 2

Promote social inclusion and equal opportunity for all.

Special Educational Needs (SEN)

PERFORMANCE

The Education Support Team (EST) has successfully delivered on the following key initiatives during 2014:

- Development of multi-agency working in the establishment of the pre-school forum which monitors children from 0–5 years with SEN;
- Service re-design providing needs-led, island wide access to educational psychology, wellbeing and behaviour support services for all primary schools;
- Parenting support services, in conjunction with the community and voluntary sector, engaged in research to ensure parents’ voice is evident across stake holder departments;
- Overall improvement in attendance rates for pupils in States primary and secondary schools.

ATTENDANCE RATES FOR PUPILS IN STATES SCHOOLS

Year	Primary	Secondary
2013/2014	96.10%	91.00%
2012/2013	95.50%	90.70%
2011/2012	95.90%	90.80%
2010/2011	95.30%	89.80%
2009/2010	95.30%	89.10%
2008/2009	95.60%	89.60%
2007/2008	95.60%	89.80%

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

Multi agency working

- Pre-school forum convened every six weeks;
- The needs of every child from birth identified;

- All nursery places planned in line with needs.

Co-ordinated support for primary schools

- Planning and review meetings held at the start of each term in every school with all relevant professionals attending;
- For each identified pupil, targeted support put in place and assigned to the most appropriate professional.

Parental communication

- Parenting Services have worked closely with parents to ensure their voice is heard forming part of the planned support for the child.

Attendance

- The Education Welfare Service work proactively with schools to promote good school attendance, and identify emerging problems as early as possible. Listening to the child or young person and working in partnership with parents/carers effectively is central to improve attendance and involving those adults in school who know the children and are best placed to support them.
- Key practice areas that have been shown to improve attendance include: departmental and individual school policies, first day response and promoting pupil attendance through parents evenings and schools assemblies.

MTFP KEY OBJECTIVE 3

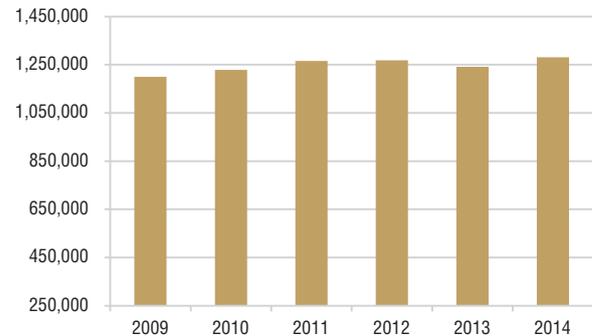
Work in partnership with local and national organisations, promote healthy lifestyles and to increase opportunities for the local community to participate in sport, leisure and cultural activities.

Sport Centre Visitors

PERFORMANCE

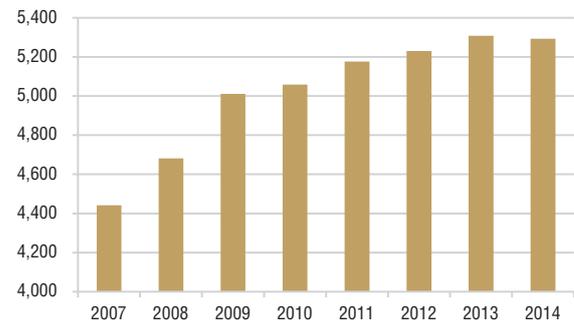
Despite continuing challenging economic conditions and increasing competition, visits to the Islands 3 sports centres increased by 3% over 2013 to 1.28 million.

VISITS TO SPORTS CENTRES



Whilst Active Card membership has remained static at around 5,300, gym swipes (representing number of gym visits) increased by 8% contributing considerably to the overall rise in sport centre visits referred to previously.

ACTIVE CARD MEMBERSHIPS



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

A number of initiatives were introduced including:

- Changes to the marketing campaign to be more reflective of the profile of active membership;
- Improved content and regularity of news and messages to active members via social media and electronic direct marketing;
- Centre managers were sent back to the floor to ensure they were in tune with customer requirements;
- Increased focus on the basics of the members experience to ensure services and equipment was clean, in full working order and safe;
- Improved and robust systems in place to ensure all gym swipes tracked and data captured.

Community and School Sports Development (CSSD)

PERFORMANCE

Community and School Sport Development focussed on 3 main areas during the year:

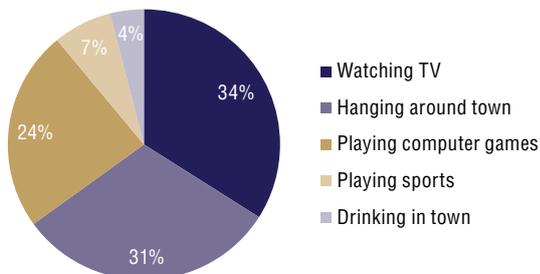
Education, Health and Wellbeing: Projects delivered included after school clubs, PE lessons, lunchtime clubs, health and fitness days, sports festivals and in-service training which through the provision of positive role models has helped improve self-esteem, raise academic attainment and reduce truancy and conflict in the classroom.

- 25 sports festivals with 850 children participating;
- 300 after school club sessions (2013: 182);
- 2500 PE lessons (2013: 1400);
- 80% of teachers felt better equipped to deliver PE;
- 92% of teachers confirmed an improvement in pupil performance in the classroom (2013: 78%).

Crime Prevention: Projects delivered included Friday night leagues and trampoline sessions to “hotspot” areas to reduce anti-social behaviour and improve relationships between the police, local residents and young people.

- 35 late night sports sessions held (2013: 31);
- 72 participants on average at each project;
- 393 calls to police regarding anti-social behaviour representing a small drop on 2013 but a 75% reduction since the CSSD was formed in 2001.

WHAT WOULD YOU BE DOING ON A FRIDAY NIGHT IF YOU WERE NOT AT THE FRIDAY NIGHT LEAGUES?

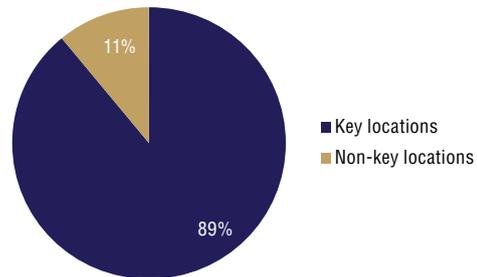


Community Development: Social inclusion projects delivered through holiday courses and neighbourhood sports targeted at “key locations” in the community and working with local residents and associations to

encourage young people to participate in and benefit from values within sport to reach their full potential.

- 40 young people took up membership at sports clubs after attending the Kick Off holiday courses;
- 147 holiday sessions (2013: 69);
- 205 evening sessions in local communities (2013: 32).

PERCENTAGE OF KICK OFF PARTICIPANTS WHO LIVE IN KEY LOCATIONS IN THE COMMUNITY



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

As a result of additional funding allocations for the Sport Strategy “Fit for the Future” the department was able to employ 2 new full time community sports coaches, fund 8 different sports clubs to work in schools and the community and generally deliver an increase in provision across the 3 areas of focus for the year.

Financial Statements

Statement of Comprehensive Net Expenditure

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Revenue				
(21)	(21)	Duties, Fees, Fines and Penalties	(24)	(24)
(18,308)	(18,047)	Sales of Goods and Services	(18,057)	(18,068)
(333)	(333)	Other Income	(279)	(373)
(18,662)	(18,401)	Total Revenue	(18,360)	(18,465)
Expenditure: Near Cash				
10,195	11,010	Social Benefit Payments	9,219	8,706
88,219	88,831	Staff Expenditure	85,210	89,054
10,238	14,307	Supplies and Services	9,458	12,229
901	976	Administrative Expenditure	671	508
6,883	6,964	Premises and Maintenance	7,390	7,574
25	25	Other Operating Expenditure	71	95
12,952	14,276	Grants and Subsidies Payments	13,160	13,814
–	–	Impairments of Financial Assets	65	(13)
24	24	Finance Costs	25	25
129,437	136,413	Total Expenditure: Near Cash	125,269	131,992
110,775	118,012	Net Revenue Expenditure: Near Cash	106,909	113,527
Non Cash Amounts				
275	275	Depreciation and Amortisation	146	138
–	–	Loss on Disposal of Non-Current Assets	6	4
275	275	Total Non Cash Amounts	152	142
111,050	118,287	Net Revenue Expenditure	107,061	113,669

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	1,586	1,533	2,648
Intangible Assets	228	223	247
Total Non-Current Assets	1,814	1,756	2,895
Current Assets			
Trade and Other Receivables	4,000	4,457	4,457
Cash and Cash Equivalents	56	34	34
Total Current Assets	4,056	4,491	4,491
Total Assets	5,870	6,247	7,386
Current Liabilities			
Trade and Other Payables	(6,091)	(6,530)	(7,974)
Total Current Liabilities	(6,091)	(6,530)	(7,974)
Assets Less Liabilities	(221)	(283)	(588)
Taxpayer's Equity			
Accumulated Revenue Reserves	(221)	(283)	(588)
Total Taxpayer's Equity	(221)	(283)	(588)

Department of the Environment

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

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£6,053,813

2.9% decrease
from 2013

£500,934

7.6% 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
£6.0 million	£0.6 million	£6.6 million

In 2014 adjustments to the budget presented in the Annual Update to the Medium Term Financial Plan totalling £0.6 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

Actual 2013	Actual 2014	Budget 2014
£4.0 million	£4.6 million	£4.3 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 Guernsey Airport.

MAJOR INCOME STREAMS

	£'000
Planning application fees	(1,661)
Building application fees	(1,208)
Meteorological information	(753)
Other	(983)
Total Income	(4,605)

Performance against Near Cash Final Approved Budget

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

Actual 2013	Actual 2014	Budget 2014
£6.2 million	£6.1 million	£6.6 million

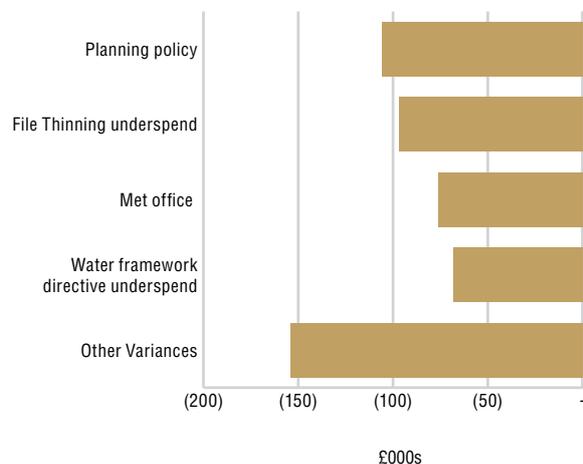
KEY VARIANCES FROM BUDGET

	£'000
Planning policy	106
File Thinning underspend	97
Met office	76
Water framework directive underspend	68
Other Variances	154
Net Underspend	501

The main individual contributor to the underspend against budget is from Planning Policy, which had an underspend due to staff secondment to the Strategic Housing Unit, and the focus on the Island Plan, which was funded from elsewhere, resulting in a reduction of other Planning Policy work.

Other Variances is made up of many small variances around the Department.

Underspend Breakdown



Staffing

At the year end the department employed the equivalent of 110.2 full time employees. This is an increase of 1.3 (1.2%) from 2013, and is due to the filling of vacancies during the year.

Fixed 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 Met radar.

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

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

NON CASH EXPENDITURE

Actual 2013	Actual 2014	Budget 2014
£0.1 million	£0.1 million	£0.4 million

The main reason for a variance in the year is due to the timing of spend on Countryside Infrastructure, a new rolling capital program that started in 2014.

Changes in Expenditure

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

KEY VARIANCES FROM 2013

	£'000
2013 NRE	6,238
Planning application fees	(227)
Planning policy	(111)
Island Plan review	58
Jersey mapping professional fees	56
Countryside Infrastructure revenue costs	54
Other Variances	(14)
2014 NRE	6,054

The main difference to 2013 is the increase in planning fees received in the year. As well as some resurgence in the building sector, the increase of 2.5% in fees from 1 January 2014 contributed to the overall increase in fees received.

The second largest difference from the prior year relates to the net total spent on Planning policy. This is largely due to the secondment of a member of staff to the Strategic Housing Unit.

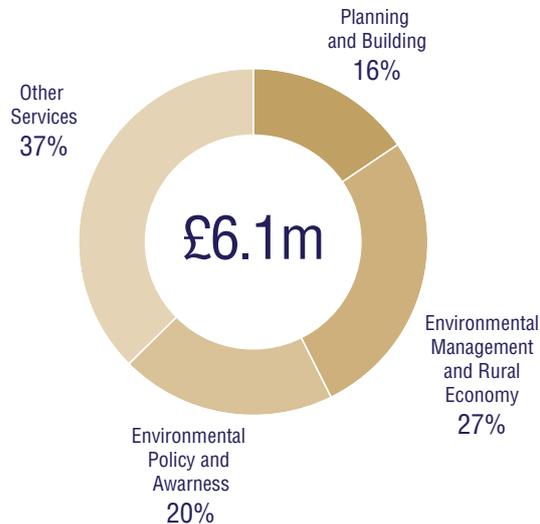
Other differences between 2014 and 2013 included a review of the Island Plan which was funded from central contingencies, additional work on the 3D map of St Helier, and costs associated with the Countryside Infrastructure capital head of expenditure that were revenue in nature.

2. What we have spent funding on

Near Cash by Service Area

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Planning and Building				
(69)	(9)	Development Control	175	(40)
(46)	(31)	Building Control	33	69
966	1,109	Policy and Projects	954	910
851	1,069	Planning and Building	1,162	939
Environment				
1,608	1,683	Environmental Management and Rural Economy	1,583	1,643
1,235	1,292	Environmental Policy and Awareness	1,270	1,208
957	1,118	Environmental Protection	966	994
462	480	Fisheries and Marine Resources	490	488
279	318	States Veterinary Officer	236	280
579	595	Meteorology	531	502
5,120	5,486	Environment	5,076	5,115
5,971	6,555	Net Revenue Expenditure	6,238	6,054

NEAR CASH BY SERVICE AREA BREAKDOWN



Planning and Building

Planning and Building 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 (“EMRE”) 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.

Also included within EMRE is the Marine Resources section, which is 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. One of the major achievements of the year includes the adoption by the States of Pathway 2050: An Energy Plan for Jersey.

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 improvements to ‘vulnerable households’ in the form of direct grants and energy efficiency interventions such as loft insulation.

Other Services

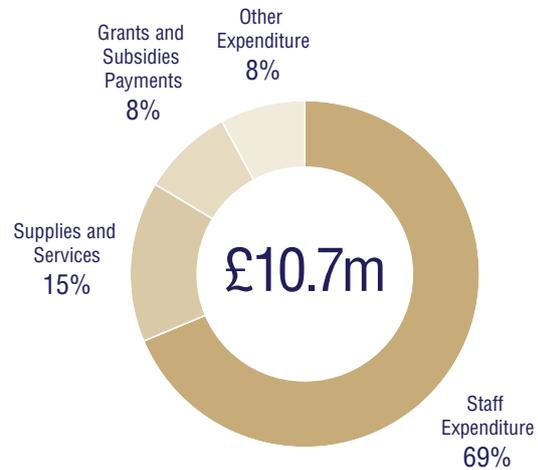
The other main areas of the Department include:

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.

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

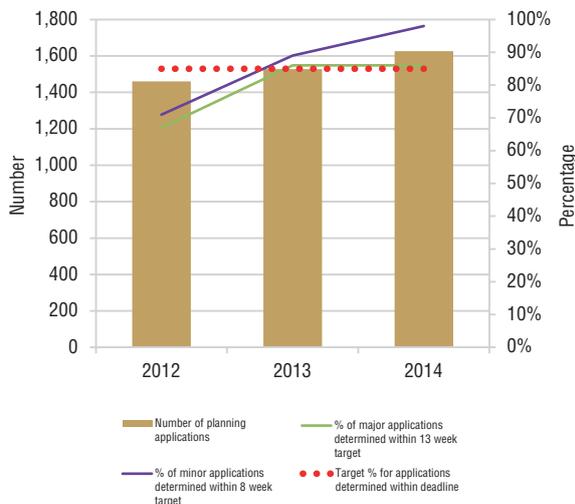
Percentage of Planning and Building Bye-Law applications determined within target deadlines

MTFP OBJECTIVE

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

PERFORMANCE

During 2014, 86% (2013: 86%) of major applications were determined within 13 weeks, and 98% (2013: 89%) of minor applications were determined within 8 weeks. This was achieved with existing resources.



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

The Department continues to benefit from the changes in the team structure implemented in 2012, coupled with ongoing continual improvement.

Percentage of Planning and Building Bye-Law applications determined within target deadlines

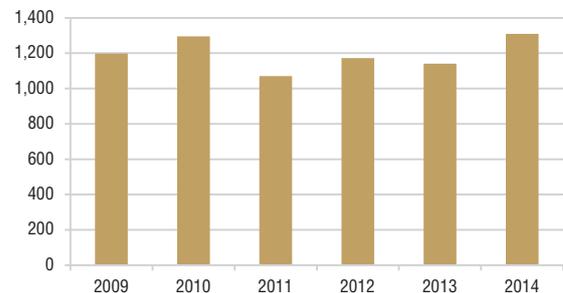
MTFP OBJECTIVE

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

PERFORMANCE

During 2014, 1,310 (2013: 1,141) building bye-law applications were processed, and 99.8% (2013: 99.5%) of these were processed within 5 weeks of receipt, against a target of 100%. This was achieved with existing resources.

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) – completed property improvements

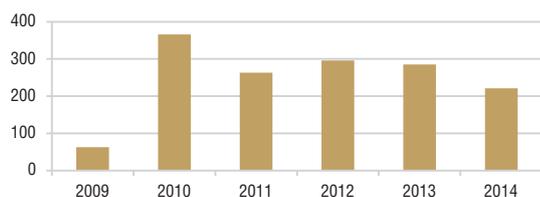
MTFP OBJECTIVE

Promote environmentally conscious decision-making in all sectors.

PERFORMANCE

In 2014 the scheme remained highly popular, continuing to be oversubscribed with 221 (2013: 285) property improvements completed in the year. The reduction in completed property improvements is due to an increased average spend per property.

HOME ENERGY SCHEME (HES) – COMPLETED PROPERTY IMPROVEMENTS



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

The Department continues to review its processes, though there were no significant changes in the year.

Bathing and Drinking Water Quality

MTFP OBJECTIVE

Manage and regulate the natural and built up environment.

PERFORMANCE

Bathing Water – Bathing water quality is measured weekly at 16 coastal sites between mid-May and the end of September (20 weeks). In 2014 all 16 bathing waters passed the mandatory European Imperative Standard and 13 bathing waters (81.25%) passed the stricter European Guideline Standard. Guideline compliance was slightly lower compared with the 2013 bathing water season and might be explained by the slightly higher rainfall experienced during the 2014 bathing water season.

Drinking Water – Approximately 14,000 water quality analyses were carried out during 2014 for compliance purposes from the supply points and within the supply zone. 99.99% of these analyses complied with the Water (Jersey) Law 1972, which is a slight increase compared with 99.84% compliance in 2013.

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

During the year the Department continued the development of The Integrated Water Management Plan, which remains on track, with the draft report expected to be published by Q4 2015.

Financial Statements

Statement of Comprehensive Net Expenditure

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Revenue				
(3,442)	(3,442)	Duties, Fees, Fines and Penalties	(2,933)	(3,328)
(825)	(825)	Sales of Goods and Services	(777)	(844)
(40)	(40)	Other Income	(287)	(433)
(4,307)	(4,307)	Total Revenue	(3,997)	(4,605)
Expenditure: Near Cash				
7,424	7,425	Staff Expenditure	7,140	7,321
1,396	1,979	Supplies and Services	1,593	1,595
105	105	Administrative Expenditure	106	111
357	357	Premises and Maintenance	389	629
–	–	Other Operating Expenditure	44	97
996	996	Grants and Subsidies Payments	963	905
–	–	Impairments of Financial Assets	–	1
10,278	10,862	Total Expenditure: Near Cash	10,235	10,659
5,971	6,555	Net Revenue Expenditure: Near Cash	6,238	6,054
Non Cash Amounts				
384	384	Depreciation and Amortisation	103	106
384	384	Total Non Cash Amounts	103	106
6,355	6,939	Net Revenue Expenditure	6,341	6,160

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	899	1,053	1,281
Intangible Assets	146	117	88
Total Non-Current Assets	1,045	1,170	1,369
Current Assets			
Trade and Other Receivables	181	185	271
Cash and Cash Equivalents	–	–	1
Total Current Assets	181	185	272
Total Assets	1,226	1,355	1,641
Current Liabilities			
Trade and Other Payables	(3,762)	(3,556)	(3,781)
Provisions for Liabilities and Charges	(40)	(20)	(70)
Total Current Liabilities	(3,802)	(3,576)	(3,851)
Assets Less Liabilities	(2,576)	(2,221)	(2,210)
Taxpayer's Equity			
Accumulated Revenue Reserves	(2,576)	(2,221)	(2,210)
Total Taxpayer's Equity	(2,576)	(2,221)	(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

£196,669,941

5.3% increase

from 2013

£3,831,401

1.9% underspend

against Near Cash Final
Approved Budget

1. What resources we have used

Financial Inputs – Near Cash Approvals

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

The States approves the amount a department can spend on Revenue Expenditure during a year through the Medium Term Financial Plan (MTFP). 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 (update) approval	Additional Approvals	Final Approved Budget
£198.5 million	£2.0 million	£200.5 million

In 2014 adjustments to the original budget (as updated) voted in the Medium Term Financial Plan totalling £2.0 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. The most significant changes were:

- Approval of non-recurrent carry forward £2.3m
- Additional procurement savings target (£0.8m)
- Non-recurrent funding for Public Sector Reform £0.6m
- Other transfers (£0.1m)

Departmental Income

Actual 2013	Actual 2014	Budget 2014
£22.3 million	£30.1 million	£24.9 million

Total income received in 2014 has increased by £7.8 million.

The increase compared to last year is due to the reinstatement of Health Insurance Fund (HIF) income (£4.0 million), introduction of the Long Term Care Benefit (£2.8 million) and increased income from patient charges and other income streams (£1.0 million).

MAJOR INCOME STREAMS

	£'000
Patient Charges	(13,606)
Health Insurance Fund	(6,000)
Long Term Care Benefit	(2,790)
Grants	(1,685)
Rental income	(1,305)
Other	(4,688)
Total Income	(30,074)

Performance against Near Cash Final Approved Budget

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

Actual 2013	Actual 2014	Budget 2014
£186.7 million	£196.7 million	£200.5 million

KEY VARIANCES FROM BUDGET

	£'000
P82/2012 underspend	4,266
Procurement savings	(750)
Primary Care Project	213
Other Variances	102
Net Underspend	3,831

In 2012 the States of Jersey approved 'P82/2012 Health and Social Services: A New Way Forward'. This set out a transformation programme, for which the funding for phase 1 was approved in the MTFP. The timing of the implementation of full P82/2012 service initiatives, along with challenges in the recruitment of specialised staff into mental health services have resulted in an underspend of £4.3 million (against a total budget of £8.9 million).

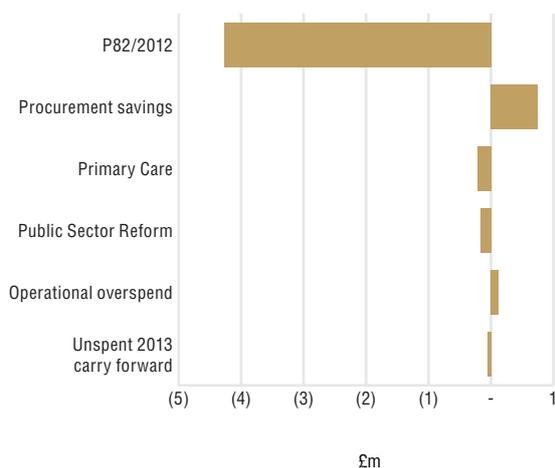
In 2014 the Department was allocated an additional £0.8 million procurement savings target. In order to meet this

requirement a decision was taken to offset this against P82/2012 underspends in 2014 in order to allow time to develop recurrent plans for delivering the savings.

In 2012, £0.3 million was transferred to H&SS to commission a review of Primary Care services in accordance with P82/2012. This was unspent in 2013 and carried forward. Work is ongoing with Primary Care providers to progress this work and at the end of 2014 £0.2 million remained unspent.

Other variances are for minor underspends on ring fenced allocations for Public Sector Reform, minor operational overspends and unspent 2013 carry forwards.

Underspend Breakdown



Staffing

At the year end the department employed the equivalent of 2,435.8 full time employees. This is an increase of 56.5 (2.4%) from 2013, and is due to investment in nursing establishment and the infrastructure of new services as described in P82/2012.

Fixed Assets

The department holds fixed assets with a value of £10.8 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 is recorded through Non-Cash Expenditure as a depreciation charge.

NON CASH EXPENDITURE

Actual 2013	Actual 2014	Budget 2014
£2.6	£2.6	£3.3
million	million	million

The under spend against budget of £0.7 million is primarily due to the phasing of the Department's capital equipment projects resulting in a lower depreciation charge than anticipated when the budget was set.

Changes in Expenditure

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

KEY VARIANCES FROM 2013

	£'000
2013 NRE	186,723
Pay awards	4,989
Additional P82/2012 spend	2,065
HIF Income	(4,000)
COCF income	(714)
Increase in charges	(4,328)
LTCB payment to Social Security	2,790
Increase in nursing and medical establishment	1,456
Additional drug therapies	1,719
Care packages and off-island treatment	2,237
Other healthcare inflation and service investment	3,273
Public Sector Reform	460
2014 NRE	196,670

Net Revenue Expenditure (NRE) has increased by £9.9 million in 2014 compared to 2013. The main drivers for the increase are outlined below.

A 4% pay award was awarded in 2014. The additional spend on pay as a result was £5.0 million.

Funding was included in the MTFP for transformational service change in line with P82/2012 and the £2.1 million highlighted above was the result of the investment in specialist palliative care, rapid response and reablement, early intervention in children's services, talking therapies and other planned changes.

£4.0 million additional funding was received from the Health Insurance Fund (HIF) as agreed in the MTFP to meet the cost of primary care services provided and commissioned by H&SS.

There has been increased spend on the number of overseas mental health secure placements. These have been funded through a grant from the Criminal Offences Confiscation Fund of £0.7 million.

Other charges increased by £4.3 million of which £2.8 million relates to the introduction of Long Term Care Benefit which saw income received by the department and the corresponding amount paid to Social Security as a contribution into the Long Term Care Fund. This was planned and agreed with the Social Security Department and the Treasury & Resources Department in 2013, but had not been finalised at the time of the MTFP. Other charges relate to a £1.3 million increase in private patient activity which is offset by increased costs of delivery, and other minor increases in income.

In line with approvals in the MTFP, there was a further investment in nursing and medical staffing of £1.5 million to ensure that safe standards of care can be maintained.

The Department continues to face significant demand to maintain and improve standards and manage the increasing cost of healthcare services. In total a further £3.3 million was invested from a combination of healthcare inflation funding and carry forward funding to support these increasing costs. Costs managed in 2014 included:

- Investment in Voluntary & Community Sector (£0.6 million)
- Medical supplies, equipment and IT (£1.0 million)
- Medical insurance and claims (£0.6 million)
- Waiting list investment in key posts (£0.5 million)

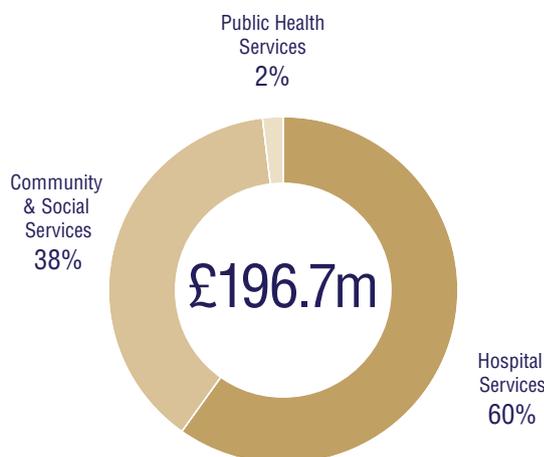
H&SS has been at the forefront of the States Reform programme by leading the introduction of the Jersey Lean Scheme. A Reform team was funded non-recurrently for 2014 and 2015 to kick start the programme.

2. What we have spent funding on

Near Cash by Service Area

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
3,921	4,109	Public Health Services	3,734	3,737
Hospital Services				
28,125	28,346	Hospital Inpatient Services	25,222	27,642
15,919	16,238	Theatres	15,554	15,757
10,996	11,067	Women and Children	11,566	12,026
7,265	7,315	Unscheduled and Emergency Care	8,375	9,295
17,632	17,798	Day Stay and Outpatient Services	15,399	16,176
12,021	12,021	Tertiary Care	10,174	10,662
20,406	20,804	Clinical Support	20,643	21,242
4,841	4,873	Ambulance Emergency Services	4,823	4,858
117,205	118,462	Hospital Services	111,756	117,658
Community & Social Services				
25,408	24,827	Older Peoples Services	21,034	24,156
27,806	28,261	Adults Services	27,993	27,627
16,484	16,969	Children's Services	15,185	16,206
7,633	7,573	Therapy Services	7,021	7,199
77,331	77,630	Community & Social Services	71,233	75,188
	300	Primary Care review	–	87
198,457	200,501	Net Revenue Expenditure	186,723	196,670

NEAR CASH BY SERVICE AREA BREAKDOWN



Public Health

Public Health delivers childhood immunisation programmes, environmental health services, health promotion programmes (such as the Help 2 Quit programme) and regulates the island's professional care providers.

A range of childhood vaccinations are supported by the department in line with UK guidelines. In 2014 new vaccines were introduced including vaccines for rotavirus, whooping cough and flu.

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. During the year the Eat Safe Scheme was launched which rates food businesses on their hygiene standards. This scheme provides Islanders and visitors with peace of mind and encourages food outlets to improve and maintain high standards of hygiene.

Hospital Inpatient Services & Theatres

Hospital inpatient services provide surgical and medical care and include theatres and wards for medical, surgical, maternity and paediatric patients, and clinical support services.

This service performed approximately 5,700 main theatre procedures in 2014 (2.5% higher than 2013) and managed approximately 11,950 inpatient episodes of care (medical and surgical). 983 babies were delivered in 2014 compared to 1,027 in 2013.

There has been a significant increase in diagnostic activity in 2014, with an overall 4% increase in scans and 6% increase in tests. There were 71,000 X-rays, 10,720 CT scans and 7,700 MRI scans in 2014. Over 2.3 million tests were performed in 2014.

Overall the Hospital employed 670 nurses at the end of 2014 and 174 medical staff.

During 2014 a refurbishment of Bartlett Ward was undertaken. In September work was completed on a £3.0 million oncology project to provide a better quality of facilities and environment for patients in Jersey who require chemotherapy and associated treatments. As well as providing increased capacity, the new facilities lend themselves to further development of other treatments which previously would have had to be delivered off-island. For example it is now possible to treat newly-diagnosed lymphoma patients, who historically had to go off-island for treatment.

There was a significant investment in staffing in the hospital in 2014, including additional nursing staff for ICU and other wards and an investment in radiology staffing to improve waiting times for scans.

Unscheduled and Emergency care (including Ambulance Services)

This service line includes the Emergency Department, Ambulance Service, Emergency Assessment Unit (EAU) and GP out of hours service.

In 2014 the Ambulance service completed 9,250 emergency journeys and a further 16,500 journeys were undertaken by the Patient Transport Service.

In September an intermediary paramedic crew was established on a trial basis to assist with patient discharges. The crew of two staff dealt with ward discharges via stretcher, charter flights and other patient discharges. It also covered low acuity calls (green level emergency calls) and acted as a first response crew.

There were 37,880 Emergency Department attendances in 2014. This is 6% higher than 2013.

During the year investment was made into Emergency Department staffing to improve weekend and out of hours cover ensuring that waiting times are minimised at peak times.

The Emergency Department took part in the 2014 Picker survey (patient survey) with many positive results including:

- 99% of respondents said that the department was clean
- 97% reported a swift handover from Ambulance staff to the Emergency Department
- 95% waited less than two hours to be examined
- 93% received test results before they went home

Tertiary Care

H&SS spends approximately £10.0 million every year on specialist treatments and services provided in the UK. This includes radiotherapy services as well as a range of specialist care not available on island.

In 2014 H&SS referred 2,400 patients for off-island treatment resulting in 3,400 appointments. Approximately 60% of these appointments were outpatient attendances.

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

In 2014 a new contract was agreed for Cardiology services. A contract for Urology services has also been tendered.

In addition to the amount the department spends with off-island healthcare providers, a further £1.4 million was spent in 2014 on subsidised travel arrangements for islanders.

Day Stay and Outpatient Services

The speciality services provided in day stay and outpatient services include oncology, neurology, cardiology, diabetes care, renal care, dermatology, ophthalmology, pharmacy and dental services.

This service provided 182,000 outpatient appointments in 2014 (up by 1% from 2013), including both new consultations (23%) and follow up appointments for patients after they have received treatment (77%). Approximately 8% of these appointments are missed

by patients although this rate has reduced since the introduction of the text reminder system.

In 2014 the pharmacy dispensed 112,870 items to outpatients in addition to 79,840 items for patients being discharged. The pharmacy also supplied 257,820 items to wards and 3,500 chemotherapy treatments. There has been a rise of 38% in on-island chemotherapy treatment compared to 2013.

A range of procedures are carried out in day surgery and outpatients including ophthalmology, fertility treatment, renal, dermatology, audiology and endoscopy. In 2014 5,200 day surgery and 4,590 endoscopy procedures were carried out.

In 2014 a new outpatient procedure was introduced for patients with lung conditions to screen for lung cancer or other lung diseases. This was previously unavailable in Jersey and its introduction means that patients who would have had to travel to the UK can now be treated locally.

In addition the gynaecological department are now able to offer women a procedure called a hysteroscopy as an outpatient appointment rather than as an inpatient. Since the transfer to outpatients, 176 women have undergone the procedure and there is no longer a waiting list.

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

These services provide social care and services to adults and older people 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.

In 2014 H&SS provided 61 continuing care beds for older adults at the Limes and Sandybrook and a further 42 beds for long term mental health care at Rosewood House.

Clinique Pinel, a facility for older adults with mental health issues, reopened in July following a 12 month £3.0 million refurbishment programme. The refurbished building provides two in-patient wards offering a total of 25 acute assessment and treatment beds.

The service also provides 1,600 speech and language therapy appointments each year and supports approximately 870 patients through the Occupational Therapy service.

There are 32 special needs clients in residential services as well as a further 88 clients supported in the community.

There are on average 115 clients on the methadone programme and approximately 140,000 needles are issued each year through the needle exchange.

As part of the redesign of health and social care, Jersey Talking Therapies (JTT) was launched in September. This is a joint project between Health and Social Services, GPs and the charity MIND and 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.

In 2014 there were 680 referrals to the psychology department prior to the launch of JTT and a further 775 referrals after the start of the service.

As one of the P82/2012 (White Paper) initiatives, and in partnership with Jersey Hospice Care, the department has invested £0.8 million in a new specialist palliative care team to work with those who require end of life care in Jersey. The new specialist palliative care team delivers Island-wide support, care, advice and symptom control for patients with any life-limiting progressive diseases or conditions with specific palliative care needs.

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 2014 there were 92 looked after children supported by Children's Services of whom 15 are supported in overseas placements.

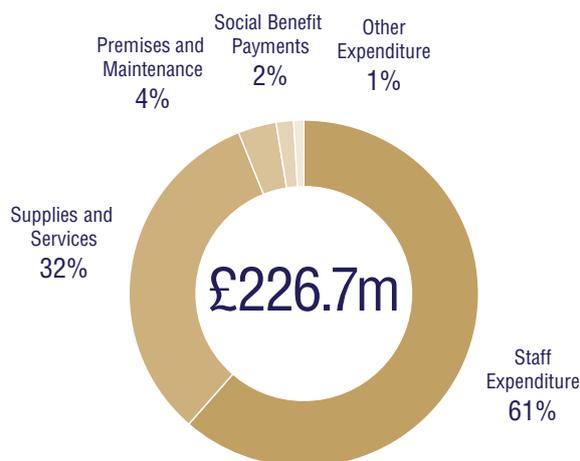
The service provides 6,400 speech and language therapy appointments a year.

Approximately 440 children are referred to the Child and Adolescent Mental Health Service (CAMHS) each year.

During the year £250,000 has been invested in community short breaks for disabled children and young people as part of the transformation of health and social services. These breaks provide an opportunity for the young person to meet new people and participate in activities, while also providing a valuable break from caring responsibilities for parents and carers.

Oakwell children's respite centre has been extensively refurbished in the year at a cost of £840,000. The facility offers a 24 hour a day service for families and can provide weekend breaks, holiday care, accompaniment to hospital appointments, short breaks and nursing care.

Near Cash by Expenditure Type



The majority of the department's expenditure budget (61%) 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 increased by 6.6% in comparison to 2013 as a result of pay awards, investment in new services for patients and additional nursing staff in the hospital and community.

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 £25.4 million of departmental spend on supplies and services. There has been a 12.4% increase in spend on these services in 2014 compared to 2013 (£2.8 million) as a result of the introduction of new services such as the Specialist Palliative Care service and the Rapid Response team.

3. What we have achieved

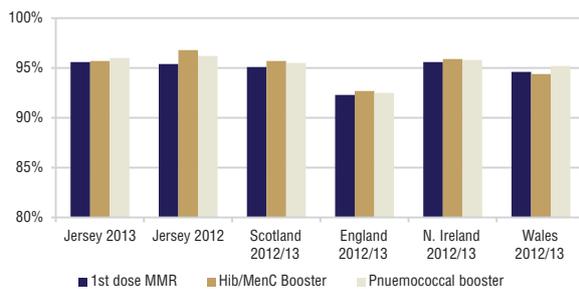
Public Health – Childhood Immunisation Rates Performance

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

The department has worked with GPs to make pre-school immunisations as accessible as possible for Jersey parents and the public health team helps busy parents by sending them reminders when their children’s vaccinations are due.

Coverage for all vaccinations has remained high with an uptake of over 95% for all vaccines. Jersey rates are better than all other UK jurisdictions. There has been a slight decrease in uptake of the Hib/MenC booster in 2014 compared to 2013. As numbers of children in Jersey are relatively small this can be affected by a very small number of children, and is not statistically significant. Results for the first three quarters of 2014 suggest that the rate of uptake has increased again.

UPTAKE OF CHILDHOOD IMMUNISATIONS BY 2ND BIRTHDAY

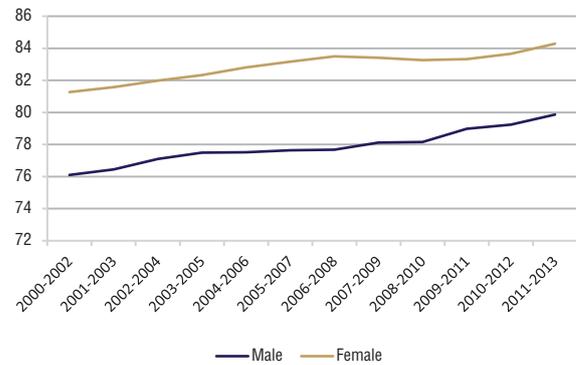


Public Health – Life expectancy at birth

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 84.3 years for women and 79.9 years for men.

LIFE EXPECTANCY AT BIRTH IN JERSEY

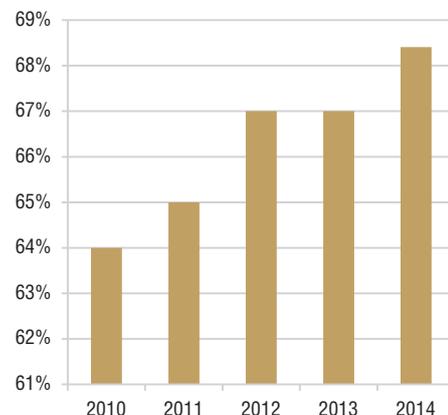


Ambulance and Emergency Services – Ambulance Response Times

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, as in the UK, is the number of recalls responded to within 8 minutes.

During the year an intermediary crew was established to assist with patient discharges. This has freed up other resources to respond to 999 calls contributing to the improved performance shown below.

% OF CATEGORY A CALLS WITHIN 8 MINUTES



Hospital Inpatient Services – Hospital Infection Rates

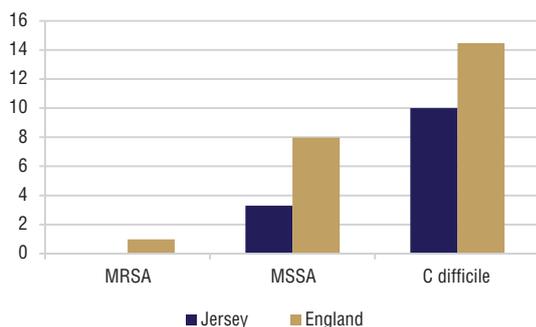
The rate of hospital acquired infections is a measure of safety and effectiveness for the hospital.

Additional funding has been allocated in the year for infection control staffing and new equipment which has ensured infection rates remain lower than the NHS.

This has a direct positive outcome for patients, and reflects effective infection control measures in the hospital.

Jersey rates are consistently lower than NHS equivalent rates.

HOSPITAL ACQUIRED INFECTION RATES PER 100,000 BED DAYS



Day Stay and Outpatient Services – Waiting Times

There have been a number of key actions during the year which have reduced waiting times:

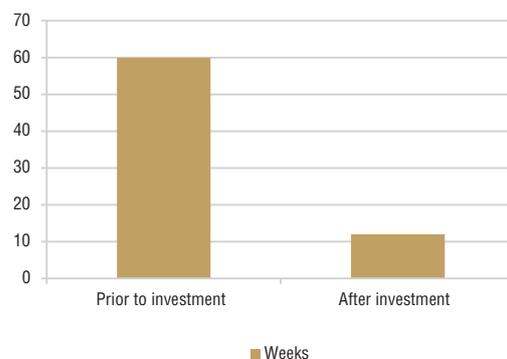
- P82/2012 funding into the pulmonary rehabilitation clinic means that waiting times for the clinic has reduced from 14 months to 12 weeks. Data gathered from the pulmonary rehabilitation clinics show that, apart from illness, patients are not dropping out of the clinics and their health is improving.
- A ward based flexible cystoscopy clinic has been established. Previously these were being performed as a day patient procedure. This has reduced waiting times and has also improved the patient experience as procedures are carried out in a small clinic on the private wing and take less than one hour.

- A Lean review of the phlebotomy service has reduced the average waiting time for a blood test from 45 minutes to 32 minutes and the maximum waiting time has gone down from 120 minutes to 90.

In addition waiting lists in physiotherapy have fallen as part of key waiting list initiatives.

Total outpatients required to wait longer than 90 days for a hospital appointment has fallen from 32.4% to 30.1% in 2014.

PULMONARY REHABILITATION WAITING TIMES



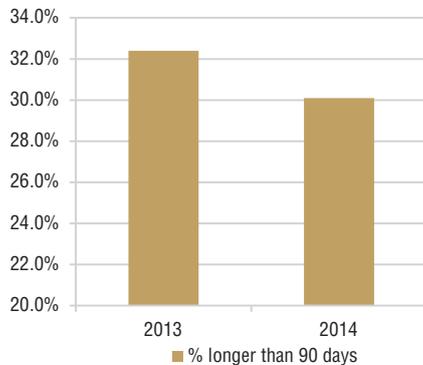
Hospital Inpatient Services – Waiting Times

There have been a number of key actions during the year which have reduced waiting times:

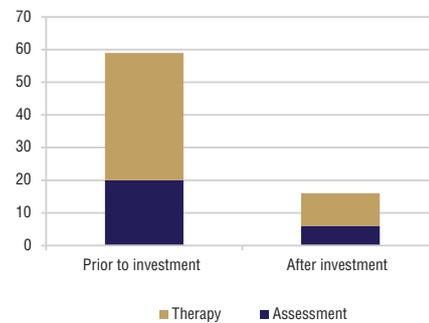
- Two ophthalmology consultants have been recruited into vacant posts in year and one breast surgeon was appointed at the end of 2013;
- There has been funding for an additional Trauma and Orthopaedics locum consultant and a new Urology consultant has started during the year which has provided better continuity of urological care and has also reduced waiting time for urological procedures;
- 4 additional radiology posts have been recruited to.

The number of inpatients waiting longer than 90 days has decreased from 425 in December 2013 to 398 in December 2014, a reduction of 6.4%.

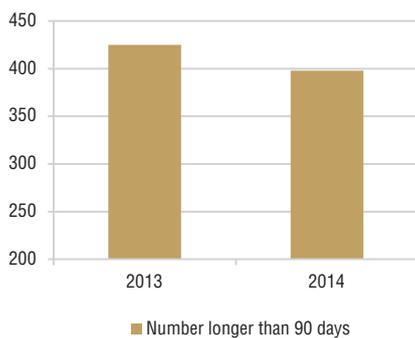
NUMBER OF INPATIENTS WAITING LONGER THAN 90 DAYS



MAXIMUM WAITING TIMES (WEEKS) FOR MENTAL HEALTH PATIENTS



OUTPATIENTS WAITING LONGER THAN 90 DAYS



Community – Adults’ Services – Waiting times for initial assessment for mental health patients

The introduction of Jersey Talking Therapies has had a significant role in reducing the length of time patients wait for therapy in spite of a significant increase in the number of referrals due to the introduction of the service.

Prior to the introduction of JTT there was an average waiting time of 16–20 weeks for an assessment appointment and up to 9 months for therapy. Since the introduction of the service waiting times for initial contact is 14 working days with an assessment 2–4 weeks later. Therapy waiting times have been cut to a maximum of 10 weeks for those with mild to moderate difficulties who are able to access the JTT service.

Community – Children’s Services – Unallocated Children’s social work cases

At the end of 2013 a new umbrella partnership was set up to coordinate safeguarding concerns for children and young people.

The Multi-Agency Safeguarding Hub (MASH) is made up of representatives from a number of States’ departments and other agencies to provide a single contact point for members of the public, families or professionals to discuss any concerns that they may have.

The Jersey MASH involves:

- States of Jersey Police
- Health and Social Services / The Children’s Service
- Education, Sport and Culture
- Family Nursing and Home Care

By bringing these different agencies together in one place, it ensures that information is shared as early as possible with responses being timely and coordinated.

As such this has had a positive direct impact on the timing of allocation of social work cases.

Performance Measure

There was a 39% decrease in the number of unallocated social work cases in the second half of 2014.

New Services – introduction of Phase 1 as set out in P82/2012

P82/2012 'Health and Social Services: A New Way Forward' was approved by the States in October 2012. This was based on a White Paper and public consultation and set out a ten year transition plan to improve health and social services and enable the service to be fit to meet the demands of an ageing population. Phase 1 of this plan was due to be implemented in the period 2013–2015.

In phase 1 it was planned that 7 key workstreams would be delivered, which was split down into 26 service specifications. Of these 24 (92%) had implementation plans and had commenced by the end of 2014. The remaining two have been delayed due to a need to revisit the evidence base for the proposed services.

Overall this represents a high level of achievement in delivering services that were proposed for phase 1. In 2015 these services will be taken forward and developed in preparation for starting work on phase 2.

Financial Statements

Statement of Comprehensive Net Expenditure

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Revenue				
(4)	(4)	Duties, Fees, Fines and Penalties	(7)	(9)
(16,052)	(16,052)	Sales of Goods and Services	(18,442)	(21,626)
(8,844)	(8,844)	Other Income	(3,857)	(8,439)
(24,900)	(24,900)	Total Revenue	(22,306)	(30,074)
Expenditure: Near Cash				
1,007	1,007	Social Benefit Payments	921	3,670
143,813	144,666	Staff Expenditure	130,675	139,302
67,395	68,587	Supplies and Services	67,239	73,653
1,133	1,133	Administrative Expenditure	1,265	1,385
7,774	7,774	Premises and Maintenance	8,131	8,028
12	12	Other Operating Expenditure	435	222
2,189	2,189	Grants and Subsidies Payments	303	332
–	–	Impairments of Financial Assets	49	144
33	33	Finance Costs	11	8
223,356	225,401	Total Expenditure: Near Cash	209,029	226,744
198,456	200,501	Net Revenue Expenditure: Near Cash	186,723	196,670
Non Cash Amounts				
3,308	3,308	Depreciation and Amortisation	2,720	2,699
–	–	Donations of Property, Plant and Equipment	(113)	(116)
–	–	Loss on Disposal of Non-Current Assets	7	21
3,308	3,308	Total Non Cash Amounts	2,614	2,604
201,764	203,809	Net Revenue Expenditure	189,337	199,274

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	8,084	7,809	8,543
Intangible Assets	3,480	2,708	2,298
Total Non-Current Assets	11,564	10,517	10,841
Current Assets			
Inventories	4,023	4,258	4,941
Trade and Other Receivables	4,978	5,804	8,085
Cash and Cash Equivalents	11	11	8
Total Current Assets	9,012	10,073	13,034
Total Assets	20,576	20,590	23,875
Current Liabilities			
Trade and Other Payables	(11,056)	(9,413)	(16,961)
Provisions for Liabilities and Charges	–	(404)	–
Total Current Liabilities	(11,056)	(9,817)	(16,961)
Total Assets Less Current Liabilities	9,520	10,773	6,914
Non-Current Liabilities			
Provisions for Liabilities and Charges	(333)	(380)	(1,133)
Total Non-Current Liabilities	(333)	(380)	(1,133)
Assets Less Liabilities	9,187	10,393	5,781
Taxpayer's Equity			
Accumulated Revenue Reserves	9,187	10,393	5,781
Total Taxpayer's Equity	9,187	10,393	5,781

Home Affairs Department

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

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£34,442,688

26.9% decrease
from 2013

£1,105,076

3.1% 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	(£13.8) million	£35.5 million

In 2014 adjustments to the budget presented in the Annual Update to the Medium Term Financial Plan totalling (£13.8) 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 income received from the Criminal Offences Confiscation Fund (COCF) as detailed below.

Departmental Income

Actual 2013	Actual 2014	Budget 2014
£2.5 million	£17.8 million	£17.4 million

In 2014 income of £15.4 million was received from the COCF and the former Drug Trafficking Confiscation Fund (DTCF).

Of the £15.4 million received, £0.6 million was received for Home Affairs projects and the balance of £14.8 million was transferred to the Police Headquarters Relocation project in order to:

- contribute to the costs of specialist equipment and facilities for the Police Relocation capital project (£1.8 million);

- support Proposition P107/2014, Plémont Holiday Village: Grant to National Trust for Jersey (£3.6 million);
- contribute to the proposed measures required to manage the balance on the Consolidated Fund (£6.4 million);
- move funding required for the Independent Care Inquiry into central contingencies (£3.0 million).

All transfers were recorded on public Ministerial Decisions.

MAJOR INCOME STREAMS

	£'000
Grants from the COCF and DTCF	(15,401)
Passport and Immigration Fees	(921)
Legalisation of Documents	(257)
Prison Sales	(268)
Property Rentals	(135)
Other Income	(859)
Total Income	(17,841)

Performance against Near Cash Final Approved Budget

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

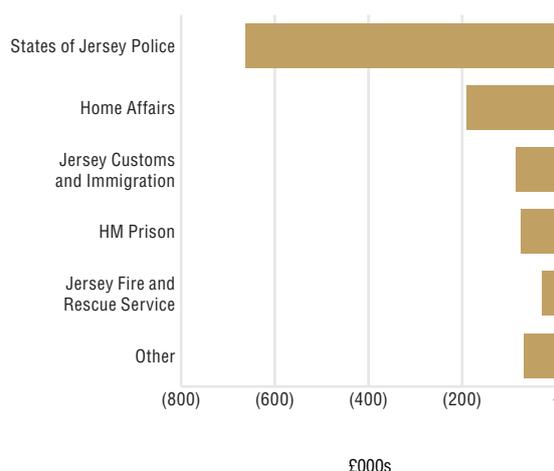
Actual 2013	Actual 2014	Budget 2014
£47.1 million	£34.4 million	£35.5 million

KEY VARIANCES FROM BUDGET

	£'000
States of Jersey Police	662
Home Affairs	190
Jersey Customs and Immigration	84
HM Prison	75
Jersey Fire and Rescue Service	28
Other	67
Net Underspend	1,106

The underspend of £1.1 million is almost in line with in-year forecasts and part of the Department's three year strategy to manage the Department's budget during the period of the 2013–2015 Medium Term Financial Plan and CSR delivery programme.

Underspend Breakdown



Staffing

At the year end the Department employed the equivalent of 660.2 full time employees. This is an increase of 3.4 (0.5%) from 2013, and is due to filling vacant posts.

Fixed Assets

The Home Affairs Department holds fixed assets of £4.5 million. The cost of using Fixed Assets is recorded through Non-Cash Expenditure.

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

NON CASH EXPENDITURE

Actual 2013	Actual 2014	Budget 2014
£0.7 million	£0.7 million	£0.6 million

Depreciation charges have remained constant since 2013. The small net gain on the disposal of assets is the net result of asset disposals by the States of Jersey Police and Prison Service.

Changes in Expenditure

The total of Near Cash amount represents the usage of resources by the Department.

KEY VARIANCES FROM 2013

	£'000
2013 NRE	47,149
States of Jersey Police	1,573
Jersey Fire and Rescue Service	349
Jersey Customs and Immigration	246
HM Prison	(104)
Other Variances	4
Income from the COCF and DTCF	(14,775)
2014 NRE	34,442

The Department's NRE reduced by £12.7 million between 2013 and 2014, a reduction of 27.0%. However, this was mainly due to income received from the COCF and DTCF as detailed under Departmental Income.

Excluding the income that was subsequently transferred to the Police Headquarters Relocation project, the Department's NRE increased by £2.1 million between 2013 and 2014, an increase of 4.4% mainly due to the 2014 consolidated pay award of 4%.

While there are significant changes in some individual areas, expenditure on Services has not changed significantly between 2013 and 2014 after taking into account the impact of the 2014 pay award. Service Heads review the allocation of budgets and expenditure to match operational requirements on an ongoing basis.

2. What we have spent funding on

Near Cash by Service Area

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Home Affairs				
80	80	Explosives Officer/Explosives Licensing	74	77
17	33	Statutory and Legislative Provisions	20	26
125	125	Communications Data (Police and Customs)	101	128
300	300	Criminal Injuries Compensation Scheme	308	231
100	100	Police Authority	7	40
–	29	TETRA	48	18
68	120	Grants	80	117
190	181	Superintendent Registrar	136	141
880	968	Home Affairs	774	778
Police				
11,632	11,399	Response and Reassurance Policing	10,698	11,188
4,420	4,563	Specialist Crime Investigation	4,196	4,647
1,417	1,494	Manage Offenders through Custody	1,329	1,453
1,852	2,357	Supporting the Criminal Justice System	2,060	2,218
1,743	2,052	Manage Intelligence	1,762	1,896
2,081	2,190	Financial Crime Investigation	1,940	2,033
1,559	1,634	National Security Policing	1,469	1,592
24,704	25,689	Police	23,454	25,027
Fire and Rescue				
4,590	4,896	Emergency Response	4,470	4,777
384	337	Fire Protection	394	421
287	235	Community Safety	227	242
5,261	5,468	Fire and Rescue	5,091	5,440
Customs and Immigration				
1,088	1,076	Revenue Collection	1,021	1,066
4,607	4,498	Enforcement	4,242	4,426
143	180	External Obligations	161	178
5,838	5,754	Customs and Immigration	5,424	5,670
HM Prison				
8,219	7,545	Residential Accommodation	8,007	7,721
1,306	1,288	Prisoner Activity	1,210	1,324
1,525	2,040	Operations and Administration	1,685	1,753
11,050	10,873	HM Prison	10,902	10,798
Jersey Field Squadron				
1,076	1,070	UK Defence	1,048	1,022
–	–	IMLO and Careers Office	1	–
1,076	1,070	Jersey Field Squadron	1,049	1,022
497	501	Building a Safer Society	455	482
–	(14,775)	Income from COCF Plemont/Police HQ	–	(14,775)
49,306	35,548	Net Revenue Expenditure	47,149	34,442

States of Jersey Police

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

The overall crime levels for 2014 remain broadly similar to 2013. Whilst overall crime levels may have remained broadly the same, Police activity has increased considerably in non-crime areas – in particular with missing persons and dealing with concerns for people's welfare – reinforcing our broader responsibility towards community safety. Community policing is an essential platform to help us to better understand local issues and concerns, and ensure all sections of our community have a voice and can be heard.

Increased partnership working is a key element of the community policing model, which was revised in 2014, and focusses on areas such as anti-social behaviour which seek to maximise benefits from early intervention with young people with, for example, participation in sports events. Further work is also ongoing with parties such as the Youth Service, Street Pastors, Building a Safer Society (BaSS) and the Safer St. Helier Partnership.

In 2014, the Police Authority was fully constituted and has focused primarily on its relationship with the States of Jersey Police in order to get a thorough understanding of the work of that organisation and the challenges it faces.

Jersey Prison Service

HM Prison La Moye 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.

Jersey Fire and Rescue Service

The States of Jersey Fire and Rescue Service is the States' lead department for responding to, and reducing, fires and other emergencies. This is achieved through an Integrated Risk Management Plan (IRMP) that uses the following proactive and reactive strategies:

- Prevention (community safety education and engagement);
- Protection (fire safety regulation and enforcement);
- Preparation (emergency planning, training and exercising);
- Response (responding to and dealing with a wide range of fire and other emergencies).

The Service closely resembles UK Fire and Rescue Services in every aspect other than scale.

Jersey Customs and Immigration Service

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

- illegal immigration and the movement of prohibited or restricted goods, and
- loss of government revenue from evasion of the Customs and Excise duties and import GST;

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

The phased introduction of a newly designed British passport started in October 2010 in the United Kingdom. The new-style passport features various design improvements, including additional security measures.

The introduction of the new generation passport in the Crown Dependencies and centralised printing took place in February 2015. From that date, applications will continue to be accepted in Jersey but the passports, a variant of the standard UK passport marked 'British Islands, Bailiwick of Jersey', will be printed in the UK.

Other Services

Other Services include the Home Affairs Executive, Jersey Field Squadron, Building a Safer Society and the Superintendent Registrar.

Home Affairs Executive

The Home Affairs Executive's function is to provide the Policy Centre and Secretariat for the Minister and Assistant Minister for Home Affairs and the Finance and Human Resources Directorates for the whole of Home 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.

Building a Safer Society

Partnership working 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. Since 2005, the BaSS strategy, (and prior to this, in different guises) has been working 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.

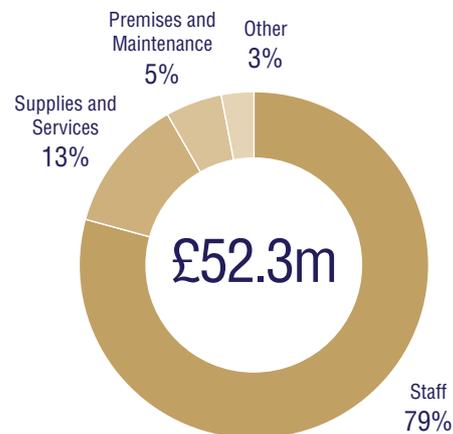
Community safety matters greatly to local people and the States of Jersey are committed in the Strategic Plan 2012 to provide "A Safe and Caring Community".

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.

The Service is at the centre of the e-Government 'Tell Us Once' project being the custodian of key life event records, ie: births, deaths and marriages.

Near Cash by Expenditure Type



Staff costs represent an average of 79% of the Department's gross expenditure; 87% in the Jersey Fire and Rescue Service.

The Department gives grants of £0.3 million to organisations within the voluntary and private sectors which support partnership working.

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 2013.

3. What we have achieved

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

(a) States of Jersey Police

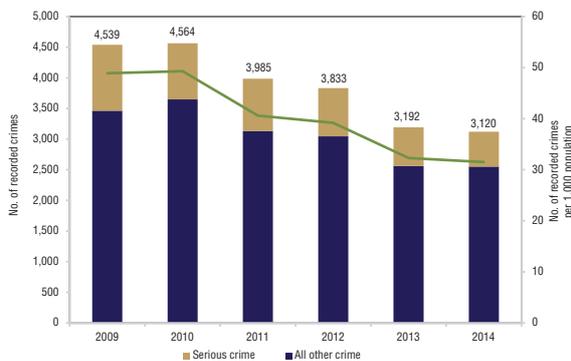
a Police Service which will work in partnership to:

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

PERFORMANCE

LEVELS OF RECORDED CRIME

3,120 crimes were recorded in Jersey last year. This figure represents a 2.3% reduction on 2013's total. This was the fourth year in a row that fewer than 4,000 crimes had been recorded and 2014's total was by far the lowest since States of Jersey Police adopted the National Crime Recording Standards 11 years ago.



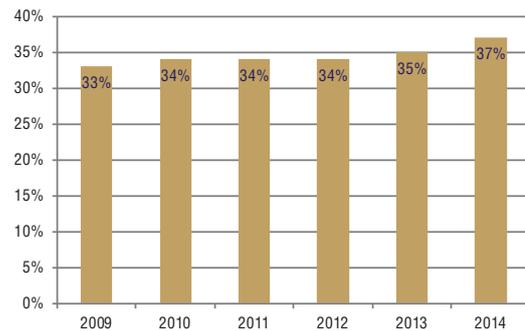
CRIME DETECTION RATES

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 a parish hall enquiry. An administrative detection means the police have a suspect but the case does not progress further. An example of this would be where the victim may not wish to proceed with a prosecution.

Jersey's sanction detection rate was 37% for 2014 whilst the overall 'clear up' rate (sanction plus administrative

detections) was 42%. This year's sanction detection and overall-clear-up rates show improvements on the corresponding figures for 2013.

SANCTION DETECTION RATE



(b) Jersey Fire and Rescue Service

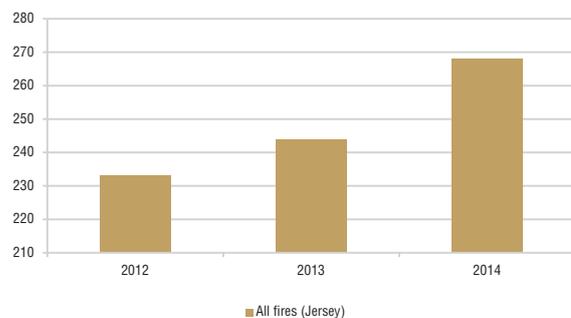
a Fire and Rescue Service which will work in partnership to:

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

PERFORMANCE

ANNUAL FIRE RATE

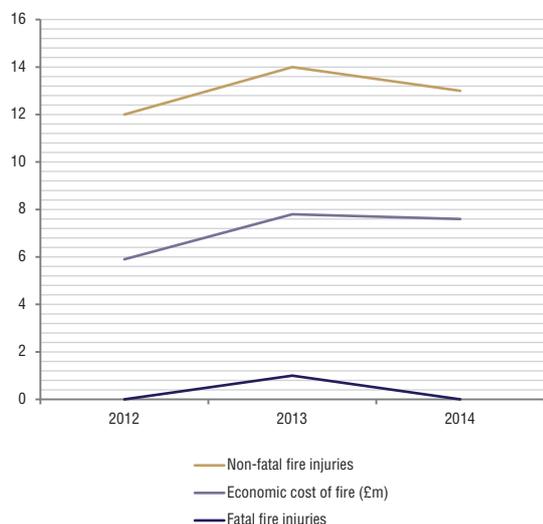
ALL FIRES (JERSEY)



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

Jersey's fire rate remains well below the average levels for the preceding five decades; however, more recently there has been an upward trend. The Service champions fire safety and supports key partnerships such as Prison! Me! No Way! and Child Accident Prevention Trust to try to reverse this trend.

The human and economic impact of fires is equally or, perhaps, even more important than the fire rate. Thankfully, following an increase from 2012 to 2013, the direction of travel for all areas was once again downward from 2013 to 2014.



(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

	2010	2011	2012	2013	2014
Prisoner Escapes	0	0	0	0	0

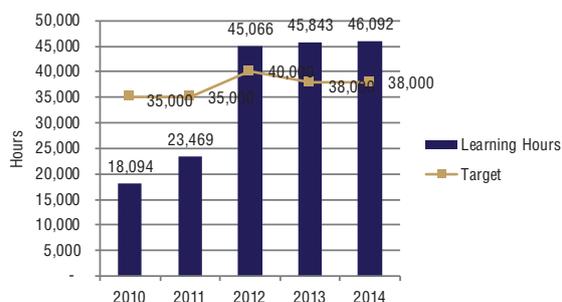
ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

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

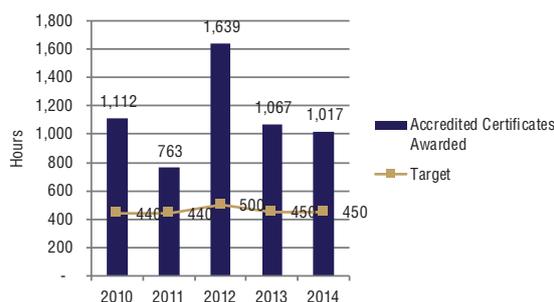
PERFORMANCE

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

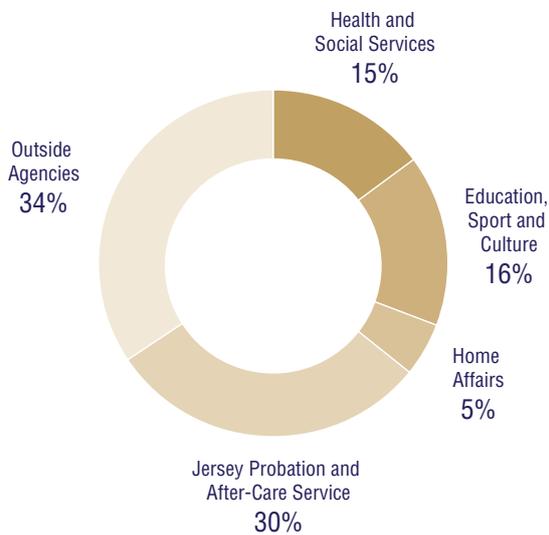
The Jersey Prison Service is committed to providing opportunities for prisoners' personal development in both practical skills and educational or vocational qualifications. This is in order that they may make a more positive contribution to society.

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

PERFORMANCE

The chart below shows grants provided by BaSS during 2014.

TOTAL BUDGET ALLOCATION OF £401,392



Actions taken by Department in the year

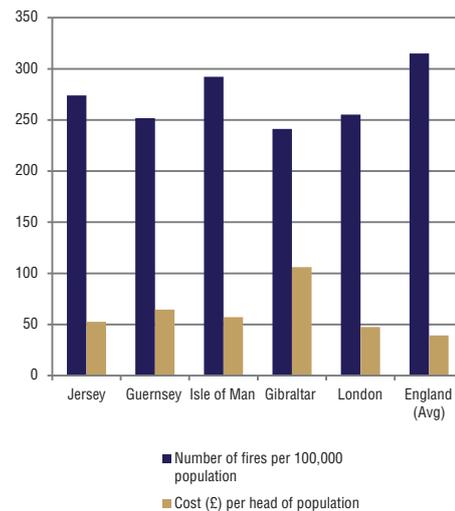
The BaSS Strategy is designed to reduce the impact on our community caused by crime, anti-social behaviour and substance misuse. To this end it provides grants to fund evidence-based initiatives in both the public and voluntary sector which meet the outcomes expected for the strategy. These initiatives are monitored and evaluated and can prove success. 50% of the grants awarded in 2014 contributed towards funding full-time posts.

MTFP Objective 6 – To ensure that staff and resources are managed so as to deliver high standards of performance and provide value for money

PERFORMANCE

FIRE INJURES AND ESTIMATED ECONOMIC COST OF FIRE 2012–2014

The cost of providing a Fire and Rescue Service in a smaller jurisdiction where many of the same overheads need to be in place for a lower population tends to be higher. However, in the context of other small jurisdictions, Jersey's Fire and Rescue Service is slightly less expensive but one of the busiest.



PERFORMANCE

JCIS COST OF COLLECTION

The following table illustrates the revenue collected/seized by the Jersey Customs and Immigration Service compared to the cost incurred on the administration of collection.

	Revenue Collected/ Seized	Cost of Collection
Revenue Collection – Duty and Tax receipts	£58.0 million	£1.0 million
Enforcement – drugs and excise goods seized at the ports	£2.4 million	£4.0 million
Enforcement – Passports, Immigration fees, legalisation of documents, work permits	£1.4 million	£0.2 million

Financial Statements

Statement of Comprehensive Net Expenditure

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Revenue				
(1,347)	(1,347)	Duties, Fees, Fines and Penalties	(1,400)	(1,330)
(705)	(705)	Sales of Goods and Services	(860)	(819)
(27)	(15,353)	Other Income	(288)	(15,692)
(2,079)	(17,405)	Total Revenue	(2,548)	(17,841)
Expenditure: Near Cash				
41,568	42,332	Staff Expenditure	40,052	41,441
5,280	6,206	Supplies and Services	5,459	6,536
1,405	1,285	Administrative Expenditure	948	1,076
2,643	2,598	Premises and Maintenance	2,666	2,736
309	309	Other Operating Expenditure	319	215
168	211	Grants and Subsidies Payments	236	260
12	12	Finance Costs	17	19
51,385	52,953	Total Expenditure: Near Cash	49,697	52,283
49,306	35,548	Net Revenue Expenditure: Near Cash	47,149	34,442
Non Cash Amounts				
592	592	Depreciation and Amortisation	698	680
–	–	Gain on Disposal of Non-Current Assets	(3)	(4)
592	592	Total Non Cash Amounts	695	676
49,898	36,140	Net Revenue Expenditure	47,844	35,118

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	3,789	3,853	4,510
Intangible Assets	619	447	270
Total Non-Current Assets	4,408	4,300	4,780
Current Assets			
Inventories	55	54	55
Trade and Other Receivables	346	65	354
Cash and Cash Equivalents	2	2	3
Total Current Assets	403	121	412
Total Assets	4,811	4,421	5,192
Current Liabilities			
Trade and Other Payables	(3,676)	(2,868)	(3,359)
Total Current Liabilities	(3,676)	(2,868)	(3,359)
Assets Less Liabilities	1,135	1,553	1,833
Taxpayer's Equity			
Accumulated Revenue Reserves	1,135	1,553	1,833
Total Taxpayer's Equity	1,135	1,553	1,833



Housing Department

The Housing Department aims to provide social rented housing to around 10,000 people in Jersey. We are responsible for providing housing services to those who may be unable to house themselves due to financial, medical or social difficulties.

Summary Snapshot

NET REVENUE INCOME – NEAR CASH

(£12,571,133)

£2,264,580

21.9% underspend

against Near Cash Final
Approved Budget

1. What resources we have used

Financial Inputs – Near Cash Approvals

Spending by the Department was funded by rental and other income, net of an agreed return of £10.3 million being made to the Treasury 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
(£27.1) million	£16.8 million	(£10.3) million

In 2014 adjustments to the budget presented in the Annual Update to the Medium Term Financial Plan totalling £0.8 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 adjustment to the Department's budget in 2014 was a reduction in the required return of income by £13.8 million as operations were transferred to Andium Homes on the 1st July. The contribution to the States is being made thereafter by the new company as agreed in the Transfer Agreement dated 22nd July 2014. Other adjustments included approved carry forward of the 2013 underspend of £1.1 million for ongoing maintenance works and the Housing Transformation Programme. In addition a transfer of £1.9 million was made from the Department's capital budget to fund settlement of the Public Employees Contributory Retirement Scheme (PECRS) pre-1987 debt prior to incorporation.

Departmental Income

Actual 2013	Actual 2014	Budget 2014
£42.3 million	£21.5 million	£21.3 Million

Income of the Department is principally from the rental of social housing stock. On the 1st April 2014 the new rental policy became effective and from that date vacated homes were re-let to new tenants at 90% of the market rate. This, coupled with an annualised increase in October 2013, contributed to a year-on-year increase for the 6 month period of £0.6 million.

MAJOR INCOME STREAMS

	£'000
Rental Income	(20,268)
Car Parking	(212)
Recovered Costs	(121)
Other	(886)
Total Income	(21,487)

Performance against Near Cash Final Approved Budget

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

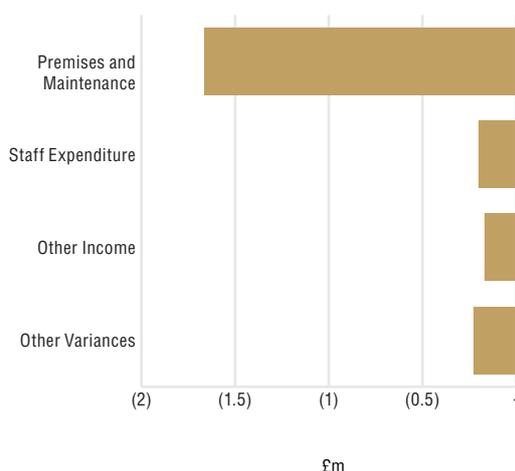
Actual 2013	Actual 2014	Budget 2014
£26.1 million	£12.6 million	£10.3 million

KEY VARIANCES FROM BUDGET

	£'000
Premises and Maintenance	1,667
Staff Expenditure	201
Other Income	169
Other Variances	228
Net Underspend	2,265

The main variance for the period to 30th June arose in Premises and Maintenance. This is principally a timing variance as the scheduling of projects adapted to resource availability. The re-scheduled work transferred and continued under the management of the new company, Andium Homes. Staff costs were lower than expected principally due to vacant posts which were progressively filled in the course of transferring to the new company. Other Income represents unbudgeted income, for example recharged expenditure, which is not part of the Department's core business lines.

Underspend Breakdown



Staffing

At the end of June the Department employed the equivalent of 50.8 full time employees. This is an increase of 6.6 (14.9%) from 2013, and is due to recruitment to existing vacancies and new roles in anticipation of incorporation.

Fixed Assets

At the 30th June 2014 the Department held £697.7 million in non-current assets, principally assets under construction, housing stock and housing bonds. These were transferred to the new company on the 1st July 2014.

The value of housing bonds held increased by £0.6 million to £15.8 million being the net of bonds issued, redemptions of earlier bonds and a revaluation based on the House Price Index.

The Department also holds current assets and liabilities relating to the day-to-day operation of the Department such as Trade Debtors and Trade Creditors. These assets and liabilities were also transferred to Andium Homes.

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

NON CASH EXPENDITURE

Actual 2013	Actual 2014	Budget 2014
£11.6 million	£16.5 million	£10.5 million

The fixed assets held by the Department are principally social housing stock. The stock was revalued at 30th June 2014 and there was a decrease in value of £8.7 million from 31st December 2013. The valuation methodology takes account of rent levels and the condition of the stock in determining its value. The key reason for the reduction in value was the impairment of units at Le Squez and La Collette which are due for redevelopment.

The cost in 2014 of £16.5 million represents the costs of depreciation and impairment in the period, offset by the reversal of depreciation and previous impairments in the course of revaluation.

Changes in Expenditure

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

KEY VARIANCES FROM 2013

	£'000
2013 NRI	(26,126)
Net Adjustment to Cash Limit in relation to Transfer to Andium Homes	15,692
Underspend relating to timing variances transferred to Andium Homes as cash	(2,265)
Other Variances	128
2014 NRI	(12,571)

The results of the Housing Department are for the first 6 months of the year only. This is the principal cause of the difference between the results of 2013 and 2014. The unspent budget was transferred to Andium Homes in the form of cash.

2. What we have spent funding on

Near Cash by Service Area

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
–	–	Strategic Housing Unit	122	–
Landlord Services				
Estate Services				
8,432	5,287	Planned Maintenance	8,171	3,623
2,042	1,354	Response Repairs	1,937	1,228
635	315	Operations	608	309
720	357	Voids	788	306
Tenant Services				
570	447	Assisted Living	452	385
1,096	1,258	Tenant Liaison	1,024	1,121
Finance Services				
(40,687)	(19,325)	Rent and Fee Collection	(39,228)	(19,543)
(27,192)	(10,307)	Landlord Services	(26,248)	(12,571)
(27,192)	(10,307)	Net Revenue Expenditure	(26,126)	(12,571)

Planned Maintenance

The Planned Maintenance Team manage not only the annual cyclical maintenance but also the ongoing improvements to the Department's housing stock.

In the first 6 months of 2014 the focus on increasing the number of homes which met the Decent Homes Standard continued. Work was completed replacing 98 kitchens and 31 bathrooms and testing of electrical circuitry in 524 homes was carried out. At the end of June 75% of the stock achieved that standard.

The majority of other planned maintenance work such as building repairs and external decoration works for 2014 was carried out in the summer months and after the transfer to Andium Homes Limited.

Response Repairs

In the first half of 2014 work was undertaken to review the way in which the Response Repair service operated. This led to a change in supplier, a reduction in the internal resources needed to operate the service and the average cost of each repair job also fell.

These changes have enabled the Department to re-direct resources to monitoring the quality and delivery of work by the new contractor with the aim of enhancing the satisfaction of the Department's tenants.

Rent and Fee Collection

On the 1st April 2014 the Department implemented a new rent policy which had been agreed by the States Assembly as part of P33/2013. From this date the rent for properties let on new tenancies has been set at 90% of the prevailing market rate. Agreement was reached with Income Support such that claimants living in social rented accommodation were fully protected in relation to this policy.

In the 6 months to June the level of rent arrears fell from £448,000 to £379,000 (1.0% to 0.88% of forecast income). This continued improvement was achieved through proactive engagement with clients and referral to various support agencies.

Other Services

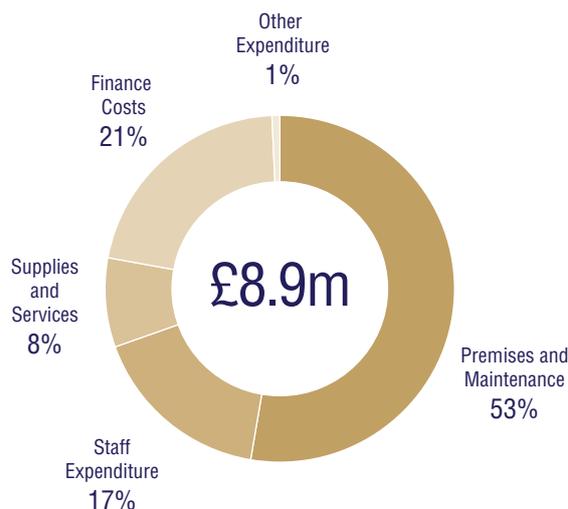
Changes were made to the structure and focus within the Tenant Liaison area. In order to give a clear focus to the roles of Community Engagement versus Tenancy

Management the existing dual role was split providing clearer identity to the two, discrete, functions.

In the first half of the year the Estates Standards Programme was launched. This initiative provides a dedicated contact within the Department for tenants on each estate with a focus on working collaboratively with them to improve the environment in which they live. Regular visits take place to encourage two-way dialogue about how the services the Department provides and the expectations it has of its tenants can be met.

The Medical Adaptations service, through the Assisted Living Team, continued to provide a significant support to tenants enabling their homes to be adapted to meet their changing requirements due to ill-health or incapacity.

Near Cash by Expenditure Type



Premises and Maintenance expenditure relates to both planned and responsive repairs and routine maintenance to the Department's housing stock.

Finance costs are almost exclusively the cost associated with settling the Housing Department's proportion of the pre-1987 pension debt in order that the new company would be considered as an admitted body to PECRS.

Staff Costs encompasses the direct expenditure on staff salaries, including provision of an out of hours on-call emergency service.

Supplies and Services relates most significantly to the procurement of advisory services to support the Housing Transformation Programme and professional fees associated with the ongoing maintenance of stock.

3. What we have achieved

MTFP OBJECTIVE

Introduce the proposed changes in the provision of social housing.

PERFORMANCE

On 16th May 2013 the States approved P33/2013 which established the Strategic Housing Unit and approved the transfer of the Housing Department to Andium Homes Limited, a States owned company.

This approval enabled the proposed changes to be implemented.

On the 1st July 2014 the Housing Department transferred its assets, liabilities and operations to Andium Homes Limited.

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

The Shadow Board was appointed by the States Assembly in January 2014.

In the course of the first half of 2014 the Department adapted itself for the transfer to the new company. This included recruitment of additional members of specialist staff, establishment of banking and financial operations and promoting the Andium Homes brand with various stakeholders.

MTFP OBJECTIVE

Effective management of the States owned rental stock.

PERFORMANCE

Rental arrears for current tenants fell by £69,000 from £448,000 to £379,000 in the first 6 months of the year. A reduction of 0.12% of forecast income for the year.

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

This was achieved through monitoring all new client accounts in the early stages of a tenancy, with immediate contact made with the client if rent was unpaid. The Department continued to work closely and pro-actively with clients and, where appropriate, made referrals to various support agencies including the Citizens Advice Bureau and Income Support.

Financial Statements

Statement of Comprehensive Net Expenditure

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	6 months to 30th June 2014 Actual £'000
Revenue				
(43,743)	(21,270)	Sales of Goods and Services	(42,094)	(21,318)
–	(34)	Investment Income	–	–
(68)	–	Other Income	(203)	(169)
(43,811)	(21,304)	Total Revenue	(42,297)	(21,487)
Expenditure: Near Cash				
3,445	1,707	Staff Expenditure	2,732	1,506
862	898	Supplies and Services	1,019	741
79	39	Administrative Expenditure	71	35
12,069	6,363	Premises and Maintenance	12,234	4,696
158	78	Other Operating Expenditure	4	3
5	3	Grants and Subsidies Payments	3	2
		Impairments of Financial Assets	107	24
1	1,909	Finance Costs	1	1,909
16,619	10,997	Total Expenditure: Near Cash	16,171	8,916
(27,192)	(10,307)	Net Revenue Income: Near Cash	(26,126)	(12,571)
Non Cash Amounts				
13,866	6,933	Depreciation and Amortisation	14,074	9,487
5,498	3,520	(Reversal of Impairments)/Impairments of Property, Plant and Equipment	(2,469)	7,065
		Gain on Disposal of Investments	(16)	(19)
19,364	10,453	Total Non Cash Amounts	11,589	16,533
(7,828)	146	Net Revenue (Income)/Expenditure	(14,537)	3,962
Other Comprehensive Income				
–	–	Revaluation of Property, Plant and Equipment	(93,025)	(4,369)
–	–	Gain on Revaluation of Other AFS Investments during the period	(39)	(229)
–	–	Reclassification adjustments for gains/losses included in Net Revenue Expenditure	8	8
–	–	Total Other Comprehensive Income	(93,056)	(4,590)
(7,828)	146	Total Comprehensive Income	(107,593)	(628)

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	30th June 2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	595,749	685,452	681,989
Intangible Assets	14,287	15,104	15,739
Total Non-Current Assets	610,036	700,556	697,728
Current Assets			
Non-Current Assets classified as held for sale	–	3,965	1,795
Trade and Other Receivables	1,627	1,461	1,751
Total Current Assets	1,627	5,426	3,546
Total Assets	611,663	705,982	701,274
Current Liabilities			
Trade and Other Payables	(3,892)	(4,513)	(5,278)
Total Current Liabilities	(3,892)	(4,513)	(5,278)
Assets Less Liabilities	607,771	701,469	695,996
Taxpayer's Equity			
Accumulated Revenue Reserves	500,532	502,907	494,181
Revaluation Reserve	107,927	199,219	202,251
Investment Reserve	(688)	(657)	(436)
Total Taxpayer's Equity	607,771	701,469	695,996



Social Security Department

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

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£179,377,894

1.3% decrease
from 2013

£8,033,145

4.3% underspend
against Near Cash Final
Approved Budget

Note

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

1. What resources we have used

Financial Inputs – Near Cash Approvals

Spending by the department is funded from tax revenues with recharges made to the Social Security, Health Insurance and Long Term Care Funds (the 'Funds') for staff employed by the States to administer 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
£186.6 million	£0.8 million	£187.4 Million

In 2014 adjustments to the budget presented in the Annual Update to the Medium Term Financial Plan totalling £0.8 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.

Departmental Income

Actual 2013	Actual 2014	Budget 2014
£3.9 million	£3.9 million	£4.8 Million

Departmental Income represents the charge to the Funds in respect of staff employed by the States to administer these Funds. There is also a similar charge made to the Population Office for the staff engaged collecting the Registration Card income together with a small amount of other income received for Workwise staff assigned to Jersey Employment Trust and from other external organisations for charges levied in respect of employment agency fees.

MAJOR INCOME STREAMS

	£'000
Staff Costs Charged to Funds	(3,848)
Other Services and Revenue	(47)
Total Income	(3,895)

Income mainly consists of the charge to the Funds in respect of staff employed by the States to administer the Funds and only small amount of other income.

Performance against Near Cash Final Approved Budget

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

Actual 2013	Actual 2014	Budget 2014
£181.8 million	£179.4 million	£187.4 million

KEY VARIANCES FROM BUDGET

	£'000
States Contribution to LTCF	(4,647)
Income Support	9,286
Employment Services	1,559
Contingency	1,033
Other Variances	802
Net Underspend	8,033

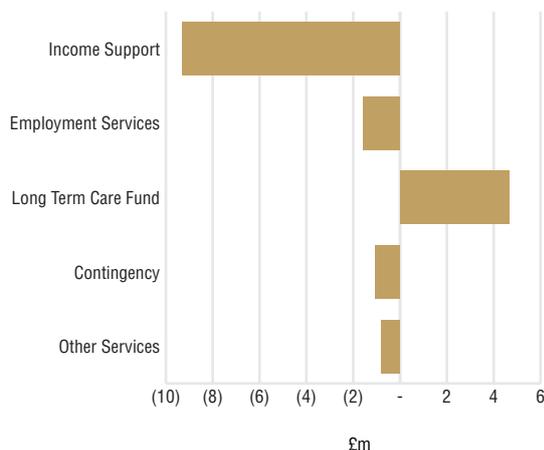
The States Contribution to the Long Term Care Fund was increased as set out in Addendum to P.140/2013 to fund a further contribution from the Social Security Department (SSD) benefit underspend.

Income Support underspent by £9.3 million, of which £7.1 million was a result of Weekly Benefit claim numbers being consistently lower than budgeted. At the time budgets were agreed the poor economic situation combined with the anticipated impact of the removal of

Low Value Consignment Relief resulted in budgets based on forecasts including high levels of unemployment. Actual unemployment experienced was not as severe as anticipated and was mitigated by the effects of the Back to Work teams. A further £1.8 million underspend resulted from Residential Care claimant numbers being lower than anticipated both before and after the majority of claimants were transferred to the new Long Term Care Fund.

Employment Services underspent by £1.6 million as a result of fewer employment grants than anticipated. Contingency of £1.0 million was not required as the Income Support budget was not fully spent.

Underspend Breakdown



Staffing

At the year end the department employed the equivalent of 221.6 full time employees against an MTFP budget of 238.5. This is an increase of 8.9 (4.2%) from 2013, and is due to additional permanent staff recruited during the year to further strengthen the Back to Work and Income Support teams.

Fixed Assets

The department holds no fixed assets.

It holds current assets and liabilities relating to the day-to-day operation of the department such as Trade Debtors and Trade Creditors.

Changes in Expenditure

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

KEY VARIANCES FROM 2013

	£'000
2013 NRE	181,782
Income Support	(6,953)
States Contribution to LTCF	1,683
States Contribution to SSF	1,500
Employment Services	1,563
Other Variances	(197)
2014 NRE	179,378

Net Revenue Expenditure (NRE) reduced by £2.4 million from 2013 with a reduction in Income Support of £7.0 million offset by an increase in the States Contributions and in Employment Services.

The net decrease in Income Support was a result of a reduction in Residential Care spend of £7.4 million following the transfer of most claimants to the new Long Term Care Benefit which commenced payment of benefit from 1 July 2014. This was offset by an increase in Weekly Benefit of £0.9 million.

There was an increase in the States Contribution made to the Long Term Care Fund amounting to £1.7 million due to the inclusion of 90% of what had previously been the Income Support Residential Care budget from 1 July 2014 as well as £4.6 million of the Social Security Department (SSD) underspend. The 2013 contribution was only of SSD underspend.

The States Contribution to the Social Security Fund increased by £1.5 million in accordance with the formula set by P.110/2011.

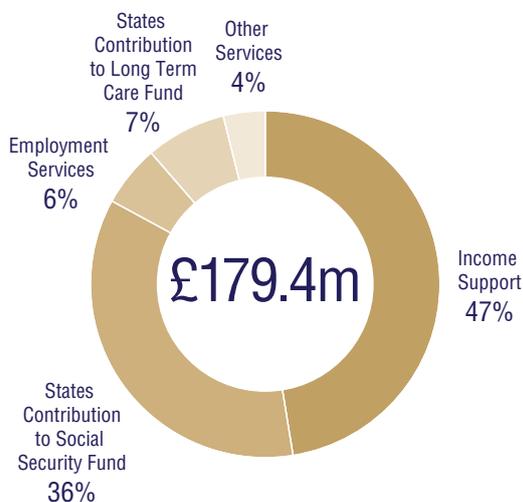
Further funds were invested in Employment Services through Back to Work and other training initiatives for those without employment amounting to £1.6 million.

2. What we have spent funding on

Near Cash by Service Area

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
63,700	63,700	States Contribution to Social Security Fund	62,200	63,700
–	8,736	States Contribution to Long Term Care Fund	11,700	13,383
Income Support				
80,847	80,898	Weekly Benefit	72,953	73,844
1,447	1,447	Special Payments	1,210	1,570
19,414	10,678	Residential Care	16,722	8,865
697	697	Winter Fuel	695	417
683	683	Transitional Relief	490	421
103,088	94,403	Income Support	92,070	85,117
556	624	Health and Safety at Work	492	531
11,166	11,815	Employment Services	8,693	10,256
Other Benefits				
1,469	1,469	Christmas Bonus	1,464	1,521
805	805	Food and Cold Weather Bonus	607	439
329	329	Jersey 65+ Health Plan	284	304
252	252	TV Licence benefit	277	299
19	19	Non Contributor Death Grant	16	30
53	53	Social Fund	17	21
53	53	Child Care Support	44	39
102	102	Dental Benefit Scheme	120	122
3,082	3,082	Other Benefits	2,829	2,775
8,038	8,062	Staff Costs and Administration	7,750	7,464
1,033	1,033	Contingency	–	–
(4,044)	(4,044)	Social Security and Health Funds Payroll	(3,952)	(3,848)
186,619	187,411	Net Revenue Expenditure	181,782	179,378

NEAR CASH BY SERVICE AREA BREAKDOWN



Employment Services

In late 2011, existing employment support teams were brought together to form the Back to Work programme. It was established to strengthen the government's response to rising unemployment and complements our benefits system, which is designed to make work pay, and is a key part of government's strategy of getting people back to work.

The aim of the Back to Work programme is to support people who are actively seeking work back into paid employment.

Over the course of 2014, 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
- 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.

Income Support

Most of the 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 and some households continue to receive payments based on their entitlement under the previous benefit system.

Income Support is a household benefit. 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.

The Income Support system also supports individuals living in care homes who are unable to meet the full cost of their own care. In addition to assistance with the care home fees, claimants receive a personal allowance.

On 1st July 2014 the new Long Term Care scheme was introduced and the vast majority of claimants were transferred to the LTC benefit. As a result expenditure in 2014 on Residential care was approximately half of that spent in 2013.

Other Benefits

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.

The Christmas Bonus is a lump sum benefit of £83.73 (in 2014) that is paid to those who receive an Old Age Pension or certain other benefits.

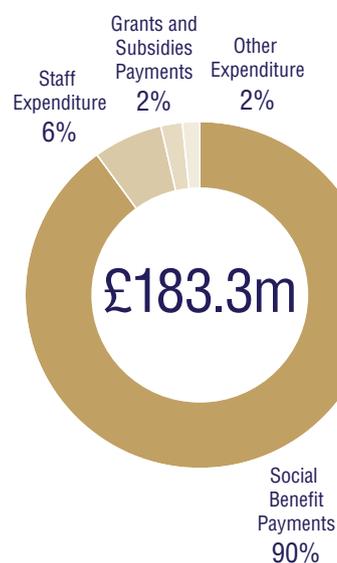
The Food Costs Bonus is payable to any household that has an income too high to qualify for Income Support but too low to pay Income Tax.

The Cold Weather Bonus eligibility criteria are the same as the Food Costs Bonus, except that it is only payable to households with at least one adult aged 65 years or over who is receiving a Jersey old-age pension or has lived in Jersey for 10 years.

The Jersey 65+ Health Scheme subsidises dental, optical and chiropody costs and is available to those pensioners who do not pay income tax and have relatively low savings.

People aged over 75 on low incomes qualify for a payment equivalent to the cost of a full TV licence.

Near Cash by Expenditure Type



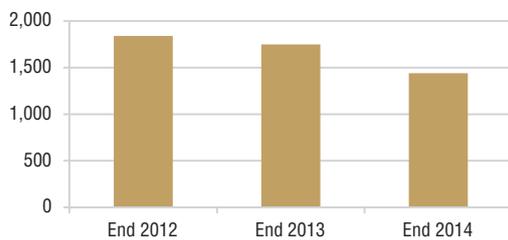
Social Benefit payments totalled £164.3 million; a reduction of £3.8 million (2.2%) on 2013 and representing 90% of Departmental spend. The main reason due to reduced spend on Income Support offset by increases in the Contributions made to the Social Security Fund and Long Term Care Fund.

What we have achieved

Back to Work

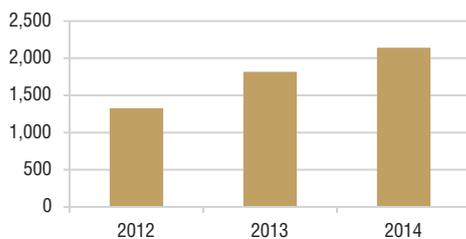
During 2014 the number of individuals registered as Actively Seeking Work (ASW) fell from 1,750 at the beginning of the year to 1,440 at the end; a fall of 310 (18%).

TOTAL NO. OF INDIVIDUALS ASW 2012–2014



The Back to Work teams had great success in 2014 with helping to secure 2,140 job starts.

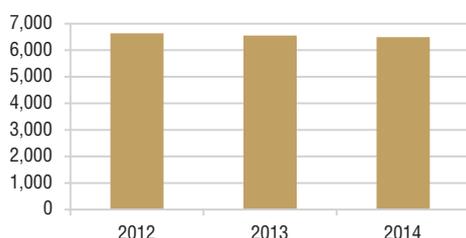
JOB STARTS 2012–2014



Income Support

Approximately 6,500 households were receiving Income Support at the end of 2014, almost exactly the same as at the end of 2013.

INCOME SUPPORT CLAIMS 2012–2014

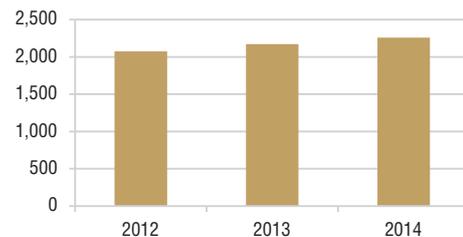


A wide variety of households have Income Support claims, including; pensioners, single parents, families, and single people.

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

There has been a 9% increase in the number of claims between 2012 and 2014 where at least one adult has been in employment.

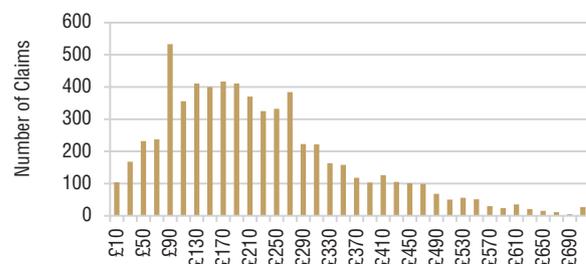
NO OF INCOME SUPPORT CLAIMS WITH AT LEAST ONE ADULT IN EMPLOYMENT 2012–2014



For the 6,500 Income Support claims in payment on 31 December 2014, the average (mean) weekly claim rate was just over £200.

The spread of Income Support weekly claim rates is shown below:

WEEKLY INCOME SUPPORT CLAIM RATE (£)

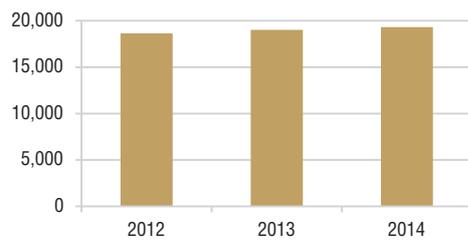


The large spike at £90–£100 per week represents the rate paid to a single adult living in a relative's home and is principally made up of unemployed claimants aged between 19 and 24 who typically still live with their parents and are only able to claim the basic adult component of £92.12 per week.

Christmas Bonus

Over 19,000 Christmas Bonuses were paid for 2014.

CHRISTMAS BONUSES 2012–2014



Other Services

Food Costs Bonus

The Food Costs Bonus is an annual payment – £226.95 in 2014 – and helped approximately 1,300 households with the cost of food and the Goods and Services Tax (GST) that is charged on food.

Cold Weather Bonus

The Cold Weather Bonus is calculated for the months of October to April if the temperature drops below a certain level.

2014 was milder than 2013 when the total bonus paid was £304. In 2014, a total of £176 was paid to each of more than 1,000 households.

Financial Statements

Statement of Comprehensive Net Expenditure

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Revenue				
(4,044)	(4,044)	Sales of Goods and Services	(3,952)	(3,895)
(4,044)	(4,044)	Total Revenue	(3,952)	(3,895)
Expenditure: Near Cash				
169,870	169,921	Social Benefit Payments	168,715	164,921
12,108	12,160	Staff Expenditure	10,913	11,782
1,685	1,725	Supplies and Services	2,309	2,078
187	187	Administrative Expenditure	151	241
122	122	Premises and Maintenance	441	302
215	215	Other Operating Expenditure	89	307
5,433	6,082	Grants and Subsidies Payments	2,971	3,641
–		Impairments of Financial Assets	135	(9)
10	10	Finance Costs	10	10
1,033	1,033	Contingency	–	–
190,663	191,455	Total Expenditure: Near Cash	185,734	183,273
186,619	187,411	Net Revenue Expenditure	181,782	179,378

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Current Assets			
Trade and Other Receivables	8,018	9,144	8,592
Total Current Assets	8,018	9,144	8,592
Total Assets	8,018	9,144	8,592
Current Liabilities			
Trade and Other Payables	(989)	(1,106)	(736)
Total Current Liabilities	(989)	(1,106)	(736)
Assets Less Liabilities	7,029	8,038	7,856
Taxpayer's Equity			
Accumulated Revenue Reserves	7,029	8,038	7,856
Total Taxpayer's Equity	7,029	8,038	7,856

Transport and Technical Services Department

Transport and Technical Services 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 drainage 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; ensuring motor vehicles are roadworthy and drivers competent; maintenance and cleaning of public spaces, amenities, structures and sea defences; and the provision and maintenance of formal parks, gardens, open spaces and amenity areas.

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£26,536,819

2.6% increase
over 2013

£2,038,970

7.1% 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
£27.9 million	£0.7 million	£28.6 million

In 2014 adjustments to the budget presented in the Annual Update to the Medium Term Financial Plan totalling £0.7 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

Actual 2013	Actual 2014	Budget 2014
£17.4 million	£18.2 million	£17.2 million

The department has a significant income from recharges to operational areas within TTS and other States departments. This is shown as “Recharge income” and includes recharges to Ports of Jersey for the Harbours engineering service, cleaning and parks and gardens sections, capital projects for works undertaken in connection with civil works, highways and project management teams.

In 2014, higher than expected inert waste tipping generated income substantially in excess of budget, however, this was offset by poor returns from generation of electricity at the EFW plant, due to lower than expected unit rates received.

MAJOR INCOME STREAMS

	£'000
Recharge income	(10,530)
Solid Waste tipping fees	(2,578)
External electricity sales	(1,075)
Other	(4,018)
Total Income	(18,201)

Performance against Near Cash Final Approved Budget

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

Actual 2013	Actual 2014	Budget 2014
£25.9 million	£26.5 million	£28.6 million

KEY VARIANCES FROM BUDGET

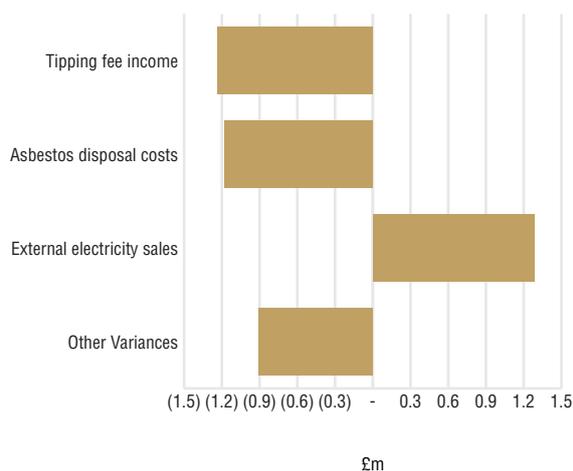
	£'000
Tipping fee income	1,232
Asbestos disposal costs	1,181
External electricity sales	(1,283)
Other Variances	909
Net Underspend	2,039

Tipping fee income in 2014 was £1.2 million greater than budgeted, mainly due to several large construction projects which resulted in a substantial amount of inert waste being delivered to La Collette waste disposal site.

The carry forward from 2013 in relation to the long term disposal of asbestos remained unspent at the year end, as a result of a review of the disposal options being required following the planning permission granted in 2013 requiring the waste to be extracted from the ground after 5 years (which is believed to be technically difficult, expensive and potentially hazardous).

The unit rate received for electricity generated by the EFW plant remains disappointingly low, resulting in a shortfall against budget of £1.3 million.

Underspend Breakdown



Staffing

At the year end the department employed the equivalent of 467.5 full time employees. This is a decrease of 9.7 (2.0%) from 2013, and is due to vacancies and natural staff turnover as at the year end.

Fixed Assets

The department holds £975.7 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 represents specialised software used throughout the department.

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

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

NON CASH EXPENDITURE

Actual 2013	Actual 2014	Budget 2014
£16.7	£37.1	£20.2
million	million	million

An exercise to identify and separate the accounting for the component parts of the Energy from Waste plant resulted in a significant re-evaluation of useful economic lives of the component parts. As a result of this, a one-off charge in respect of those assets resulted in additional non-cash expenditure of £11.6 million in 2014. In addition, annual depreciation charges were re-evaluated and increased to take account of the new expected lives of the component parts.

Changes in Expenditure

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

KEY VARIANCES FROM 2013

	£'000
2013 NRE	25,861
APCr – Off Island Export	1,558
Solid Waste tipping fees	(495)
Buses mobilisation	(400)
Other Variances	13
2014 NRE	26,537

Following the review of disposal options for Air Pollution Control residues (APCr), the department commenced export of the legacy APCr in May 2014. By the end of the year, 8,151 tonnes of APCr had been exported at a cost of almost £1.6 million, leaving 2,000–3,000 tonnes to be exported during early 2015. Newly produced APCr from the EFW plant is exported as it is produced and will no longer be stored in large quantities at La Collette.

Solid waste tipping fees had seen a steady decline in recent years, with 2013 being a notable exception. However, two major schemes requiring substantial dig-out of material resulted in almost £0.5 million additional income compared to 2013 (which in itself was higher than expected). It is not considered that this trend will

continue in the long term, although projects including the Esplanade Quarter will contribute to overall waste received.

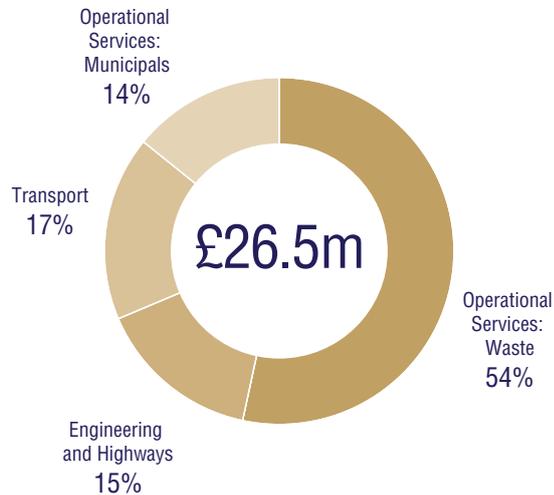
2013 was the first year of the new bus contract with CT Plus (Jersey) Ltd and one-off up-front funding of £0.4 million was paid under contract in 2013.

2. What we have spent funding on

Near Cash by Service Area

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Operational Services: Waste				
6,931	6,587	Liquid Waste	6,689	6,366
7,006	9,047	Solid Waste	6,313	7,794
13,937	15,634	Operational Services: Waste	13,002	14,160
Operational Services: Municipals				
1,857	1,867	Cleaning	1,631	1,771
2,290	2,301	Parks and Gardens	2,193	2,238
(160)	(160)	Jersey Harbours	(187)	(252)
3,987	4,008	Operational Services: Municipals	3,637	3,757
4,527	4,245	Engineering and Highways	4,122	4,048
5,461	4,689	Transport	5,100	4,572
27,912	28,576	Net Revenue Expenditure	25,861	26,537

NEAR CASH BY SERVICE AREA BREAKDOWN



Operational Services: Waste

The Operational Services: Waste division of TTS manages the solid and liquid waste infrastructure of the Island, including the Energy from Waste Plant (EFW), Sewage Treatment Works (STW), drainage network and pumping stations.

During the course of 2014 significant progress was made on the liquid waste strategy for the Island in conjunction with the Department of the Environment, culminating in the States approval of P39/2014 "Waste Water Strategy" in May 2014. The strategy sets out the future plans for replacement of the ageing STW at Bellozanne and ultimately the drainage infrastructure improvements around the Island.

The department processes in excess of 70,000 tonnes of waste through the EFW plant at La Collette annually, and the resultant Air Pollution Control residues (APCr) had until 2014 been stored in a high integrity cell at La Collette. During the year the department secured permission to export the APCr material for off-Island treatment and disposal and by the year end 8,151 tonnes of material had been exported. The remaining legacy APCr will be exported during 2015 and ongoing APCr will be exported as it is produced.

Recycling of various materials continued during the year, with a particular focus on metals, batteries and other potentially harmful waste streams such as Waste Electrical and Electronic Equipment (WEEE).

Operational Services: Municipals

The Operational Services: Municipals division is mainly concerned with rechargeable and public services such as cleaning, Parks and Gardens and the Ports of Jersey harbour maintenance contract.

During 2014 the department won Green Flags for its work at Coronation Park and Sir Winston Churchill Memorial Park. These prestigious awards are made by "Keep Britain Tidy" and recognise the hard work carried out by the staff and management of the Parks and Gardens section. The section also works for a number of other States departments including Education, Sport and Culture, Housing/Andium Homes Limited and Ports of Jersey.

The cleaning section also undertakes work for a number of States departments, mainly Jersey Property Holdings and Housing/Andium Homes Limited, as well as cleaning the public highways, promenades, beaches and public areas.

Engineering and Highways

During 2014 the Engineering and Highways teams dealt with a large amount of storm damage that took place in the early part of the year. A major project to re-instate a section of sea wall at Le Bourg was funded from the States Insurance Fund, whilst the remaining costs of the damage were funded from the infrastructure capital programme.

The resurfacing of La Grande Route de St Jean was completed in 2014, as well as the first of the village enhancement schemes at St Aubin.

In addition to major resurfacing schemes, the department also has a programme of highways inspection, monitoring and repair. In 2014, 2,835 patches, potholes and repairs were undertaken on the main roads in the Island.

Many of the issues with the condition of the main roads stem from trench reinstatement and works by the various utility companies on the Island. Inevitably, breaking into the surface of the highway and reinstatement is never going to be as good as the original surface, and weathering and settlement reduce the ride quality and structure of the road. The department continues to work with the utility companies to minimise the inconvenience to the motoring public whilst ensuring that the Island's essential power, drainage and water networks are maintained appropriately.

Transport

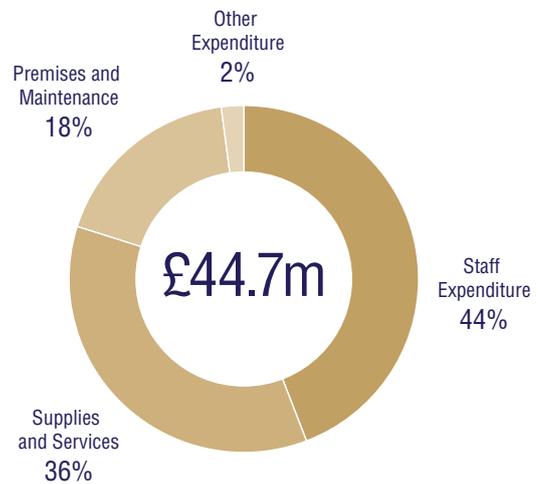
The Transport section includes the Driver and Vehicle Standards department (DVS), Transport planning and advice and the bus contract management and subsidy.

DVS is responsible for the regulation of drivers, vehicles and public service licenses 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.

The bus service contract with CT Plus (Jersey) Ltd is producing benefits for the travelling public, as demonstrated by the increasing ridership (up 11% in 2014). In addition, the contract also achieves savings for the States and investment in the community through HCT Group's corporate structure which has community benefits as a strategic objective.

The section is responsible for the States Sustainable Transport Policy (STP) development and implementation. Developments include STP funding for additional bus stops, cycle routes, pedestrian safety schemes and enhancement to the bus network, all contributing to encouraging "modal change" (encouraging the motoring public to reduce reliance on private cars and seek alternative forms of transport).

Near Cash by Expenditure Type



The major cost incurred by the department relates to staff costs. Many of these staff are involved in work for other sections, States departments and incorporated bodies in addition to their work on running and maintaining the essential infrastructure of the Island.

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

Premises and Maintenance costs account for most of the remaining spend by the department and includes external service agreements and in-house maintenance work by the department's staff. In addition, the department spent in excess of £1.6 million on electricity, of which approximately £1.1 million relates to the liquid waste operational areas of the STW and pumping stations.

3. What we have achieved

Solid Waste produced including recycling rates

MTFP OBJECTIVE

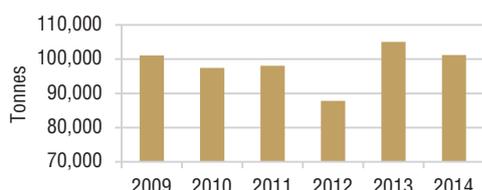
Improvement in solid waste and recycling processes.

PERFORMANCE

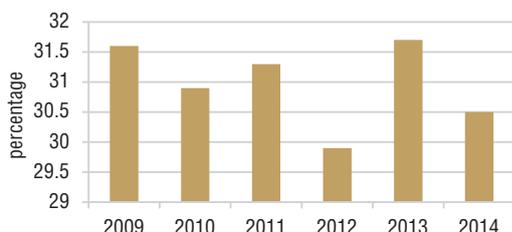
The amount of waste generated by the Island has declined by 3.7% from 2013 which was a particularly high year and hopefully this downward trend will continue.

Recycling has fallen slightly from the previous year to 30.5%. There is a backlog of electrical recycling awaiting shipment due to a change in contracted partner. This tonnage is not included in the 2014 figure as it is only recorded on actual export. Another contributing factor to the lower recycling rate is the change of recording in 2014, which has meant that the retrieval of bottom ash metals from the Energy from Waste Plant is no longer included in the recycling rate as per current best practice.

SOLID WASTE GENERATED BY THE ISLAND



RECYCLING RATE



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

TTS started the export of the Air Pollution Control residue (APCr) from the Energy from Waste Plant at La Collette in July 2014, firstly shipping the backlog which had been stored in specially lined pits at La Collette.

Plans for a new recycling park at La Collette were submitted for Planning Application towards the end of the year.

In April, plasterboard was combined with green waste to make gypsum enhanced agri-compost which is good for agricultural use.

Promotion of good recycling practices continued in 2014. There was an extensive campaign to get batteries out of the waste stream and another electricals amnesty day, this year partnering up with Acorn Industries who took all the reusable electrical items for checking and reuse.

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

There was a 4.6% increase in the volume of sewage the network pumped and conveyed to Bellozanne for treatment. This continues the upward trend and is due to the rise in population and rainfall.

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

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

The major drainage project at Philips Street was completed by the end of 2014 and will greatly reduce the risk of flooding in the West's Centre area of town. It will also reduce the amount of waste water coming to Bellozanne for treatment as it provides separation for rain water from foul sewage.

The Waste Water Strategy was finalised and approved by the States which plans for the much needed replacement of the existing Bellozanne Sewage Treatment Works with a more efficient and effective plant.

Construction continued on the Sludge Digester which is due to be commissioned in June 2015.

Travel – The volume of traffic and methods of transport

MTFP OBJECTIVE

Sustainable on-Island transport for Jersey

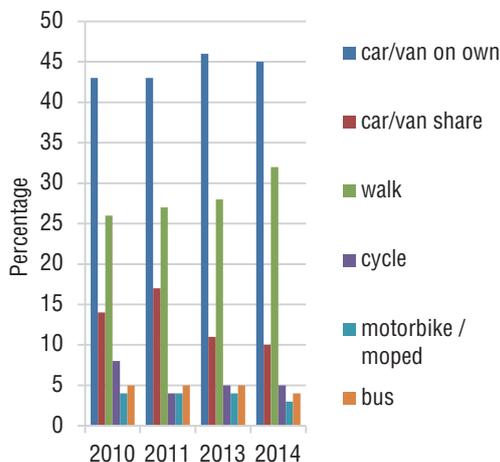
PERFORMANCE

Congestion is not currently measured in Jersey, however the information obtained from the Jersey Annual Social Survey on the way people travel to work gives a year on year indication on the level of car use in the Island.

The figures show what people stated was their normal mode of travel and this showed no significant change from previous years. However, bus passenger numbers are up by 11% on the previous year, which may indicate that more people are occasionally switching to bus use.

Another indicator is traffic flow counts which are monitored automatically on 9 main routes for vehicles heading towards St Helier. It can be seen that the total number of vehicles on those key routes has reduced between 2009 and 2014 (3.1% over 5 years).

TRAVEL TO WORK MODES



Year	2009	2010	2011	2012	2013	2014
Average traffic flow towards St Helier on 9 main routes (7am – 9am)	10,761	10,713	10,710	10,601	10,574	10,428
% Reduction on 2009 base		-0.4%	-0.5%	-1.5%	-1.7%	-3.1%

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

The initial years of implementation of the Sustainable Transport Policy have been focussed on enabling change to more sustainable modes of transport to happen. In 2014, progress was made on both the extension to the Eastern Cycle Network and the St Peter's Valley shared footway/cycle path. These are both commencing work on site in 2015.

Continued improvements have been made to the bus service which has been reflected in the patronage. TTS also installed 12 additional bus shelters in 2014.

To support pedestrians, TTS has undertaken the installation of pedestrian refuges and the village improvement scheme in St Aubin's has incorporated safer crossing facilities for pedestrians.

TTS also actively promotes cycling and walking both in schools with Green Travel Fortnight and to the general public with Cycle Challenge Jersey

Public feedback on the cleanliness of municipal areas

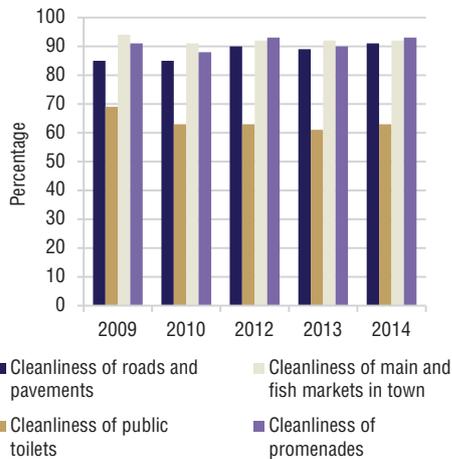
MTFP OBJECTIVE

Well maintained public spaces and amenities

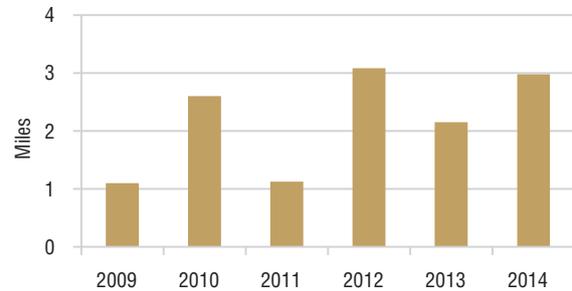
PERFORMANCE

In order to find out what the public think of the cleaning services, TTS asks questions in the Jersey Annual Social Survey. The chart shows the percentage of people who rated the cleanliness of the specified areas as either good or very good. It can be seen that there are high satisfaction levels with services provided which are either as good as or slightly improved from last year.

POSITIVE FEEDBACK



MILES OF ROAD RESURFACED



Actions taken by Department in the year

The main road resurfacing projects in 2014 were:

- La Grande Route de St Jean
- Union Street
- St Aubin's village

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

In 2014 TTS achieved Green Flag status for Coronation Park and Sir Winston Churchill Memorial Park. This is a nationally recognised assessment which looks at all aspects of park management and presentation.

A new skateboard facility was trialled in the Millennium Town Park in the ball court area with a view to installing better equipment there if the trial is successful.

Coronation Park was used as a venue for the Branchage Festival for the first time.

Highway resurfacing

MTFP OBJECTIVE

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

PERFORMANCE

TTS resurfaced nearly 3 miles (6 metre width) of the 165.5 mile road network in 2014 which is an increase of 39% over 2013.

Financial Statements

Statement of Comprehensive Net Expenditure

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Revenue				
(882)	(882)	Duties, Fees, Fines and Penalties	(820)	(862)
(15,021)	(15,021)	Sales of Goods and Services	(16,026)	(15,888)
(1)	(1)	Investment Income	(2)	(2)
(160)	(1,334)	Other Income	(554)	(1,449)
(16,064)	(17,238)	Total Revenue	(17,402)	(18,201)
Expenditure: Near Cash				
20,604	20,604	Staff Expenditure	19,371	19,759
14,653	16,743	Supplies and Services	15,143	15,990
263	263	Administrative Expenditure	261	260
8,367	8,115	Premises and Maintenance	7,838	8,066
43	43	Other Operating Expenditure	593	620
1	1	Impairments of Financial Assets	23	9
45	45	Finance Costs	34	34
43,976	45,814	Total Expenditure: Near Cash	43,263	44,738
27,912	28,576	Net Revenue Expenditure: Near Cash	25,861	26,537
Non Cash Amounts				
20,171	20,171	Depreciation and Amortisation	15,533	25,306
-	-	Impairments of Property, Plant and Equipment	1,142	11,840
-	(8)	Gain on Disposal of Non-Current Assets	(1)	(6)
20,171	20,163	Total Non Cash Amounts	16,674	37,140
48,083	48,739	Net Revenue Expenditure	42,535	63,677
Other Comprehensive Income				
-	-	Revaluation of Property, Plant and Equipment	(15,197)	(3,145)
-	-	Total Other Comprehensive Income	(15,197)	(3,145)
48,083	48,739	Total Comprehensive Expenditure	27,338	60,532

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	979,129	989,576	975,208
Intangible Assets	696	590	476
Trade and Other Receivables	7	7	6
Total Non-Current Assets	979,832	990,173	975,690
Current Assets			
Inventories	1,017	1,908	2,374
Trade and Other Receivables	945	1,382	1,766
Cash and Cash Equivalents	1	11	5
Total Current Assets	1,963	3,301	4,145
Total Assets	981,795	993,474	979,835
Current Liabilities			
Trade and Other Payables	(9,233)	(7,174)	(6,293)
Provisions for Liabilities and Charges	(1,287)	(1,047)	(35)
Total Current Liabilities	(10,520)	(8,221)	(6,328)
Total Assets Less Current Liabilities	971,275	985,253	973,507
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	969,195	983,173	971,427
Taxpayer's Equity			
Accumulated Revenue Reserves	795,148	793,929	779,038
Revaluation Reserve	174,047	189,244	192,389
Total Taxpayer's Equity	969,195	983,173	971,427

Treasury and Resources Department

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

Summary Snapshot

NET REVENUE EXPENDITURE – NEAR CASH

£33,535,773

3.6% increase
from 2013

£1,974,769

5.6% 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
£32.0 million	£3.5 million	£35.5 million

In 2014 adjustments to the budget presented in the Annual Update to the Medium Term Financial Plan totalling £3.5 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.

£3.6 million was carried forward from 2013 (as detailed below), primarily to continue multi-year projects, such as Procurement Transformation, Taxes Transformation and Long Term Care. Funding was also applied to support backlog maintenance project, International Financial Reporting Standards (IFRS), Property Valuation and to increase the Public Employees Contributory Retirement Scheme (PECRS) Pre-1987 Debt Repayment budget to protect against the variability of future years debt.

CARRY FORWARDS FROM 2013

	£'000
Departmental Carry Forwards:	
PECRS Pre-1987 Debt	382
Long Term Care	358
Move on Café project	300
Back Log Maintenance – Fort Regent	180
Taxes Transformation Programme	148
IFRS Property Valuation	100
Taxes Office delays in IS and postage spend	95
Office Rationalisation	65
Taxes Office training	43
Taxes GST temporary resources	40
Internal Audit pressures	27
XP replacements	21
Lean Initiatives	17
Taxes reallocation of staff	16
Procurement Training	10
Projects shortfall	10
Restructuring Provision Carry Forwards:	
Procurement Transformation Programme	1,480
Taxes Transformation Programme	305
Total Carry Forwards	3,597

Carry Forwards not fully spent in 2014 have either been requested to be carried forward into 2015 for those projects spanning multiple years or returned to central funding for those projects now completed.

The departmental budget was reduced by £1.6 million during 2014 in respect of the final tranche of Comprehensive Spending Review (CSR) savings of £0.6 million and an additional £1.0 million of unidentified savings which will be offset by departmental underspends for the year.

Other movements include monies allocated from Contingency to meet the costs of compensations and expense claims related to the Historic Abuse Redress Scheme, and revenue to capital transfers in respect of various projects within Jersey Property Holdings and the Taxes Office in order to ensure correct accounting treatment under the Jersey Financial Reporting Manual (JFRM).

Departmental Income

Actual 2013	Actual 2014	Budget 2014
£10.0	£9.9	£7.3
million	million	million

The Treasury and Resources income in 2014 was better than budget by £2.6 million and lower than in 2013 by £0.1 million.

The majority of the Department's income was received by Jersey Property Holdings (JPH) in respect of rents from third parties under leases and licences, internal recharges for rent and facilities management and in respect of rechargeable works.

JPH's income was lower than in 2013 by £0.5 million and lower than budgeted by £0.1 million as a result of the application of Treasury and Resources policy for allocating Departmental staff time to capital projects. Previously such recharges were included in sales of goods and services and have now been offset against staff costs.

From 2013 there was an increase in billing recharges to other departments for rechargeable works procured on their behalf from £0.1 million in 2013 to £0.5 million in 2014. The major rechargeable items in 2014 were the works in respect of the Care Inquiry premises, Bailiff's Chambers events in respect of Liberation celebrations and various departments' office alterations.

JPH's external income has increased from £1.7 million in 2013 to £2.3 million in 2014 as a result of reviewing lease and licence fee income on termination of existing agreements.

Other income streams include Insurance recharges of costs related to Health and Social Services, recharges to funds and other departments and internal Taxes Office recharges of costs to the Taxes Transformation Programme (TTP) and Long Term Care (LTC) projects.

MAJOR INCOME STREAMS

	£'000
Property rentals and facilities charges	(5,134)
Insurance recharges	(1,701)
Recharges to Funds	(1,545)
Other	(1,477)
Total Income	(9,857)

Performance against Near Cash Final Approved Budget

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

Actual 2013	Actual 2014	Budget 2014
£32.4	£33.5	£35.5
million	million	million

KEY VARIANCES FROM BUDGET

	£'000
Pensions	1,717
States Treasury	(913)
Corporate Procurement	780
Other Variances	391
Net Underspend	1,975

In 2014 Net Revenue expenditure was under budget by £2.0 million and higher than in 2013 by £1.1 million.

Pensions were under budget by £1.7 million.

PECRS Pre-1987 debt repayments were under budget by £1.5 million. This was due to £1.0 million originally allocated in 2014 for earlier debt repayments being transferred back to Contingency in accordance with the approved 2015 States Budget so to assist balancing the Consolidated Fund and a £0.5 million underspend due to lower than expected 2014 indexation (cost of living increases) and carry forwards from 2013.

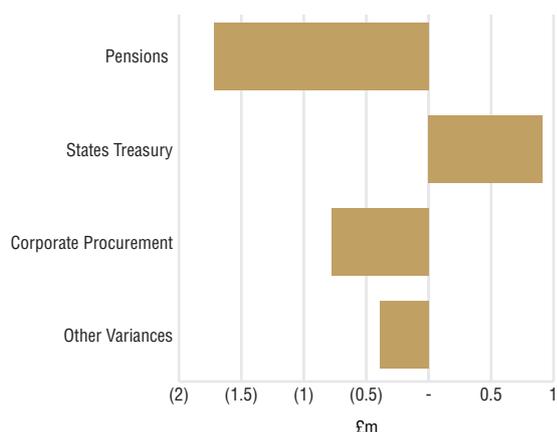
Pensions Pre-1967 expenditure was under budget by £0.2 million due to less pensions paid under the scheme.

The Treasury and Resources budget was reduced in 2014 by £1.0 million as a result of transfers from the restructuring provision of the recurring balance of unidentified 2011–2014 CSR Procurement savings across States departments.

Corporate Procurement was under budget by £0.8 million. Full funding of the Procurement Transformation Project was drawn down in previous years and has been carried forward into subsequent years for expenditure that will span more than one year, including the costs of introducing Supply Jersey.

Other variances include £0.3 million underspend by Taxes Office due to projects spanning multiple years and minor variances across the Treasury service area.

Underspend Breakdown



Staffing

At the year end the department employed the equivalent of 247.4 full time employees. This is an increase of 3.0 (1.2%) from 2013, and is due to a net combination of vacancies held and new posts recruited to in 2014 across the States Treasury, Taxes Office and Jersey Property Holdings.

Fixed Assets

The department holds, through Jersey Property Holdings, a diverse spectrum of property assets, occupied by various departments, external businesses and private tenants.

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

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

NON CASH EXPENDITURE

Actual 2013	Actual 2014	Budget 2014
£20.0 million	£20.2 million	£20.6 million

Non cash expenditure increased from 2013 by £0.2 million and was under budget by £0.4 million.

Jersey Property Holdings acts as the Landlord in respect of States Land and Buildings.

During 2014 Jersey Property Holdings disposed of various assets to rationalise the States portfolio and generate proceeds to fund the capital programme. These proceeds were paid into General Revenues.

Changes in Expenditure

KEY VARIANCES FROM 2013

	£'000
2013 NRE	32,359
Jersey Property Holdings	1,717
Taxes Office	401
Insurance	(480)
Other Variances	(461)
2014 NRE	33,536

The Treasury and Resources Department net revenue expenditure increased from 2013 by £1.1 million overall.

Jersey Property Holdings had a net increase in expenditure of £1.7 million from 2013 to 2014. The main reasons were an increase of backlog maintenance works and works procured for other departments on their behalf and recharged transfers of budget and actual expenditure from capital to revenue. This was partly offset by a net reduction in staff costs as a result of the application of Treasury policy for allocating departmental staff time to capital projects and the increase in staff for major projects.

Taxes Office had a net increase of £0.4 million principally due to increased staff costs and also due to increased software maintenance and development costs mainly within the TTP and LTC projects.

Insurance expenditure decreased from 2013 by £0.5 million due to a decrease in ex-gratia payments in relation to the Historic Abuse Redress Scheme.

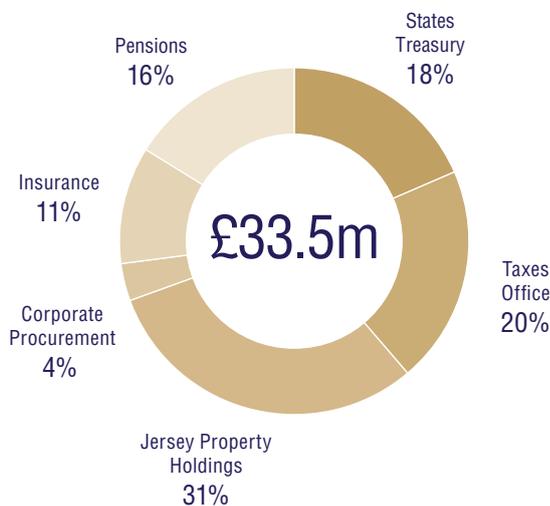
Other variances, being the net effect of all other variances across the Treasury and Resources Department, were lower than in 2013 by £0.5 million. The main reason for the decrease was lower expenditure incurred within the Corporate Procurement Service area due to the Procurement Transformation project which spans more than one year offset against smaller increases within Pensions and States Treasury.

2. What we have spent funding on

Near Cash by Service Area

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
6,407	5,280	States Treasury	6,325	6,193
6,410	7,076	Taxes Office	6,405	6,806
9,560	10,411	Jersey Property Holdings	8,573	10,290
487	1,948	Corporate Procurement	1,634	1,168
2,396	3,666	Insurance	4,146	3,666
6,748	7,130	Pensions	5,276	5,413
32,008	35,511	Net Revenue Expenditure	32,359	33,536

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 and Financial Management).

In addition to business as usual, the department supports other SoJ departments in achieving their strategic aims in the move to longer term financial planning and the delivery of the Medium Term Financial Plan.

The department's role also includes the Tax Policy function and preparation of the annual Budget.

The department is also responsible for reviewing and managing pension schemes for public sector employees and is currently in the process of implementing changes to the pension scheme, with the aim of providing affordable and sustainable public sector pension schemes for the long term.

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 charge on behalf of the Social Security Department.

The Taxes Office collects tax from around 45,000 personal taxpayers and 3,000 taxpaying companies. It is also responsible for the administration of Jersey's Tax Information Exchange Agreements 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 Law and Goods and Services Tax Law.

The Taxes Office provides advice to the Treasury & Resources Minister on proposed amendments to the Income Tax Law and Goods and Services Tax Law and implements the policies agreed.

Jersey Property Holdings

JPH was established in 2005 by a States proposition and is designed to act as the Landlord function for the states of Jersey property portfolio, which comprises a diverse spectrum of property assets, occupied by various departments and external business and private tenants.

JPH procure and manage maintenance and projects' works as well as provide other professional support to the delivery of other property related disciplines, such as Office Rationalisation, Estates and Asset Management.

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

To provide fit for purpose and affordable accommodation that meets operational requirements, supports the delivery of improved services to the Public whilst being safe, legally compliant and environmentally supportive of the activity it houses. This is achieved through the ongoing maintenance and facilities management requirements of the States property portfolio and the delivery of capital replacement and improvement works.

To progress a phased programme of rationalisation and consolidation of the States property portfolio, with the objective of reducing cost to the Public of property ownership; enabling greater efficiency of occupation; and to release 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.

Corporate Procurement

Corporate Procurement provide professional advice to all States' departments, with the main objective of supporting departments to deliver improved, cost-effective and efficient public services for the people of Jersey.

The department is responsible for the implementation of a procurement strategy and plan to deliver Corporate and departmental procurement projects that will deliver cash and efficiency savings across the States.

The planned and co-ordinated approach to professional procurement in which value is leveraged through aggregation of demand and standardisation, where appropriate, can assist in the delivery of modern and efficient services at a sustainable cost.

In addition Corporate Procurement seek to improve procurement skills at departmental and operational levels and promote best practice with regard to supplier management and development of local suppliers' capacity.

The department is currently in the process of completing its transformation programme which began in 2011 and has updated procurement best practice guidance available on the States intranet in line with the Comptroller and Auditor General's recommendations.

During 2014 the implementation of Supply Jersey, a modern online web based procurement to payment system, commenced. This will be rolled out to all States Departments during 2015 and will improve compliance with Financial Directions, improve user satisfaction by making catalogues of goods and services available online, improve the payment processes leading to reduced payment times for suppliers and through better management information lead to improved purchasing efficiencies and effectiveness.

Insurance

The Treasury and Resources Department effectively manages insurance risks and makes use of improved contract terms.

The Department arranges insurance on behalf of other States Departments and manages any self-insurance arrangements, through the Insurance Fund.

Pensions

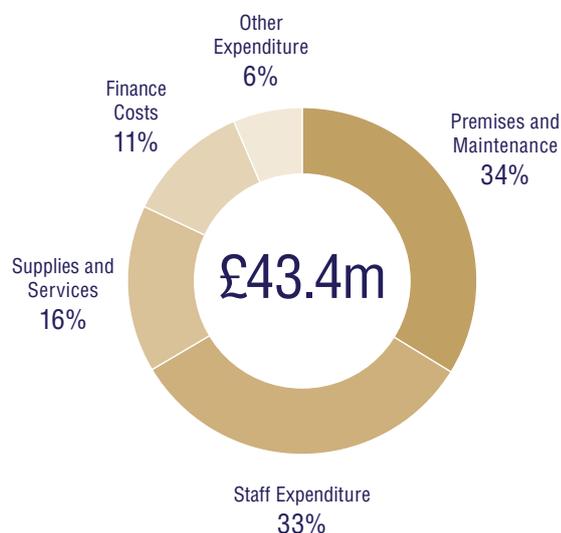
Pensions within the States Treasury Department relate to public sector pensions. This includes payments to pensioners under the Pre-1967 Scheme and to Pre-1987 Public Employees Contribution Retirement Schemes past service liabilities.

Following changes made to Jersey's public sector pension arrangements in 1987, PECRS took on the liability for paying increases to pensions accrued in respect of service prior to the changes. Previously these increases were funded by the States on a "pay as you go" basis. While PECRS took on these additional liabilities, no additional contributions were paid into PECRS to cover this. This shortfall in the funding of the pension increases is how the "Pre-1987 Debt" arose.

To eliminate the debt the States agreed that from 1 January 2002 the employer's contribution rate of 15.6% of pensionable earnings would essentially be split into 13.6% to cover the cost of future benefits accruing and 2% would be allocated to paying off the Pre-1987 Debt. This approach was expected to eliminate the debt over an 82 year period.

The payment towards the debt in 2013 paid by all States departments was £5.3 million and £5.4 million in 2014.

Near Cash by Expenditure Type



Staff Expenditure

Staff expenditure decreased from 2013 by £0.5 million and was under budget by £1.7 million.

The main reason for variances is posts being vacant during the year and higher than budgeted staff capital recharges.

A net reduction of £1.1 million in JPH revenue staff costs is as a result of the application of the policy for allocating Departmental staff time to capital projects, and the increase in staff for major projects.

Supplies and Services

Supplies and Services increased from 2013 by £0.6 million and were over budget by £1.4 million.

JPH expenditure was over budget by £1.7 million and higher than in 2013 by £1.0 million. The increase was a result of higher costs incurred by JPH. This is largely in relation to the professional fees associated with the increased amount of maintenance work carried out across the States portfolio, together with general increases to fees in 2014. This was offset against underspends within staff costs and premises and maintenance.

States Treasury and Corporate Procurement expenditure was under budget by £0.6 million and lower than in 2013 by £0.4 million. The decrease from 2013 was due to a decrease in costs of Supply Jersey and one off costs in 2013 relating to the issuance of the bond as part of the incorporation of Andium Homes Limited.

The underspend against 2014 budget relates to the Procurement Transformation projects which span more than one year. This was partly offset by expenditure incurred in relation to actuarial fees against nil budget.

Taxes Office expenditure was over budget by £0.2 million and increased from 2013 by £0.3 million mainly due to additional expenditure against the TTP and LTC projects.

Premises and Maintenance

Premises and Maintenance increased from 2013 by £0.3 million and was over budget by £1.0 million.

£10.1 million of premises and maintenance expenditure was incurred by JPH as mandatory, cyclical, reactive maintenance and maintenance projects performed across the States portfolio. JPH had an underspend of £0.8 million against budget due to some projects commencing later than expected.

JPH premises and maintenance costs were higher by £0.4 million compared to 2013, this was primarily due to increased maintenance project work carried out in 2014 and increased supplier rates influenced by market and RPI increases.

Premises costs included Insurance premium expenditure of £3.9 million. Insurance cost was over budget by £1.7 million and was offset against recharges to Health for the same amount.

Finance Costs

Finance Costs increased from 2013 by £0.1 million as a result of cost of living increases applied for calculating Pensions Pre-1987 debt repayments.

Finance costs were under budget by £1.5 million in 2014 due to an additional £1.0 million allocated for early repayments of the Pre-1987 debt but transferred back to Contingency in accordance with the approved 2015 States Budget in order to assist balancing the Consolidated Fund and £0.5 million as a result of lower than expected 2014 indexation and carry forwards from 2013.

Other Expenditure

Other expenditure increased from 2013 by £0.5 million and was over budget by the same amount.

The increase from 2013 and against budget was mainly due to higher rechargeable works costs incurred by JPH on behalf of other departments and the one-off budget transfers from capital to revenue in order to ensure correct accounting treatment under the Jersey Financial Reporting Manual (JFRoM), this was partly offset by lower than previous ex-gratia payments in relation to the Historic Abuse Redress Scheme.

3. What we have achieved

Jersey Property Holdings delivery of allocated savings

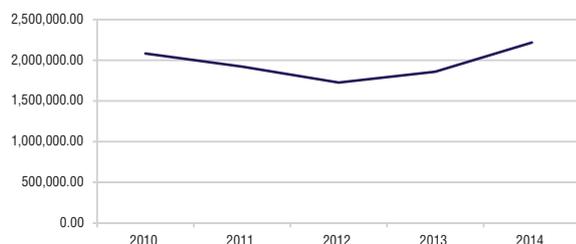
MTFP OBJECTIVE

Key Objective 8: Deliver allocated savings to contribute to achieving the £65 million Comprehensive Spending Review savings target by 2013 and deliver outline budget reduction programme for 2014 and 2015.

PERFORMANCE

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

JPH EXTERNAL PROPERTY INCOME



External property income has grown to just over £2 million despite the disposal to date of 129 properties since the start of 2009 and the constraints of the economy.

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

JPH maintains yearly rent reviews ensuring properties are managed in line with Retail and Market Indexed rates. JPH carried out a review of its licenced operators (e.g. the telecommunications companies) increasing Licenses in line with the 2014 market rates.

Jersey Property Holdings Disposal Programme

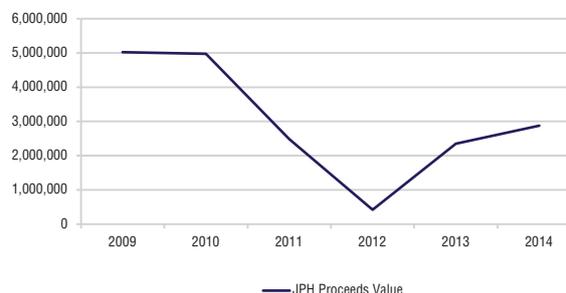
MTFP OBJECTIVE

Key Objective 9: A Disposal programme which reduces the States Property Portfolio to a size which is affordable and efficient, and releases capital proceeds for re-investment.

PERFORMANCE

JPH actively worked with third party agents and disposed of various assets during 2014 to rationalise the States portfolio and generate proceeds to fund the capital programme.

JPH PROPERTY DISPOSAL PROCEEDS



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

Revenue funds from disposals carried out in 2014 amounted to £2.8 million compared with those in 2013 of £2.3 million, 16 properties were disposed of by JPH during 2014. Disposal receipts are returned to the Consolidated Fund to support the future capital investment programmes.

Cash Flow and Investments Management

MTFP OBJECTIVE

Key objective 4: Efficient and effective Treasury services.

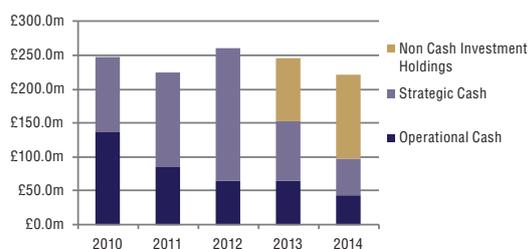
Management of cash is a key aspect of effective Treasury management. In management of cash it is important to appreciate that cash is held for strategic purposes as an investment asset class, but also for funding the day to day operational needs of the States of Jersey. More liquid operational cash offers lower returns which could otherwise be generated by placing cash on deposit or investing in other asset classes. By improving forecasting and cash management, returns can be improved through investing cash strategically on a longer term basis or further enhanced through investment in other non-cash asset classes.

PERFORMANCE

The Consolidated Fund effectively represents the States' current account, if it were a household. The holdings of the fund are illustrated in the chart below.

Improved cash management allows a higher proportion of the fund to be invested strategically on longer term basis within the Common Investment Fund (CIF), coloured red and reduces the proportion of the fund maintained in more liquid 'operational' cash, coloured blue. Further improvements have facilitated the placement of funds not expected to be required in the short term in a balanced portfolio of non-cash assets where further increases in return can be achieved.

CONSOLIDATED FUND HOLDINGS



One of the driving principles of the establishment of the CIF was to allow participants to cost effectively gain access to investment assets they would be unable to access individually. A greater range of asset classes allows participants to achieve a greater degree of

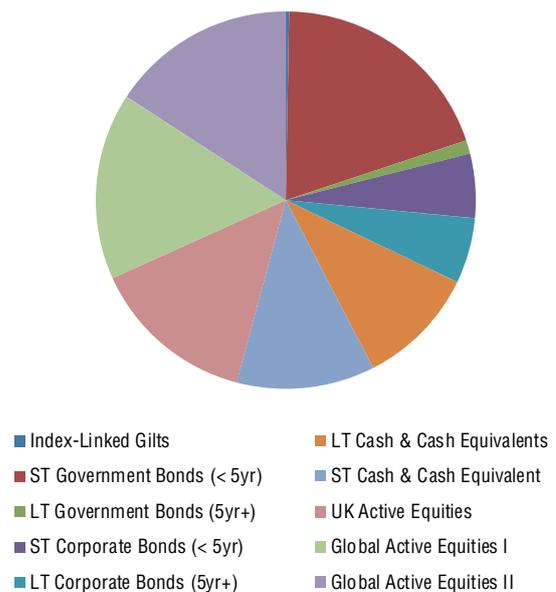
diversification across a wider opportunity set. It is important to note however that firm limits exist on both minimum as well as maximum pool size to ensure a balance between diversification and cost effectiveness.

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

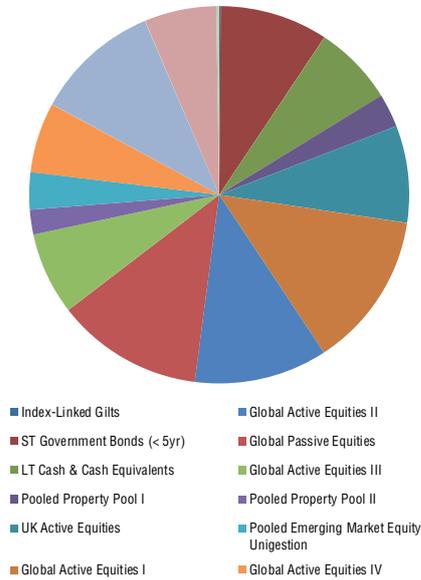
By the end of 2010 the CIF had been successfully established with 10 investment pools through which participants were free to pursue their individual investment strategies. In the time since inception this range of asset classes has been expanded to include property, emerging markets, absolute return bond and passive equity pools, furthermore heavily accessed asset classes were expanded with additional managers to ensure concentration limits were not breached. Managers are under constant review to ensure they retain the confidence of the States and continue to meet their strategic aims; although focus remains on long term performance, managers who lose the confidence of the States are quickly removed and replaced to ensure participants in the CIF have the best possible opportunity to meet their strategic aims. During 2014 the one absolute return bond manager was removed and replaced with two alternatives.

The chart below illustrates the changes made to the asset classes available through the CIF:

CIF POOLS: 31 DECEMBER 2010



CIF POOLS: 31 DECEMBER 2014



markets and how successfully the CIF managers perform within markets. Actions of Treasury may influence this performance and how successfully underlying strategies are implemented. Key activities of the Treasury which can enhance investment returns include, Investment Manager selection, systematic rebalancing, efficient administration and ongoing risk management. The effectiveness of Treasury is difficult to directly assess, however indirect evidence of the effectiveness of Treasury can be taken from the performance of the CIF.

PERFORMANCE

During 2014 the CIF as a whole generated returns of £207 million, a rate of return, net of fees, of 8.2%; this represented both positive market conditions and good performance by the underlying investment managers. The graph below illustrates the overall performance of the CIF by indexing its rate of return back to its inception and showing these returns relative to the benchmarked returns of the market. The gap between the two lines demonstrates, net of fees, how successfully the CIF has outperformed the market.

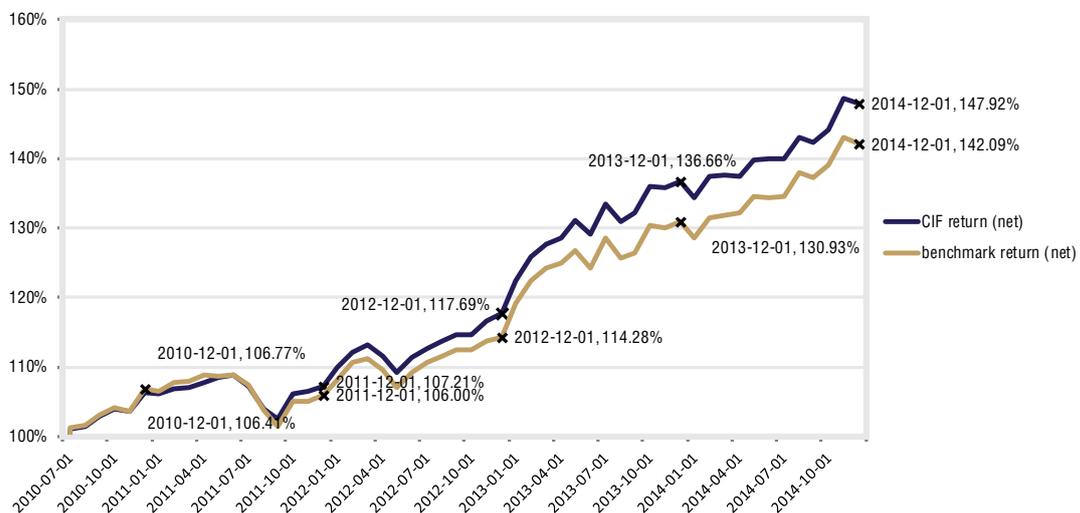
Investment Performance: Common Investment Fund

MTFP OBJECTIVE

Key objective 4: Efficient and effective Treasury services.

Management of investments is another key responsibility of Treasury. The underlying performance of investments is generated from the performance of the underlying

CUMULATIVE NET RETURN OF CIF (%)



Financial Statements

Statement of Comprehensive Net Expenditure

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Revenue				
(7,037)	(7,037)	Sales of Goods and Services	(9,402)	(9,391)
(219)	(294)	Other Income	(610)	(466)
(7,256)	(7,331)	Total Revenue	(10,012)	(9,857)
Expenditure: Near Cash				
15,327	15,920	Staff Expenditure	14,678	14,177
3,469	5,319	Supplies and Services	6,176	6,767
450	(378)	Administrative Expenditure	482	450
13,593	13,679	Premises and Maintenance	14,374	14,662
182	1,676	Other Operating Expenditure	1,696	2,205
–	–	Grants and Subsidies Payments	50	65
115	115	Impairments of Financial Assets	34	54
6,128	6,510	Finance Costs	4,881	5,013
39,264	42,841	Total Expenditure: Near Cash	42,371	43,393
32,008	35,510	Net Revenue Expenditure: Near Cash	32,359	33,536
Non Cash Amounts				
20,621	20,621	Depreciation and Amortisation	20,110	20,093
–	–	Donations of Property, Plant and Equipment	(160)	132
20,621	20,621	Total Non Cash Amounts	19,950	20,225
52,629	56,131	Net Revenue Expenditure	52,309	53,761
Other Comprehensive Income				
–	–	Revaluation of Property, Plant and Equipment	(4,380)	(22,812)
–	–	Gain on Revaluation of Other AFS Investments during the period	(1)	(1)
–	–	Total Other Comprehensive Income	(4,381)	(22,812)
52,629	56,131	Total Comprehensive Expenditure	47,928	30,949

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	1,170,242	1,163,822	1,156,650
Intangible Assets	2,987	2,778	2,623
Other Available for Sale Investments	303	303	304
Total Non-Current Assets	1,173,532	1,166,903	1,159,577
Current Assets			
Non-Current Assets classified as held for sale	538	22	–
Trade and Other Receivables	989	1,104	1,373
Cash and Cash Equivalents	124	138	88
Total Current Assets	1,651	1,264	1,461
Total Assets	1,175,183	1,168,167	1,161,038
Current Liabilities			
Trade and Other Payables	(9,446)	(8,246)	(8,658)
Total Current Liabilities	(9,446)	(8,246)	(8,658)
Total Assets Less Current Liabilities	1,165,737	1,159,921	1,152,380
Non-Current Liabilities			
Provisions for Liabilities and Charges	(106)	–	–
Total Non-Current Liabilities	(106)	–	–
Assets Less Liabilities	1,165,631	1,159,921	1,152,380
Taxpayer's Equity			
Accumulated Revenue Reserves	945,206	935,497	928,841
Revaluation Reserve	220,122	224,121	223,235
Investment Reserve	303	303	304
Total Taxpayer's Equity	1,165,631	1,159,921	1,152,380

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

£21,255,237

1.6% increase
from 2013

£2,198,983

9.4% 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
£22.6 million	£0.9 million	£23.5 million

In 2014 adjustments to the budget presented in the Annual Update to the Medium Term Financial Plan totalling £0.9 million were made. This included £1.7 million carried forward from the 2013 Departments' underspend and allocations from Contingency of £0.5 million.

A transfer of £1.0 million from revenue to capital was made to comply with Accounting Standards on capital expenditure relating to the purchase of intangible assets.

Departmental transfers of £0.2 million were made including, a transfer to the Home Affairs Department relating to Court and Case Costs.

£0.1 million was returned to the Provision for Restructuring costs as part of the CSR programme.

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

Actual 2013	Actual 2014	Budget 2014
£2.4 million	£4.0 million	£6.1 million

The underachievement of income against final approved budget was due to no call being made on the Criminal Offences Confiscation Fund (COCF) relating to Court and Case Costs (£2.1 million available) and other minor variances.

MAJOR INCOME STREAMS

	£'000
Recovered costs	(1,546)
Funding from the COCF	(740)
Viscount's fines	(439)
Staff recharges	(265)
Other	(991)
Total Income	(3,981)

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 monies were received from the Criminal Offences Confiscation Fund including £0.5 million to the Law Officers' Department to revise the Réglant la Procédure Criminelle and £0.2 million to the Official Analyst to purchase forensic equipment.

During the year £0.4 million was received into the Viscount's Department. The majority of which was due to the receipt of the Jersey Gas fine in November and three large fines received in July for Health and Safety at Work and Building and Planning.

Performance against Near Cash Final Approved Budget

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

Actual 2013	Actual 2014	Budget 2014
£20.9 million	£21.3 million	£23.5 million

KEY VARIANCES FROM BUDGET

	£'000
Law Officers' Department	777
Comptroller and Auditor General	511
Viscounts Department	248
Court and Case Costs	234
Other Variances	429
Net Underspend	2,199

Overall, the Non Ministerial departments were underspent against a final approved near cash budget by £2.2 million.

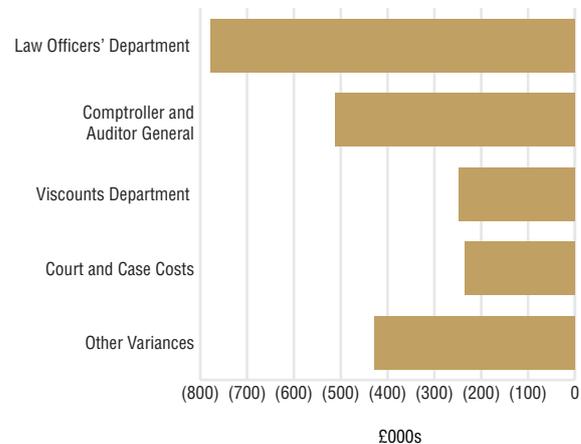
The Law Officers' Department were underspent by £0.8 million, mainly due the funds transferred from the Criminal Offences Confiscation Fund for the revision of the Réglant la Procédure Criminelle spanning more than one financial year.

The Comptroller and Auditor General (C&AG) was underspent as a result of underspends carried forward from previous years as additions to the base budget. Part of the savings achieved will be used to meet the costs associated with the new governance arrangements for the Comptroller and Auditor General arising from the Comptroller & Auditor General (Jersey) Law 2014.

Viscounts Department were underspent by £0.2 million mainly due to the increased income received from fines during the year.

Court and Case Costs were underspent by £0.2 million due to the volatile nature of expenditure. It is difficult to predict costs accurately in advance, and for this purpose, the £2.1 million Smoothing Reserve exists within the Criminal Offences Confiscation Fund for the Departments to call upon should it be needed.

Underspend Breakdown



Staffing

At the year end the Non Ministerial Departments employed the equivalent of 183.2 full time employees. This is a decrease of 3.7 (2.0%) from 2013, and is mainly due to vacant posts across the Departments not being recruited by the year end and changes in hours worked.

During 2014 there was a 0.8 FTE budget increase in Judicial Greffe to deal with the additional Tribunal workloads and hearings from 2015 as a result of the new Discrimination (Jersey) Law 2013.

Fixed Assets

Fixed Assets within the Non Ministerial Departments consist of Software (£0.3 million) and Plant and Machinery (£0.1 million).

The Viscounts Department and Law Officers' Department both hold £0.1 million of Software. Data Protection and Viscounts Department hold Software under the course of construction totalling £0.1 million.

The Official Analyst holds the majority of Plant and Machinery within the Non Ministerial Departments.

Non Ministerial Departments also hold current assets and liabilities relating to the day-to-day operation of the department such as Trade Debtors and Trade Creditors.

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

NON CASH EXPENDITURE

Actual 2013	Actual 2014	Budget 2014
£0.1 million	£0.1 million	£0.1 million

Depreciation costs remained consistent with final approved budget at year end, and the prior year due to no changes in the fixed assets held by the Departments.

Changes in Expenditure

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

KEY VARIANCES FROM 2013

	£'000
2013 NRE	20,917
Other Income	(1,184)
Staff Costs	716
Court and Case Costs	745
Other variances	61
2014 NRE	21,255

Although income increased by £1.5 million in the year, Near cash expenditure also increased by £1.9 million.

Other income increased by £1.2 million mainly due to monies being received from the Criminal Offences Confiscation Fund, including £0.5 million to the Law Officers' Department to revise the Réglant la Procédure Criminelle and £0.2 million to the Official Analyst to purchase forensic equipment. There was also an increase in recovered Court and Case Costs of £0.4 million.

During the year there was an increase in staff expenditure (£0.7 million), mostly due to the 2014 4% Pay Award.

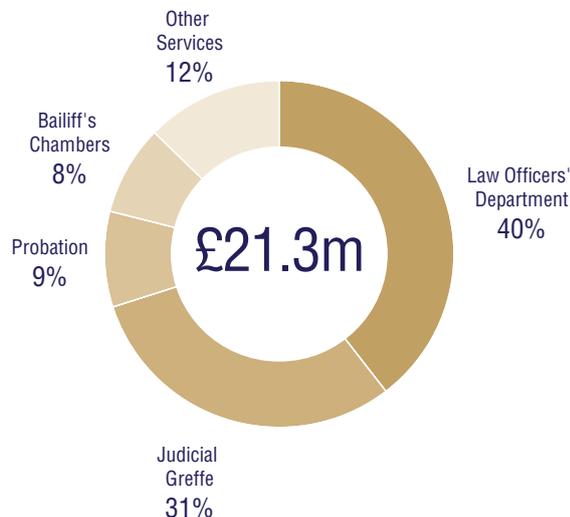
There was an increase in Court and Case Costs expenditure during the year of £0.7 million.

2. What we have spent funding on

Near Cash by Service Area

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Bailiff's Chambers				
1,345	1,541	Bailiff's Chambers General	1,303	1,445
309	345	Court and Case Costs	418	345
1,654	1,886	Bailiff's Chambers	1,721	1,790
Law Officers' Department				
5,878	6,450	Law Officers' General	5,492	5,673
2,083	2,772	Court and Case Costs	2,156	2,772
7,961	9,222	Law Officers' Department	7,648	8,445
Judicial Greffe				
2,782	2,782	Judicial Greffe General	2,561	2,721
4,124	4,030	Court and Case Costs	3,600	3,796
6,906	6,812	Judicial Greffe	6,161	6,517
Viscount's Department				
1,166	1,166	Duties of the Viscount	1,122	918
258	(426)	Court and Case Costs	295	(426)
1,424	740	Viscount's Department	1,417	492
636	388	Official Analyst	545	324
Office of the Lieutenant Governor				
729	889	Office of the Lieutenant Governor	706	779
–	26	Court and Case Costs	16	26
729	915	Office of the Lieutenant Governor	722	805
26	28	Office of the Dean of Jersey	24	28
234	259	Data Protection Commission	139	202
Probation				
1,976	1,974	Probation and Aftercare Service	1,854	1,933
236	(29)	Court and Case Costs	45	(29)
2,212	1,945	Probation	1,899	1,904
769	1,259	Comptroller and Auditor General	641	748
22,551	23,454	Net Revenue Expenditure	20,917	21,255

NEAR CASH BY SERVICE AREA BREAKDOWN



Law Officers' Department

The Law Officers' Department provides legal advice to the Crown and States, including Ministers and Departments, and a high quality criminal prosecution service.

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 (52%). This reduces the amount spent on external lawyers at private practice rates, although due to the volume of work, using external lawyers is still a requirement. The department's external court and case costs are the second largest area of spend (37%). The hourly fee paid to external lawyers was reduced in 2010 and has been kept at the same rate since then in order to keep costs down. 2014 also included spend on the Care Inquiry, with nearly £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 under statute in the Departments of the Judiciary and the Legislature (Jersey) Law, 1965. Unofficially, the Departments are referred to collectively as the Court Service.

During 2014, 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 reduce expenditure on Court and Case costs (which brought in an underspend of £0.9 million for the Court Service at year end). 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.

A new planning appeals system will be introduced in March 2015, if the States approves further changes in the current Law. These appeals will be administered by the Judicial Greffe.

Probation and After Care Service

The workload of Jersey Probation and After Care Service (JPACS) increased in 2014. Whilst crime overall continues to fall some of the types of offence which result in Court reports and supervisions have either remained static or increased. In particular the focus on encouraging the reporting of violence in domestic settings and pursuing prosecutions has resulted in a substantial increase in this area of work for JPACS.

Probation Supervision continues to help people make changes to improve their lives and reduce further victims of crime. 68% of Probationers had reduced their likelihood of reconviction by the end of their Orders as measured by a locally validated internationally used assessment tool. Only 17.6% of Probationers were re-sentenced for re-offending or failure to comply or had their arrest ordered by the Court pending sentence. The percentage of released prisoners remaining in contact with their supervising Probation Officer also increased to 28%. When combined with those prisoners who were supervised by JPACS on Young Offenders Licence, Home Detention Curfew or other forms of temporary release 73% received a post release service.

Jersey Family Court Advisory Service Social Workers appeared in Court on 315 occasions during 2014 in Private Law proceedings. 2014 also saw a large increase in public law applications with 21 new applications.

Other

During the year the Freedom of Information (Jersey) Law 2011 created the need for increased resources for some Non Ministerial Departments, in particular Data Protection and the Law Officers' Department.

The general election took place in 2014 which was duly administered by the Royal Court.

The States of Jersey continued to undertake a programme of public sector reform in 2014. The Non Ministerial Departments participated in various associated initiatives, including workforce modernisation, attending employee workshops and Lean Training.

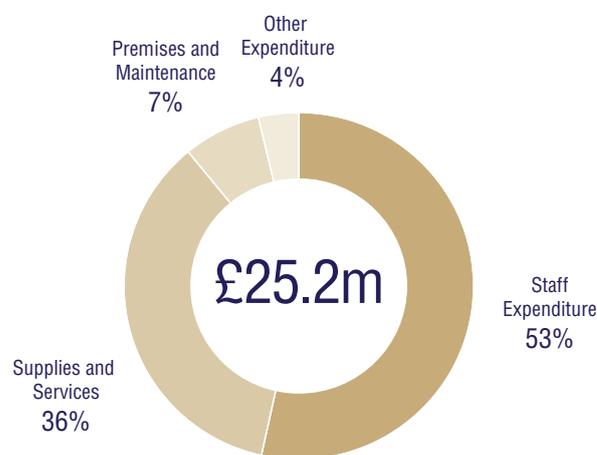
This year we saw the launch of the World War I Centenary agreed Island arrangements. World War I had an enormous effect on Jersey, as approximately 20% of the population served in the forces. In August the Bailiff Chambers led a 'Ceremony of Light' to mark the 100 year anniversary of the commencement of World War I. It was an occasion to reflect and remember the events 100 years ago where so many made the ultimate sacrifice.

On 17th November 2014 the Comptroller and Auditor General (Jersey) Law 2014 came into force. This resulted in some changes for the C&AG's office, including extending the C&AG's role to appoint auditors to areas where they were previously appointed by the Treasurer or a Minister and provision for the establishment by Order of a board for the Office of the C&AG. No such order has yet been made.

2015 will see the 70th Anniversary of Liberation on Jersey celebrated on the 9th of May. This will be led by the Bailiff Chambers.

2015 will also see the retirement of Sir Michael Birt as Bailiff and the swearing in of the new Bailiff Mr William Bailhache and Deputy Bailiff Mr Timothy Le Cocq.

Near Cash by Expenditure Type



Non Ministerial Departments main expenditure was Staff (£13.5 million). In 2014 Staff expenditure was underspent against final approved budget by £0.8 million mainly due to the additional budget (£0.5 million) allocated to the project to revise the Réglant la Procédure Criminelle which will commence in a future year. The remainder is due to vacant posts across the Departments.

Supplies and Services were underspent against final approved budget by £3.6 million mainly due to less Counsel work and Legal costs being contracted in Court and Case Costs (£2.6 million) and a planned underspend by the Comptroller and Auditor General (£0.4 million) to allow budget to be carried forward to fund the implementation of the provisions of the Comptroller and Auditor General (Jersey) Law 2014 and the exercise to procure external audit service.

Premises and Maintenance were underspent against final approved budget by £0.2 million mainly due to refurbishment projects which will commence in future years within the Law Officers Department and Office of the Lieutenant Governor.

3. What we have achieved

Probation and After Care Service

MTFP OBJECTIVE

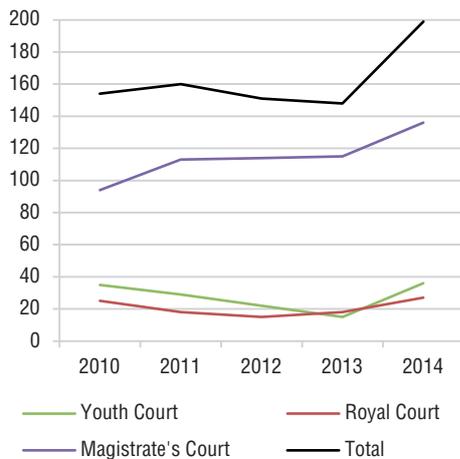
To provide supervision services to Parish Halls, Courts and Prisons which assist people effectively to make positive changes in their lives which reduce re offending.

PERFORMANCE

Probations Supervision:

New Orders are up overall by 34%. The number of Orders from Youth Court has more than doubled from last year.

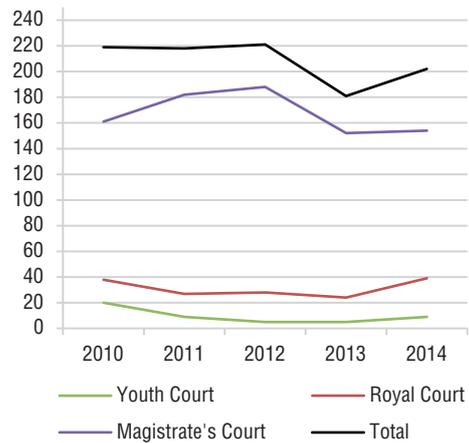
NEW PROBATION ORDERS



Community Service Orders:

In 2014 there was a 12% increase in the number of Community Service Orders imposed, compared to 2013, the increases being most prominent in Royal and Youth Court.

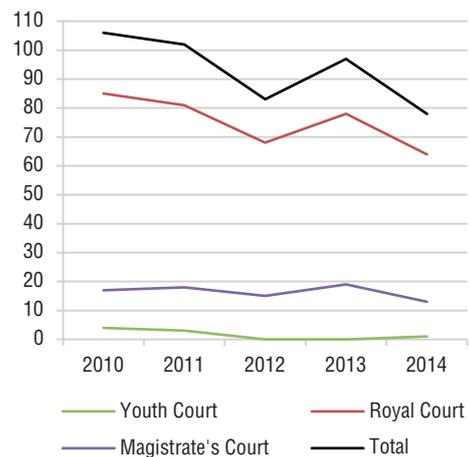
COMMUNITY SERVICE ORDERS



Custodial Supervision:

Total new Custodial supervisions dropped by 20% compared to the previous year.

CUSTODIAL SUPERVISION



These figures reflect the use of community penalties and custody by the Jersey Courts.

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

Published updated evidence based standards for supervision which reflect the expectations of the Centeniers, Courts and the Prison authorities.

All members of staff received appropriate training, resources and supervision.

An inspection into child protection work on Probation Orders was conducted and an inspection report into Social Enquiry Report practice published.

More detailed information and statistics can be found in the JPACS Annual Report and Business Plan on www.probation.je/reports

Law Officers' Department

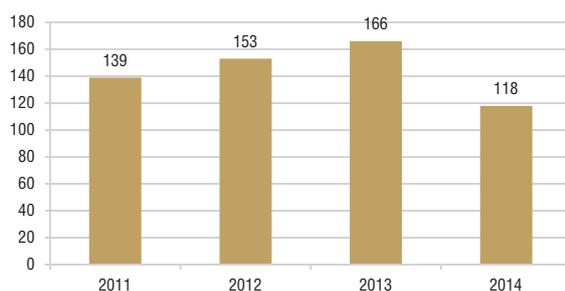
MTFP OBJECTIVE

Effective assistance provided within reasonable timescales to overseas judicial and law enforcement agencies in criminal matters.

PERFORMANCE

The average number of days taken between requests for assistance being received and final resolution of the request have improved in 2014. Extended periods of delay may occur when further information, undertakings for documentation have to be sought from the Requesting authority, yet even when this is taken into account, figures available to date for 2014 show a significant improvement.

AVERAGE NO. OF DAYS TAKEN



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

2014 also saw the payment of over US\$2.5 million into the Criminal Offences Confiscation Fund in Jersey as a result of assistance provided by Jersey to the United States for an investigation and prosecution.

Jersey was praised at the Arab Forum on Asset Recovery (AFAR III) in November 2014, attended by delegates from 40 governments and jurisdictions, for its work in asset recovery.

Further work in 2014 will lead to the signing in 2015 of an asset-sharing agreement with the United States in order to recognise the international efforts of both the US and Jersey in the fight against financial and other cross-border crimes, including the targeting of terrorism and money-laundering. Up until now asset sharing has been on a case by case basis; when the agreement is signed in 2015 it will apply to all US agencies.

Financial Statements

Statement of Comprehensive Net Expenditure

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Revenue				
(700)	(700)	Duties, Fees, Fines and Penalties	(654)	(871)
(902)	(902)	Sales of Goods and Services	(629)	(764)
(1)	(1)	Investment Income	(1)	(1)
(3,109)	(4,507)	Other Income	(1,161)	(2,345)
(4,712)	(6,110)	Total Revenue	(2,445)	(3,981)
Expenditure: Near Cash				
13,754	14,303	Staff Expenditure	12,770	13,486
11,118	12,585	Supplies and Services	7,941	8,996
451	478	Administrative Expenditure	662	705
1,738	1,996	Premises and Maintenance	1,763	1,815
93	93	Other Operating Expenditure	7	6
100	100	Grants and Subsidies Payments	213	223
–	–	Impairments of Financial Assets	1	–
9	9	Finance Costs	5	5
27,263	29,564	Total Expenditure: Near Cash	23,362	25,236
22,551	23,454	Net Revenue Expenditure: Near Cash	20,917	21,255
Non Cash Amounts				
141	141	Depreciation and Amortisation	113	102
141	141	Total Non Cash Amounts	113	102
22,692	23,595	Net Revenue Expenditure	21,030	21,357

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	194	147	105
Intangible Assets	298	272	290
Total Non-Current Assets	492	419	395
Current Assets			
Inventories	20	14	44
Trade and Other Receivables	626	467	821
Cash and Cash Equivalents	2	2	2
Total Current Assets	648	483	867
Total Assets	1,140	902	1,262
Current Liabilities			
Trade and Other Payables	(1,572)	(1,384)	(1,508)
Total Current Liabilities	(1,572)	(1,384)	(1,508)
Assets Less Liabilities	(432)	(482)	(246)
Taxpayer's Equity			
Accumulated Revenue Reserves	(432)	(482)	(246)
Total Taxpayer's Equity	(432)	(482)	(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

£10,441,076

110.7% increase
from 2013

£0

0% 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	£5.2 million	£10.4 million

In 2014 adjustments to the budget presented in the Annual Update to the Medium Term Financial Plan totalling £5.2 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.

In 2014 £5.2m was allocated from Central Contingencies to Fund the costs involved in the Inquiry into Historic Child Abuse.

Departmental Income

Actual 2013	Actual 2014	Budget 2014
£0.1 million	£0.1 million	£0.1 million

The income for the Department remains fairly static each year as it consists mostly of recharges to other departments for office overheads.

Performance against Near Cash Final Approved Budget

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

Actual 2013	Actual 2014	Budget 2014
£5.0 million	£10.4 million	£10.4 million

The budget for the States Assembly and its services is under the political control of the Privileges and Procedures Committee (PPC) and in addition to the costs of running the Assembly itself and its committees/panels also covers the cost of remuneration for States members, the operation of the States Greffe, members' facilities, inter-parliamentary bodies such as the Commonwealth Parliamentary Association and the Assemblée Parlementaire de la Francophonie.

Staffing

At the year end the department employed the equivalent of 27.8 full time employees. This is an increase of 0.7 (2.6%) from 2013, and is due to a change in staff working arrangements.

Fixed 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 Debtors and Trade Creditors.

Changes in Expenditure

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

KEY VARIANCES FROM 2013

	£'000
2013 NRE	4,954
Supplies and Services	4,346
Premises and Maintenance	968
Staff costs	194
Other variances	(21)
2014 NRE	10,441

Overall, net expenditure increased by £5.5 million.

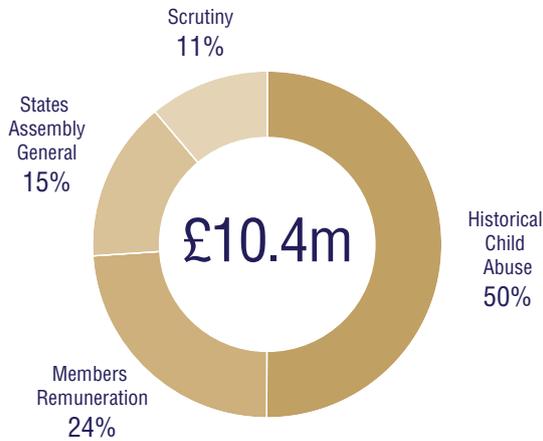
This increase was due to the Inquiry into Historic Child Abuse being fully operational. The main costs incurred were £3.4 million for Lawyer's fees.

2. What we have spent funding on

Near Cash by Service Area

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
1,482	1,507	States Assembly General	1,420	1,560
1,297	1,306	Scrutiny	1,075	1,160
2,406	2,405	Members Remuneration	2,392	2,496
–	5,223	Historical Child Abuse	67	5,225
5,185	10,441	Net Revenue Expenditure	4,954	10,441

NEAR CASH BY SERVICE AREA BREAKDOWN



Historical Child Abuse

On 6th March 2013 the States adopted P.118/2012 (Committee of Inquiry: Historical Child Abuse) by 43 votes to 0, and agreed that a Committee of Inquiry should be established to investigate historical abuse in Jersey. A budget of £6.0 million was allocated to the committee to complete the investigation.

Members' Remuneration

This provides a budget for States members' remuneration and expenses.

The Budget is set to provide the correct amount of remuneration in accordance with the recommendations of the States Members' Remuneration Review Body.

Until November 2014 the amount per States Member per annum consisted of £42,600 remuneration and £4,000 expenses. Since November 2014, as recommended by the States Members' Remuneration Review Body, the sum per States Member per annum is defined as a single figure of £46,000.

States Assembly General

A full range of support services and facilities is provided to enable the States Assembly to operate as Jersey's legislature:

States Business is administered according to the Standing Orders;

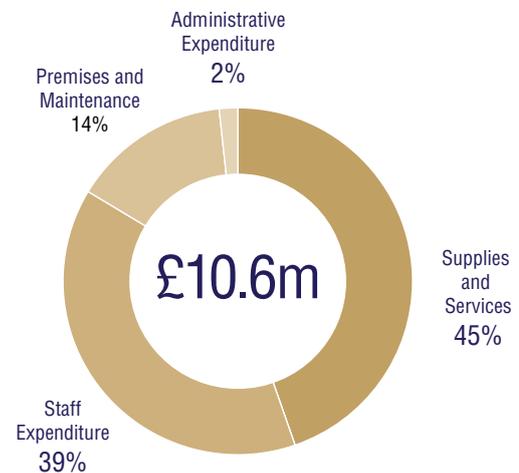
All States Members are supported in the delivery of their functions to agreed standards;

Up to date and current facilities are provided.

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 60% of Staff expenditure. Professional fees paid to panel members and lawyers for the Committee of Inquiry into Historic Child Abuse form 86% of the total expenditure on supplies and services.

3. What we have achieved

Meetings of the States Assembly

Objective – States Assembly able to operate efficiently

PERFORMANCE

The States Assembly met on 48 days in 2014 for a total of just over 264 hours. This compares to the totals in recent years as follows:

Year	Sitting days	Total hours
2010	50	293h 46m
2011	64	366h 31m
2012	36	183h 03m
2013	42	223h 35m
2014	48	264h 11m

284 written questions and 224 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
2010	482	338
2011	395	270
2012	355	310
2013	389	306
2014	284	224

Although there was a reduction in the number of questions answered in 2014 when compared to previous years this was partly as a result of the fact that it was an election year and there were therefore fewer sittings at which questions could be asked.

183 separate propositions were debated during the year in debates that lasted 190 hours and 30 minutes. This compares to the totals in recent years as follows:

Year	Number of propositions debated	Time taken for debates
2010	155	221h 6m
2011	189	276h 48m
2012	131	119h 21m
2013	155	158h 2m
2014	183	190h 30m

The increase in the number of debates and the time taken when compared to 2013 arose because of the pressure to complete business before the elections held in 2014.

Public elections awareness

Objective – Encourage people to participate in elections

PERFORMANCE

For the elections for Senators, Connétables and Deputies organised in 2014 a comprehensive public awareness campaign was organised under the name 'vote.je'. The campaign included:

- a dedicated website with information about candidates and the election process;
- a Twitter feed giving updates;
- a leaflet sent to every household in Jersey giving the manifestos of the candidates;
- filming of all hustings meetings which were then posted to YouTube and on the vote.je website.

Financial Statements

Statement of Comprehensive Net Expenditure

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Revenue				
(90)	(90)	Sales of Goods and Services	(84)	(132)
(90)	(90)	Total Revenue	(84)	(132)
Expenditure: Near Cash				
3,986	3,986	Staff Expenditure	3,925	4,119
489	4,270	Supplies and Services	379	4,725
157	199	Administrative Expenditure	153	180
643	2,076	Premises and Maintenance	581	1,549
5,275	10,531	Total Expenditure: Near Cash	5,038	10,573
5,185	10,441	Net Revenue Expenditure: Near Cash	4,954	10,441
Non Cash Amounts				
11	11	Depreciation and Amortisation	–	–
11	11	Total Non Cash Amounts	–	–
5,196	10,452	Net Revenue Expenditure	4,954	10,441

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	1	–	–
Total Non-Current Assets	1	–	–
Current Assets			
Trade and Other Receivables	3	–	3
Total Current Assets	3	–	3
Total Assets	4	–	3
Current Liabilities			
Trade and Other Payables	(94)	(56)	(2,193)
Total Current Liabilities	(94)	(56)	(2,193)
Assets Less Liabilities	(90)	(56)	(2,190)
Taxpayer's Equity			
Accumulated Revenue Reserves	(90)	(56)	(2,190)
Total Taxpayer's Equity	(90)	(56)	(2,190)

General Revenue Income

Summary Snapshot

NET GENERAL REVENUE INCOME

£648,965,751

1.9% increase
from 2013

£38,051,249

5.5% less
than the Budget

Key Results

Performance against Budget

KEY VARIANCES FROM BUDGET

	£'000
2014 Budget GRI	(687,017)
Net Income Tax	38,300
GST	1,729
Other Income	(4,340)
Other Variances	2,361
2014 GRI	(648,967)

Net Income Tax was £38.3 million or 8.1% less than the 2014 budget. This was the net effect of a £39.8 million underachievement in Personal Tax offset by a £0.5 million overachievement in Business tax and £1.0 million less bad debts than budgeted

The primary reason for the shortfall in Personal Tax was an economic environment that was worse than predicted at the time of the budgets being set, having a particularly detrimental impact on employment income. Changes to the taxation of shareholder income also contributed.

GST income has not increased at the same rate as the Jersey Retail Price Index (RPI) as expected when the budgets were set. Consequently, GST income underachieved against budget by £1.7 million.

Other Income is £4.3 million or 12.1% higher than budgeted, primarily as a result of investment income of £4.9 million over budget achieved from a higher proportion of the consolidated fund assets remaining in the Long Term Investment portfolio and therefore generating a higher rate of return. Currency surplus investments were £1.1 million higher than budgeted due to a growth in the currency in circulation, asset returns and value generated by commemorative coin issue. This was offset by a lower than budgeted dividend from JT Global and a lower return from Andium Homes Limited as a result of agreed adjustments to the calculated base amount and RPI being lower than originally estimated.

Performance compared to 2013

KEY VARIANCES FROM 2013

	£'000
2013 GRI	(636,688)
Net Income Tax	14,996
Other Income	(16,007)
Stamp Duty	(8,607)
Other Variances	(2,661)
2014 GRI	(648,967)

Net Income Tax was £15.0 million less than 2013 primarily as a result of a £10 million one off Business Tax payment received in 2013 and a reduction in profits from the finance sector.

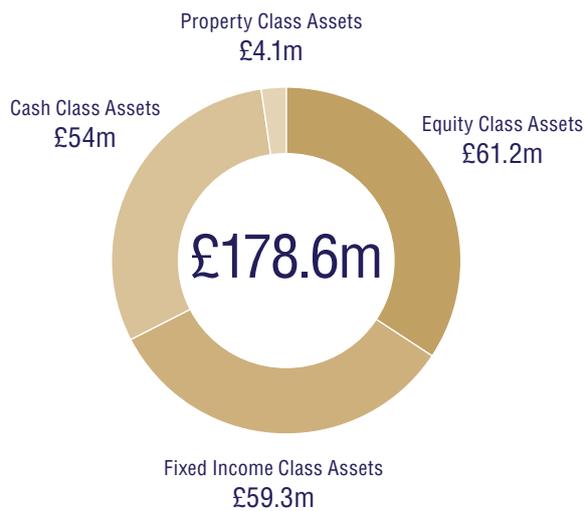
Other Income was £16.0 million higher than 2013 mainly due to the inclusion of the Andium Homes return of £13.6 million following the incorporation of the Housing Department on 1st July 2014 and an increase in investment returns achieved.

Stamp Duty was £8.6 million higher than 2013 due to an increase in the average stamp duty per property and an increase in high value property transactions.

Other variances included a £2.7 million increase in GST due to net increases in activity across sectors.

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.

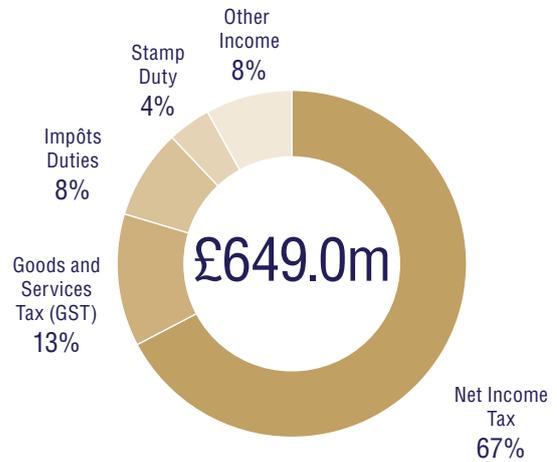


The table below shows the share of transactions in the CIF attributable to Fund

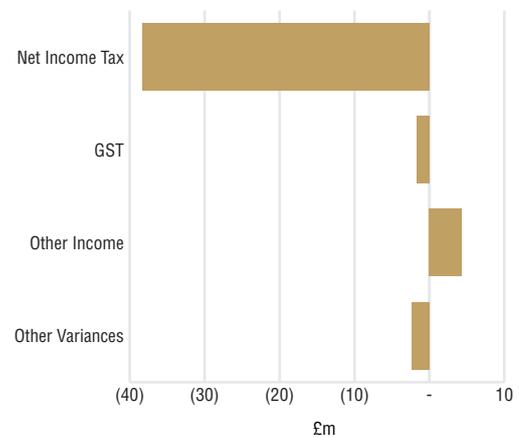
CIF AMOUNTS ATTRIBUTABLE TO THE CONSOLIDATED FUND

	2013 £'000	2014 £'000
Income	1,912	2,028
Expenditure	(217)	(665)
Gains/(Losses) on Investments	(290)	7,791
Total Gains recognised	1,405	9,154

Net Revenue Income by Area



Variance Breakdown



Service Analysis

2013 Actual £'000		2014 Budget £'000	Income £'000	2014 Expenditure £'000	Actual £'000
Income Tax					
(356,663)	Individuals	(394,000)	(354,186)	6	(354,180)
(98,472)	Companies	(82,965)	(83,445)	16	(83,429)
3,474	Provision for Bad Debts	2,000		944	944
(451,661)	Net Income Tax	(474,965)	(437,631)	966	(436,665)
(77,603)	Goods and Services Tax (GST)	(81,955)	(80,502)	276	(80,226)
Impôts Duties					
(4,510)	Spirits	(4,747)	(4,801)	–	(4,801)
(7,231)	Wines	(7,626)	(7,615)	–	(7,615)
(986)	Cider	(856)	(988)	–	(988)
(5,087)	Beer	(5,548)	(5,285)	–	(5,285)
(15,048)	Tobacco	(14,789)	(13,788)	–	(13,788)
(20,385)	Motor Fuel	(20,263)	(20,708)	4	(20,704)
(234)	Goods Imported	(150)	(161)	–	(161)
(839)	Vehicle Emissions Duty	(924)	(761)	–	(761)
(54,320)	Impôts Duties	(54,903)	(54,107)	4	(54,103)
Stamp Duty					
(14,019)	Stamp Duty	(23,127)	(21,988)	–	(21,988)
(2,390)	Probate	(2,500)	(2,735)	–	(2,735)
(961)	Land Transactions Tax	(1,775)	(1,254)	–	(1,254)
(17,370)	Stamp Duty	(27,402)	(25,977)	–	(25,977)
Fines and Other Income					
(3,342)	Net Investment Income	(3,679)	(11,968)	2,285	(9,683)
(11,942)	Dividends and Returns	(11,186)	(8,283)		(8,283)
(3,792)	Jersey Financial Services Commission Fees	(3,700)	(3,802)		(3,802)
(1,652)	Returns from States Trading Operations	(1,731)	(1,691)		(1,691)
–	– Return from Andium Homes	(13,834)	(13,581)		(13,581)
(1,939)	EUSD Retention Tax	–	(1,650)	2	(1,648)
(750)	Income Tax Penalties	(1,071)	(1,079)	183	(896)
(676)	Miscellaneous Income	(559)	(516)		(516)
(24,093)	Fines and Other Income	(35,760)	(42,570)	2,470	(40,100)
(11,641)	Island Rate	(12,032)	(11,896)	–	(11,896)
(636,688)	Net General Revenue Income	(687,017)	(652,683)	3,716	(648,967)

Financial Statements

Statement of Comprehensive Net Expenditure

	2013 Actual £'000	2014 Actual £'000
Revenue		
Taxation Revenue	(534,474)	(518,134)
Duties, Fees, Fines and Penalties	(84,928)	(93,323)
Investment Income	(13,855)	(18,068)
Other Income	(9,659)	(23,157)
Total Revenue	(642,916)	(652,682)
Expenditure: Near Cash		
Other Operating Expenditure	79	60
Impairments of Financial Assets	5,716	1,406
Finance Costs	567	2,131
Foreign Exchange (Gain)/Loss	(134)	118
Total Expenditure: Near Cash	6,228	3,715
Net Revenue Income	(636,688)	(648,967)
Net Revenue Income	(636,688)	(648,967)
Other Comprehensive Income		
Gain/Loss on Revaluation of Strategic Investments	(25,000)	(3,900)
Total Other Comprehensive Income	(25,000)	(3,900)
Total Comprehensive Income	(661,688)	(652,867)

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Loans and Advances	2,157	3,209	3,572
Strategic Investments	308,800	333,800	337,700
Investments held at Fair Value through Profit or Loss	195,798	181,731	178,562
Total Non-Current Assets	506,755	518,740	519,834
Current Assets			
Loans and Advances	993	435	806
Trade and Other Receivables	75,080	71,942	69,034
Cash and Cash Equivalents	76,987	67,745	43,349
Total Current Assets	153,060	140,122	113,189
Total Assets	659,815	658,862	633,023
Current Liabilities			
Trade and Other Payables	(69,962)	(76,655)	(81,552)
Total Current Liabilities	(69,962)	(76,655)	(81,552)
Assets Less Liabilities	589,853	582,207	551,471
Taxpayer's Equity			
Accumulated Revenue Reserves	370,116	337,470	302,834
Investment Reserve	219,737	244,737	248,637
Total Taxpayer's Equity	589,853	582,207	551,471

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

	2013 Actual £'000	2014 Actual £'000
Revenue		
Sales of Goods and Services	(1,651)	(1,407)
Investment Income	214	(127)
Total Revenue	(1,437)	(1,534)
Expenditure: Near Cash		
Staff Expenditure	(303)	(239)
Other Operating Expenditure	–	2,751
Finance Costs	8,894	8,144
Total Expenditure: Near Cash	8,591	10,656
Net Revenue Expenditure: Near Cash	7,154	9,122
Non Cash Amounts		
Movement in Pension Liability	(11,999)	28,375
Total Non Cash Amounts	(11,999)	28,375
Net Revenue (Income)/Expenditure	(4,845)	37,497
Other Comprehensive Income		
Actuarial Loss in respect of Defined Benefit Pension Schemes	1,089	(637)
Total Other Comprehensive Income	1,089	(637)
Total Comprehensive Income/(Expenditure)	(3,756)	36,860

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Derivative Financial Instruments expiring after more than one year	230	–	–
Total Non-Current Assets	230	–	–
Current Assets			
Derivative Financial Instruments expiring within one year	263	174	–
Trade and Other receivables	3,053	2,676	5,165
Total Current Assets	3,316	2,850	5,165
Total Assets	3,546	2,850	5,165
Current Liabilities			
Trade and Other Payables	(7,916)	(10,081)	(9,608)
Balance due to Other States Funds	(69,753)	(81,690)	(67,433)
Finance Lease Obligations	(871)	(930)	(1,030)
Provisions for liabilities and charges			(406)
Total Current Liabilities	(78,540)	(92,701)	(78,477)
Total Assets Less Current Liabilities	(74,994)	(89,851)	(73,312)
Non-Current Liabilities			
Finance Lease Obligations	(6,658)	(5,728)	(4,698)
Provisions for liabilities and charges			(2,329)
PECRS Pre-1987 Past Service Liability	(228,396)	(218,856)	(254,599)
Provision for JTSF Past Service Liability	(97,747)	(101,057)	(104,452)
Defined Benefit Pension Schemes Net Liability	(9,282)	(10,488)	(7,065)
Total Non-Current Liabilities	(342,083)	(336,129)	(373,143)
Assets Less Liabilities	(417,077)	(425,980)	(446,455)
Taxpayer's Equity			
Accumulated Revenue Reserves	(417,077)	(425,980)	(446,455)
Total Taxpayer's Equity	(417,077)	(425,980)	(446,455)





Trading Operations



Ports of Jersey: Jersey Airport & Jersey Harbours

What we have achieved

MTFP OBJECTIVE

Keep the Ports open, safe and secure

PERFORMANCE

The following audits were completed in 2014 with no significant non-conformities:

- Air Traffic Services
- Aerodrome Certification
- Aviation Security
- ISO9001:2008

The Ports of Jersey retains the following certificates and licenses:

- ISO9001:2008
- Aerodrome Operators License
- '3rd Country' Recognition by EC for Aviation Security compliance
- Air Navigation Services certification and derogation to operate air traffic services into French airspace

ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

During 2014, Jersey Airport has completed a master planning exercise to ensure the long term operational viability of the airport facilities. Jersey Harbours, will be completing a master planning exercise during 2015.

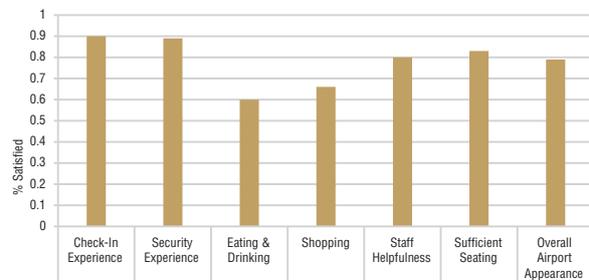
The Ports of Jersey Risk Management Policy has been revised and endorsed by the PoJ Shadow Board Risk Committee and risk management programme rolled out to the departments.

MTFP OBJECTIVE

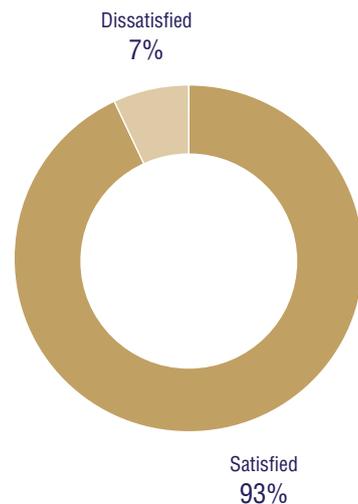
Satisfy all current and prospective demand for commercial and community services and facilities.

PERFORMANCE

JERSEY AIRPORT 2014 CUSTOMER SATISFACTION SURVEY



JERSEY MARINAS CUSTOMER SATISFACTION SURVEY 2014



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

During 2014, Jersey Airport has continued to monitor customer satisfaction for various facets of the facilities. Further, Jersey Airport continues to engage with various user groups to ensure concerns can be addressed and needs assessed.

In an effort to engage more proactively with its customers and encourage their feedback, Jersey Marinas launched an inaugural satisfaction survey in February this year. Of the 1,500 surveys distributed, 445 completed ones were returned, representing a 22% response rate.

93% of Jersey boat owners with registered vessels in the Island are happy with the level of service provided by Jersey Marine Leisure staff.

Jersey Marinas plan to repeat the survey towards the end of the 2015 boating season.

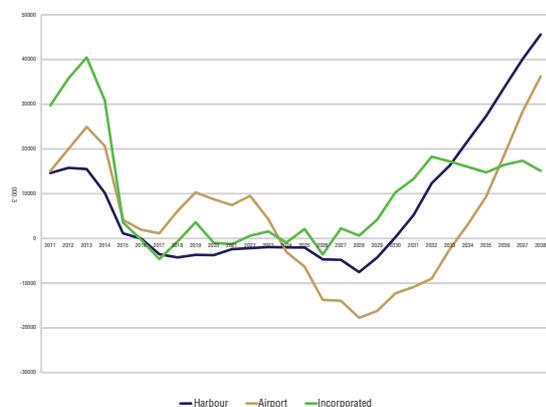
During 2014 the Channel Islands Control Zone contract was successfully renegotiated for a further 3 year period, which contributes significant income to the organisation. In order to enter these negotiations Jersey Airport maintained its Single European Sky certification.

MTFP OBJECTIVE

Maintain robust financial management to achieve self-sufficiency, and positively contribute to the Jersey economic development

PERFORMANCE

INCORPORATED TRADING FUND TO 2038



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

As the Ports of Jersey work toward incorporation, financial models have been completed and independently validated to ensure self-sufficiency is achievable, with increased returns to the States of Jersey.

As part of the case for incorporation a number of commercial opportunities have been assessed and included in the long term model to diversify income and contribute to the Jersey economic development.

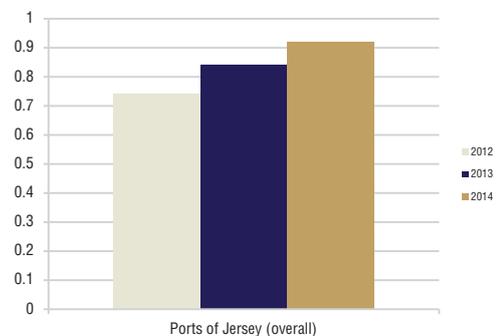
The proposition for incorporation was lodged in January 2015 (P5/2015) with debate set for April 2015 and anticipated incorporation July 2015.

MTFP OBJECTIVE

Improve operational and commercial efficiency through restructuring the organisation, and investment in personal and professional development of staff.

PERFORMANCE

EMPLOYEE ENGAGEMENT SURVEY RESPONSE



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

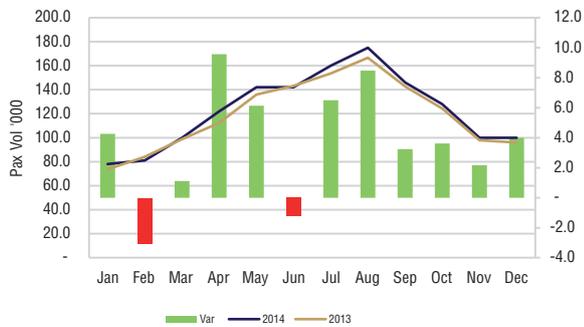
During 2014 Ports of Jersey conducted its third employee engagement survey. Response rates were up for the third year in a row to 92% compared to 84% in 2013 and 74% in 2012. With close correlation on the engagement index compared to 2013.

The survey saw positive movement in the majority of sections.

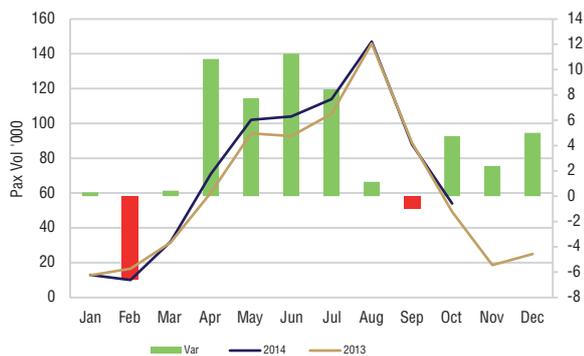
The organisation has rolled out a PPP (Plan, Performance, Progress) programme for its senior management team and is working to cascade this throughout the rest of the organisation.

Work with the Economic Development Department to grow passenger numbers whilst sustaining existing services

AIR PASSENGERS (000'S)



SEA PASSENGER (000'S)



ACTIONS TAKEN BY DEPARTMENT IN THE YEAR

Air passenger numbers have increased by circa 45,000 in 2014 compared to 2013, this includes arrivals and departures. A new route to Copenhagen have been added with increased capacity on the Gatwick, Manchester, East Midlands, Southampton and Liverpool routes.

Sea passenger numbers have increased by circa 45,000 in 2014 compared to 2013, this is despite strikes in France and adverse weather conditions in February.

Ports of Jersey: Jersey Airport

The Ports of Jersey encompasses the Jersey Airport and Jersey Harbours Trading Operations and is consequently a vital strategic asset and an absolute necessity for the well-being of the Island's economy.

To this end the Ports of Jersey's goal is to ensure we are valued as an essential service provider to the Island whose success is measured by our business performance, customer experience and the quality of our people.

Summary Snapshot

NET REVENUE INCOME – NEAR CASH

£8,558,983

8.6% increase

from 2013

TRADING FUND BALANCE

£29,486,675

13.9% increase

from 2013

£1,291,982

17.8% overachievement

against Near Cash Final

Approved Budget

1. What resources we have used

Financial Inputs – Near Cash Approvals

Spending by the department is funded wholly by revenue raised from Jersey Airport activities.

The States approves the amount of Net Revenue Income during a year through the Medium Term Financial Plan. Details of the changes are set out in the States Accounts as part of the Notes to the Statement of Outturn Against Approvals.

MTFP approval	Additional Approvals	Final Approved Budget
£8.0 million	(£0.7) million	£7.3 million

The budget adjustment relates to the removal of grant income in respect of the below ground works. This adjustment to the MTFP was required following a change in accounting policy in relation to the amortisation of grants received.

Departmental Income

Actual 2013	Actual 2014	Budget 2014
£28.1 million	£30.2 million	£29.3 million

Aeronautical income is derived mainly from the charges generated from passenger and aircraft throughput. 2014 saw over 1.47 million passengers and 42,000 aircraft movements. This represents a 45,000 (3.2%) increase in passenger numbers over 2013.

Commercial income relates to concessional income coming from a variety of retail services offered throughout the airport.

Channel Islands Control Zone (CICZ) is income from a States contract with the French & UK governments to provide air traffic control services to aircraft passing through the CICZ.

Communication Services income comes from providing radio communication goods and services to other States departments and external customers.

Property income is derived from rentals of property assets and associated recharges.

The most significant element of other income is the investment return (interest) generated from invested trading fund balances.

The increase in income is primarily due to an improved investment return; to improve Trading Fund returns Ports of Jersey, working in conjunction with Treasury and Resources, changed from cash deposits to an investment vehicle. Although the investments have performed well the variance is mainly due to the approved budget being based on the previous returns of cash equivalents.

MAJOR INCOME STREAMS

	£'000
Aeronautical Income	(10,421)
Commercial Income	(7,886)
Channel Islands Control Zone	(6,203)
Communications Services	(1,436)
Property	(1,373)
Other	(2,854)
Total Income	(30,173)

Performance against Near Cash Final Approved Budget

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

Actual 2013	Actual 2014	Budget 2014
£7.9 million	£8.6 million	£7.3 million

KEY VARIANCES FROM BUDGET

	£'000
Income	874
Staff costs	1,019
Operational costs	(542)
Other	(55)
Net overachievement	1,292

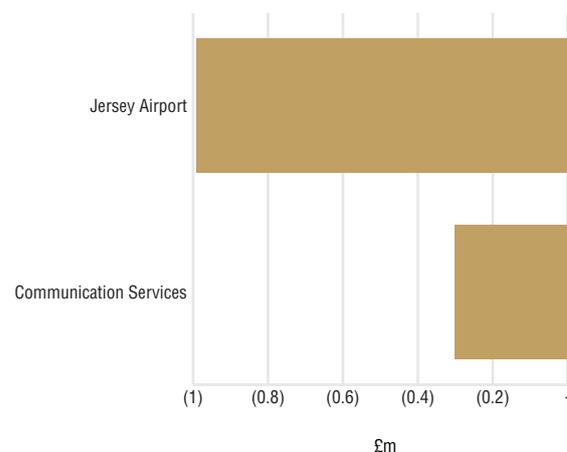
The variance in income is discussed in the departmental income section above.

Staff efficiency savings generated by restructuring of Air Traffic Control and Air Traffic Engineering were not included in the original MTFP. Further staff savings over the original MTFP are the result of the successful Harbours and Airport integration. There has also been a drive to improve shift and rotation patterns in a bid to reduce overtime and restructuring contingencies were not called upon. It should be noted that this surplus compared to budget has occurred despite an unbudgeted 4% pay award in 2014

Operational costs consist of supplies & services, administration, premises & maintenance and other operating expenditure. The overspend is due primarily to a number of large one offs, unbudgeted maintenance projects occurring during 2014 such as the Runway Re-designation plus a provision for historical water pollution. These are somewhat offset by savings on daily and reactive maintenance costs.

Other expenditure relates to finance costs and grants. Savings have been offset by additional expenditure in relation to the Jersey Air Display. During 2014 Jersey Airport provided administration and financial support. Jersey Airport was provided a grant from the Economic Development Department to part fund this support.

Underspend Breakdown



Staffing

At the year end the department employed the equivalent of 169.2 full time employees. This is a decrease of 1.7 (1.0%) from 2013 explained by open vacancies at year end.

Fixed Assets

The department holds fixed assets valued at £127.5 million

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

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

NON CASH EXPENDITURE

Actual 2013	Actual 2014	Budget 2014
£6.0 million	£6.6 million	£6.0 million

Depreciation values have remained consistent with 2013 at £6.0 million. Of the additional £0.6 million of spend, £0.5 million relates to the impairment of a bungalow acquired during the year. The bungalow was acquired to meet Civil Aviation Authority regulations in regards to airfield obstacles.

Changes in Expenditure

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

KEY VARIANCES FROM 2013

	£'000
2013 NRI	(7,885)
Investment Income	(890)
Staff Costs	222
Other Variances	(6)
2014 NRI	(8,559)

To improve Trading Fund returns, Ports of Jersey, working in conjunction with Treasury and Resources, changed from cash deposits to an investment vehicle. The new investment strategy has performed well compared to the previous returns of cash equivalents.

The increase in staff costs is due to the consolidated 4% pay award offset by savings due to actively managing vacancies and savings on overtime and shift costs from restructuring.

2. What we have spent funding on

Near Cash by Service Area

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
(8,028)	(7,381)	Jersey Airport	(7,831)	(8,371)
68	115	Communication Services	(54)	(188)
(7,960)	(7,266)	Net Revenue Income	(7,885)	(8,559)

Jersey Airport

Jersey Airport is an essential service provider for people wishing to travel to and from the Island. Its aim is to provide an Airport that meets the economic and social needs of the Island whilst meeting the expectations of passengers and airlines by providing a safe and secure environment.

As outlined in the previous pages, year on year, the main variances for Jersey Airport are in relation to investment income gains and increased staff costs due to the consolidated 4% pay award.

Comparison to budget shows a surplus of £1.0 million, the increased investment gains were not budgeted for, as at the time of budget setting the policy had not been changed.

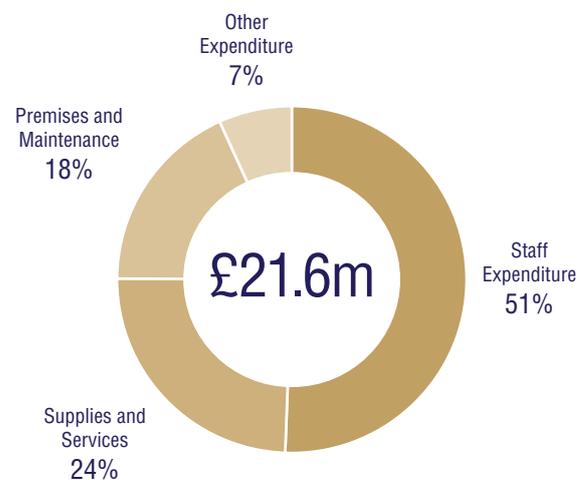
The 4% pay award was managed within the budget, by actively managing vacancies and savings on overtime and shift costs from restructuring.

Communications Services

Communications Services continues to provide radio communication goods and services to other States of Jersey Departments and external customers.

An error in cost allocations in 2013 has resulted in a one off benefit in terms of net revenue income for 2014, as well as a surplus compared to budget. Costs in 2014 have been scrutinised to ensure there is no material discrepancy for this year end.

Near Cash by Expenditure Type



Staff costs form the majority of Jersey Airport's expenditure due to the customer facing nature of the business but also the level of onsite support required to maintain the extensive infrastructure. The service required to generate income from the Channel Island Control Zone is also staff intensive.

Financial Statements

Statement of Comprehensive Net Expenditure

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Revenue				
(7)	(7)	Duties, Fees, Fines and Penalties	(2)	–
(29,084)	(29,084)	Sales of Goods and Services	(27,754)	(28,721)
(87)	(87)	Investment Income	(240)	(1,130)
(815)	(121)	Other Income	(149)	(322)
(29,993)	(29,299)	Total Revenue	(28,145)	(30,173)
Expenditure: Near Cash				
11,957	11,957	Staff Expenditure	10,716	10,938
5,095	5,095	Supplies and Services	5,069	5,292
197	197	Administrative Expenditure	219	240
4,159	4,159	Premises and Maintenance	3,847	3,920
217	217	Other Operating Expenditure	(15)	759
–	–	Grants and Subsidies Payments	–	110
–	–	Impairments of Financial Assets	7	(5)
408	408	Finance Costs	417	360
22,033	22,033	Total Expenditure: Near Cash	20,260	21,614
(7,960)	(7,266)	Net Revenue Income: Near Cash	(7,885)	(8,559)
Non Cash Amounts				
6,964	6,007	Depreciation and Amortisation	6,014	6,044
–	–	Impairments of Property, Plant and Equipment	–	524
–	–	Loss on Disposal of Non-Current Assets	19	–
6,964	6,007	Total Non Cash Amounts	6,033	6,568
(996)	(1,259)	Net Revenue Income	(1,852)	(1,991)
Other Comprehensive Income				
–	–	Revaluation of Property, Plant and Equipment	–	(1,694)
–	–	Total Other Comprehensive Income	–	(1,694)
(996)	(1,259)	Total Comprehensive Income	(1,852)	(3,685)

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	132,859	128,582	127,441
Intangible Assets	–	–	70
Total Non-Current Assets	132,859	128,582	127,511
Current Assets			
Inventories	350	346	378
Trade and Other Receivables	2,193	2,345	2,926
Cash and Cash Equivalents	25	24	22
Balance due from the Consolidated Fund	19,997	24,767	29,384
Total Current Assets	22,565	27,482	32,710
Total Assets	155,424	156,064	160,221
Current Liabilities			
Trade and Other Payables	(1,720)	(1,600)	(3,223)
Finance Lease Obligations	(1,094)	(1,152)	(1,213)
Total Current Liabilities	(2,814)	(2,752)	(4,436)
Total Assets Less Current Liabilities	152,610	153,312	155,785
Non-Current Liabilities			
Finance Lease Obligations	(2,364)	(1,212)	–
Total Non-Current Liabilities	(2,364)	(1,212)	–
Assets Less Liabilities	150,246	152,100	155,785
Taxpayer's Equity			
Accumulated Revenue Reserves	121,720	123,572	125,563
Revaluation Reserve	28,526	28,528	30,222
Total Taxpayer's Equity	150,246	152,100	155,785

Trading Fund Balance

	Trading Fund Balance £'000
Balance Brought forward	25,882
Net Revenue Income – Near Cash	8,559
Capital Expenditure	(3,803)
Other Balance Sheet Movements	(1,151)
Trading Fund Balance 31 December 2014	29,487
Comprising:	
Net Current Assets	28,274
Add Back: Finance Lease Current Liabilities	1,213
Trading Fund Balance 31 December 2014	29,487
Less: Unspent Capital Approvals	(17,842)
Available Trading Fund Balance 31 December 2014	11,645

Ports of Jersey: Jersey Harbours

The Ports of Jersey encompasses the Jersey Airport and Jersey Harbours Trading Operations and is consequently a vital strategic asset and an absolute necessity for the well-being of the Island's economy.

To this end the Ports of Jersey's goal is to ensure we are valued as an essential service provider to the Island whose success is measured by our business performance, customer experience and the quality of our people.

Summary Snapshot

NET REVENUE INCOME – NEAR CASH

£4,465,674

21.5% increase

from 2013

TRADING FUND BALANCE

£12,936,434

16.9% decrease

from 2013

£1,005,674

29.1% overachievement

against Near Cash Final Approved

Budget

1. What resources we have used

Financial Inputs – Near Cash Approvals

Spending by the department is funded wholly by revenue raised from Jersey Harbour activities.

The States approves the amount of Net Revenue Expenditure during a year through the Medium Term Financial Plan. Details of the changes are set out in the States Accounts as part of the Notes to the Statement of Outturn Against Approvals.

MTFP approval	Additional Approvals	Final Approved Budget
£3.5 million	£0.0 million	£3.5 million

In 2014 no adjustments to the budget presented in the Annual Update to the Medium Term Financial Plan were made.

Departmental Income

Actual 2013	Actual 2014	Budget 2014
£15.0 million	£15.8 million	£15.2 million

Ports of Jersey income is derived mainly from the harbour dues generated from passenger and freight throughput. There were over 786,000 sea passenger and 135,000 vehicle movements during 2014, an increase of 6% and 5% respectively over 2013. In addition 465,000 tonnes of freight, including fuel, came into and out of the Island, a slight decrease of 1% on 2013. Income is also generated from Pilotage work assisting with vessels entering and leaving the Commercial Port.

Marine Leisure income mainly comes from a diverse range of berthing spaces and ancillary services offered to local and visiting boat owners available in the St Helier marinas and outlying harbours.

Property Rentals is income generated from a wide portfolio estate of commercial and private tenants.

Other income includes Trading Fund returns (interest) and income from Island promoting events such as the Jersey Boat Show.

Comparing to budget, two thirds of the income variance is derived from returns on investments; to improve Trading Fund returns Ports of Jersey, working in conjunction with Treasury and Resources, changed from cash deposits to an investment vehicle. Although the investments have performed well the variance is mainly due to the approved budget being based on the previous returns of cash equivalents. Further, resolution of outstanding rental agreements has contributed to the favourable variance against budget.

MAJOR INCOME STREAMS

	£'000
Harbour Dues	(7,473)
Marina / Mooring Income	(3,770)
Property Rentals	(3,031)
Other	(1,497)
Total Income	(15,771)

Performance against Near Cash Final Approved Budget

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

Actual 2013	Actual 2014	Budget 2014
£3.7 million	£4.5 million	£3.5 million

KEY VARIANCES FROM BUDGET

	£'000
Income	616
Premises & maintenance	535
Finance Costs	209
Other Variances	(355)
Net overachievement	1,005

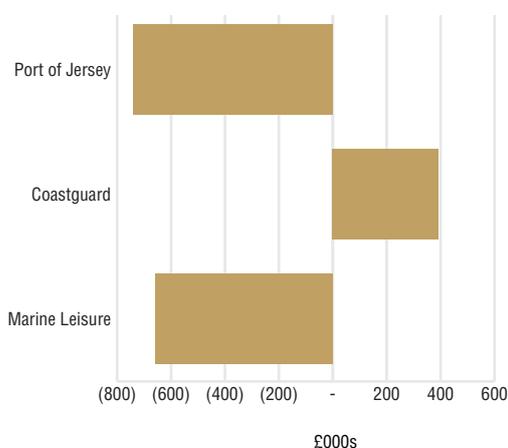
Variance in income compared to budget is discussed above in the departmental income section.

Premises and Maintenance costs are under budget due to certain costs, mainly relating to the Service Level Agreement with Transport and Technical Services, being reclassified as supplies and services rather than premises and maintenance. Supplies and services would otherwise have been £0.3 million under budget due to the deferral of dredging maintenance costs pending a project review. The remaining variance has resulted from lower than anticipated building maintenance costs and energy costs as a result of a mild winter.

Finance costs are favourable against budget as the annual return to States of Jersey was in part reclassified to other operational costs.

The adverse variance in other costs includes the reclassified costs for return to the States of Jersey.

Underspend Breakdown



Staffing

At the year end the department employed the equivalent of 71.8 full time employees. This is an increase of 0.3 FTE (0.4%) from 2013.

Fixed Assets

The department holds fixed assets the value of £231.7 million.

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

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

NON CASH EXPENDITURE

Actual 2013	Actual 2014	Budget 2014
£4.4 million	£4.7 million	£4.7 million

The increase in depreciation expense compared to prior year was the acquisition of a new link span at the harbour costing circa £5.7 million. The link span has an expected life of 25 years.

Changes in Expenditure

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

KEY VARIANCES FROM 2013

	£'000
2013 NRI	(3,676)
Income	(755)
Staff Expenditure	120
Operating Costs	156
Other Variances	(310)
2014 NRI	(4,465)

To improve Trading Fund returns, Ports of Jersey, working in conjunction with Treasury and Resources, changed from cash deposits to an investment vehicle. Although the investments have performed well the variance is mainly due to the approved budget being based on the previous returns of cash equivalents. This has resulted in circa £0.4 million of the income increase.

The remainder of the income increase is across the business lines. Port of Jersey realised a 6.1% increase in passenger and a 4.5% increase in vehicle movements compared to 2013. The additional income was more than enough to offset the 1.1% fall in freight tonnage accounted for by the drop in heavy fuel deliveries following the installation of the new JEC cable. Concurrently the laying of the cable presented an opportunity for the Marine Section team to generate a new income stream for 2014 by offering their services by assisting JEC in laying the cable. One off income was generated from the sale of the replaced link span.

The increase year on year of the staff expenditure, is due to the consolidated 4% pay award in 2014, this has been somewhat offset by active management of staff vacancies and overtime.

Operating costs include supplies & services, administration, premises & maintenance and other operating expenditure. Year on year there have been no notable increases in individual items.

There is a favourable variance in relation to the impairment of financial assets. This is due to lower bad debt write offs in 2014 compared to 2013, where there was a significant write off in respect of a single supplier.

2. What we have spent funding on

Near Cash by Service Area

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
(2,514)	(2,514)	Port of Jersey	(2,641)	(3,254)
(114)	(114)	Jersey Coastguard	175	278
(832)	(832)	Marine Leisure	(1,210)	(1,489)
(3,460)	(3,460)	Net Revenue Income	(3,676)	(4,465)

Port of Jersey

Port of Jersey is responsible for the administration of harbours and territorial waters, the loading and discharging of cargo, regulation of vessel movements and the maintaining of order and control of movements of persons and vehicles on any harbour.

Port of Jersey generated a Net Revenue Income of £3.3 million compared to £2.6 million in 2013 and £2.5 million approved budget.

In terms of year on year, income has increased by £0.3 million a result of annual price increases and increased passenger and vehicle volumes, which have offset the fall in fuel freight tonnage. Further efforts have been made to explore additional commercial activities for the Marine Section, which generated additional revenues to the tune of £0.2 million.

Direct expenditure has also reduced by £0.2 million due to the write off of a significant debt in 2013, which has not been repeated in 2014. It should also be noted that the expenditure reduction is despite the consolidated 4% pay award that occurred in 2014.

Further, overhead allocations have reduced due primarily to an increase in overhead income as a result of increased Trading Fund returns as noted previously.

Comparing to 2013 budget, the £0.7 million variance is a combination of volumes exceeding expectations, the increased use of the Duke of Normandy, by the Marine

Section, for commercial endeavours and reduced maintenance expenditure. There was significant expense included in 2013 in respect of warehouse remediations and savings on utility costs due to an unusually warm winter season. The increased returns from the changed investment strategy were also not included in the base budget as this was not anticipated at the time that budget was established.

Jersey Coastguard

Unlike other jurisdictions, Jersey Harbours is also responsible for the role of coastguard services. The Jersey Coastguard is charged with the provision of 24/7 responsibility for safer seas, along with the security and protection of our maritime environment. It also operates as the receiver of wrecks and salvage under the Shipping (Jersey) Law 2002.

Jersey Coastguard generated a Net Revenue Expense of £0.3 million compared to £0.2 million in 2013 and net revenue income of £0.1 million in the approved budget.

The £0.1 million variance, year on year, is made up of a number of smaller items, including, transition costs for the Chief Operating Officer – Marine, correction to accounting treatment for the support of cadets and, an increase in professional fees in respect of Vessel Traffic Services operator training at the Port of London, which has resulted in V103 certification under IALA (International Association of Lighthouse Authorities).

When comparing to budget, Jersey Coastguard has a variance of £0.4 million, due to freight income falling short of budget. The policy of allocating a portion of freight dues to the Coastguard is to be reviewed. Expenditure variances as noted year on year have also contributed to the adverse variance which has in part been offset by the reduction in overhead allocation due to the increased Trading Fund returns.

Marine Leisure

Marine Leisure offers over 1,000 berthing spaces and a range of ancillary services to local and visiting boat owners in the St Helier marinas and outlying harbours. For the tenth consecutive year, Jersey Marinas has retained its prestigious '5 Gold Anchors' status, awarded by The Yacht Harbour Association.

In May the seventh Jersey Boat Show continued on the strong foundations of previous shows with positive local, national and international media coverage, continued support from key political and business leaders, impressive visitor numbers, increased interior exhibitor space and wider features programme.

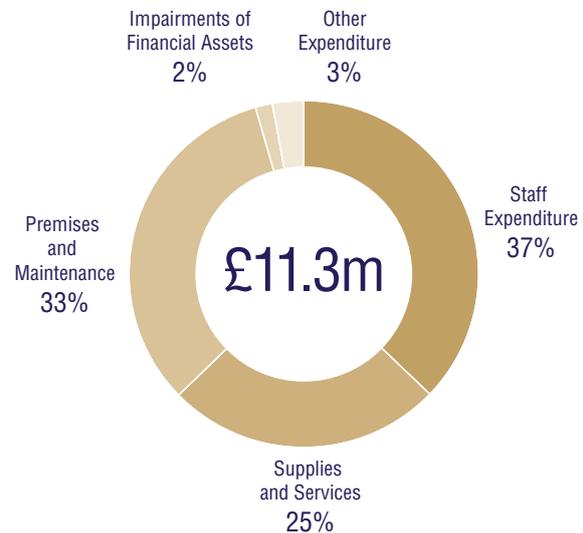
Jersey Marinas generated a Net Revenue Income of £1.5 million compared to £1.2 million in 2013 and net revenue income of £0.8 million in the approved budget.

Year on year there has been a £0.1 million increase in revenues, resulting from the annual price increases. Further expenditure has reduced since 2013 (by £0.2 million), despite the 4% pay award. In 2014 the return to the States was included in the overhead allocation across service lines.

Revenues exceeded budget by £0.7 million. It was anticipated that due to remedial (pontoons repairs) and surveying works to be undertaken during the year, that income streams would be adversely impacted. The marina management team have worked hard to offer a diverse mix of contract products which have been able to sustain revenue lines. The winter and monthly contracts have in particular performed well against budget.

The reduction in budgeted overhead due to increased investment income has been the primary variance against budget, though this has in part been offset by the 4% pay award in the year and increased maintenance costs in regards to the Historic Harbours, exacerbated by the extreme weather conditions during the 2014 winter with above normal storm activity.

Near Cash by Expenditure Type



Jersey Harbours is an infrastructure heavy operation, requiring not only substantial amounts of capital spend for replacement of assets, but substantial annual spend to maintain said assets. Further, substantial spend is necessary on staff annually to maintain levels of operational excellence and customer service.

Premises and maintenance costs and supplies and services include the £2.5 million maintenance programme provided by Transport and Technical Services through the service level agreement.

Financial Statements

Statement of Comprehensive Net Expenditure

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Revenue				
(26)	(26)	Duties, Fees, Fines and Penalties	(57)	(34)
(15,006)	(15,006)	Sales of Goods and Services	(14,755)	(14,883)
(83)	(83)	Investment Income	(170)	(568)
(40)	(40)	Other Income	(34)	(286)
(15,155)	(15,155)	Total Revenue	(15,016)	(15,771)
Expenditure: Near Cash				
4,104	4,104	Staff Expenditure	4,083	4,203
2,875	2,875	Supplies and Services	2,752	2,886
114	114	Administrative Expenditure	76	100
4,247	4,247	Premises and Maintenance	3,719	3,712
55	55	Other Operating Expenditure	15	20
23	23	Grants and Subsidies Payments	8	8
–	–	Impairments of Financial Assets	522	178
277	277	Finance Costs	65	68
–	–	Financial Return	100	100
–	–	Foreign Exchange Loss	–	31
11,695	11,695	Total Expenditure: Near Cash	11,340	11,306
(3,460)	(3,460)	Net Revenue Income: Near Cash	(3,676)	(4,465)
Non Cash Amounts				
4,770	4,770	Depreciation and Amortisation	4,440	4,673
4,770	4,770	Total Non Cash Amounts	4,440	4,673
1,310	1,310	Net Revenue Expenditure	764	208
Other Comprehensive Income				
–	–	Revaluation of Property, Plant and Equipment	–	(8,932)
–	–	Total Other Comprehensive Income	–	(8,932)
1,310	1,310	Total Comprehensive Expenditure/(Income)	764	(8,724)

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	220,872	220,310	231,690
Intangible Assets	55	39	23
Total Non-Current Assets	220,927	220,349	231,713
Current Assets			
Trade and Other Receivables	1,307	1,814	1,564
Cash and Cash Equivalents	76	66	230
Balance due from the Consolidated Fund	15,779	15,375	12,762
Total Current Assets	17,162	17,255	14,556
Total Assets	238,089	237,604	246,269
Current Liabilities			
Trade and Other Payables	(1,401)	(1,679)	(1,620)
Total Current Liabilities	(1,401)	(1,679)	(1,620)
Assets Less Liabilities	236,688	235,925	244,649
Taxpayer's Equity			
Accumulated Revenue Reserves	104,264	103,501	103,293
Revaluation Reserve	132,424	132,424	141,356
Total Taxpayer's Equity	236,688	235,925	244,649

Trading Fund Balance

	Trading Fund Balance £'000
Balance Brought forward	15,576
Net Revenue Income – Near Cash	4,465
Capital Expenditure	(7,105)
Trading Fund Balance 31 December 2014	12,936
Comprising:	
Net Current Assets	12,936
Trading Fund Balance 31 December 2014	12,936
Less: Unspent Capital Approvals	(9,052)
Available Trading Fund Balance 31 December 2014	3,884



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

£1,401,012

10.3% increase
from 2013

£118,144

9.2% overachievement
against Near Cash Final
Approved Budget

TRADING FUND BALANCE

£14,505,466

14.0% decrease
from 2013

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) million	£0.0 million	(£1.3) million

In 2014 no adjustments to the budget presented in the Annual Update to the Medium Term Financial Plan were made.

Departmental Income

Actual 2013	Actual 2014	Budget 2014
£6.2 million	£6.5 million	£6.7 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 increased on 1 February 2014 in line with the September 2013 RPI(Y) increase of 1.2%. 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 interest on the trading fund balance.

MAJOR INCOME STREAMS

	£'000
Parking Charges	(5,886)
Fines	(511)
Interest	(84)
Other	(59)
Total Income	(6,540)

Performance against Near Cash Final Approved Budget

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

Actual 2013	Actual 2014	Budget 2014
(£1.3) million	(£1.4) million	(£1.3) million

KEY VARIANCES FROM BUDGET

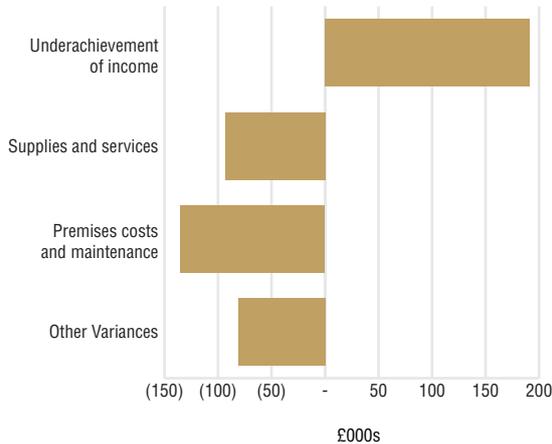
	£'000
Underachievement of income	(191)
Supplies and services	93
Premises costs and maintenance	135
Other Variances	81
Net Overachievement	118

The underachievement of income is primarily due to the difference in parking unit price increases since 2012, when the budgets were set, compared to the assumptions at that time, which were a 2.5% increase each year.

The saving on supplies and services relates to the reduction in printing costs and commission on paycards.

The saving on premises and maintenance relate to maintenance savings on the various car parks administered by JCP.

Underachievement of Income Breakdown



Staffing

At the year end JCP employed the equivalent of 19.0 full time employees. This is a decrease of 1.0 (5.0%) from 2013, and is due to a vacancy at year end.

Fixed Assets

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

Actual 2013	Actual 2014	Budget 2014
£0.9 million	£0.9 million	£0.9 million

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 FROM 2013

	£'000
2013 NRI	(1,270)
Parking Charges	(262)
Other Variances	131
2014 NRI	(1,401)

The only significant difference from 2013 is due to the increase in parking charges in February 2014.

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 £1.6m as a financial return to the States of Jersey.

Near Cash by Expenditure Type

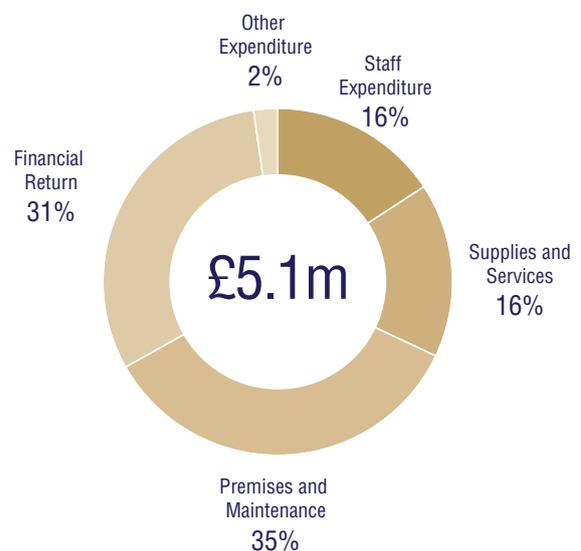
Staff costs make up approximately a sixth of the costs for JCP, and this covers the costs of JCP administration staff as well as parking control officers.

Supplies and services also make up about a sixth of the costs for JCP and this includes paycard printing and commission costs, as well as a contribution towards shared overheads costs with Transport and Technical Services department.

Approximately a third of the costs of the car park relate to premises and maintenance costs, 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.

JCP makes a financial return to the States Consolidated Fund, which makes up approximately a third of the costs of JCP.

NEAR CASH BY SERVICE AREA BREAKDOWN



Financial Statements

Statement of Comprehensive Net Expenditure

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Revenue				
(452)	(452)	Duties, Fees, Fines and Penalties	(491)	(511)
(6,084)	(6,084)	Sales of Goods and Services	(5,624)	(5,886)
(147)	(147)	Investment Income	(80)	(84)
(48)	(48)	Other Income	(52)	(59)
(6,731)	(6,731)	Total Revenue	(6,247)	(6,540)
Expenditure: Near Cash				
812	812	Staff Expenditure	791	810
929	929	Supplies and Services	770	836
20	20	Administrative Expenditure	24	25
1,923	1,923	Premises and Maintenance	1,765	1,788
–	–	Other Operating Expenditure	–	1
63	63	Impairments of Financial Assets	12	15
110	110	Finance Costs	63	73
1,591	1,591	Financial Return	1,552	1,591
5,448	5,448	Total Expenditure: Near Cash	4,977	5,139
(1,283)	(1,283)	Net Revenue Income: Near Cash	(1,270)	(1,401)
Non Cash Amounts				
922	922	Depreciation and Amortisation	872	876
922	922	Total Non Cash Amounts	872	876
(361)	(361)	Net Revenue Income	(398)	(525)

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	41,406	40,550	40,801
Total Non-Current Assets	41,406	40,550	40,801
Current Assets			
Trade and Other Receivables	417	409	458
Cash and Cash Equivalents	–	32	25
Balance due from the Consolidated Fund	15,741	16,837	14,621
Total Current Assets	16,158	17,278	15,104
Total Assets	57,564	57,828	55,905
Current Liabilities			
Trade and Other Payables	(546)	(412)	(599)
Total Current Liabilities	(546)	(412)	(599)
Assets Less Liabilities	57,018	57,416	55,306
Taxpayer's Equity			
Accumulated Revenue Reserves	40,337	40,735	38,625
Revaluation Reserve	16,681	16,681	16,681
Total Taxpayer's Equity	57,018	57,416	55,306

Trading Fund Balance

	Trading Fund Balance £'000
Balance Brought forward	16,866
Net Revenue Income – Near Cash	1,401
Capital Expenditure	(1,127)
Other Balance Sheet Movements	(2,635)
Trading Fund Balance 31 December 2014	14,505
Comprising:	
Net Current Assets	14,505
Trading Fund Balance 31 December 2014	14,505
Less: Unspent Capital Approvals	(10,489)
Available Trading Fund Balance 31 December 2014	4,016



Jersey Fleet Management

Jersey Fleet Management is responsible for the management and maintenance of fleet vehicles on behalf of several States Departments

Summary Snapshot

NET REVENUE INCOME – NEAR CASH

£1,203,326

26.2% increase
from 2013

£72,339

(5.7)% underachievement
against Near Cash Final
Approved Budget

TRADING FUND BALANCE

£2,151,448

131.4% increase
from 2013

1. What resources we have used

Financial Inputs – Near Cash Approvals

Jersey Fleet Management (JFM) received a capital injection of £1.5 million in 2014. Otherwise, the spending by Jersey Fleet Management is 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

In 2014 no adjustments to the budget presented in the Annual Update to the Medium Term Financial Plan million were made.

Departmental Income

Actual 2013	Actual 2014	Budget 2014
£4.0 million	£4.4 million	£5.4 million

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.

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.

MAJOR INCOME STREAMS

	£'000
Vehicle and plant hire	(2,991)
Vehicle maintenance	(827)
Fuel sales	(528)
Other	(76)
Total Income	(4,422)

Performance against Near Cash Final Approved Budget

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

Actual 2013	Actual 2014	Budget 2014
(£1.0) million	(£1.2) million	(£1.3) million

KEY VARIANCES FROM BUDGET

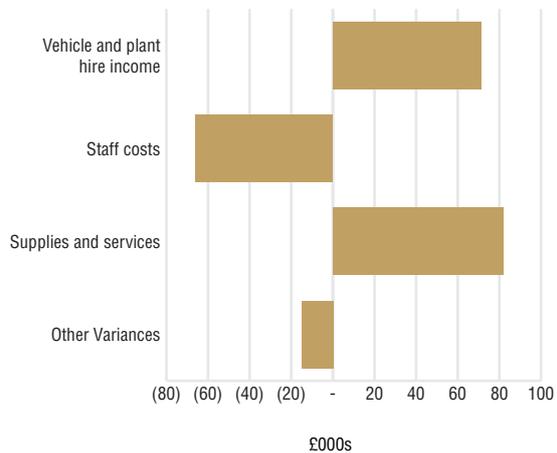
	£'000
Vehicle and plant hire income	(71)
Staff costs	66
Supplies and services	(82)
Other Variances	15
Net Underachievement	(72)

The underachievement of Vehicle and Plant Hire income relates to primarily to shortfalls on plant hire due to changes in the working practices of other Departments since budgets were set in 2012.

The staff cost savings relate to vacancies in the workshops.

The overspend on supplies and services relates primarily to the cost of vehicles bought for less than £10,000, which were originally expected to be more expensive and therefore would have been funded from capital rather than revenue.

Underachievement of Income Breakdown



Staffing

At the year end JFM employed the equivalent of 25.0 full time employees. This is a decrease of 1.0 (3.8%) from 2013, and is due to a vacancy at year end.

Fixed 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 Debtors and Trade Creditors.

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

NON CASH EXPENDITURE

Actual 2013	Actual 2014	Budget 2014
£0.9 million	£1.1 million	£1.0 million

The increase in Non-Cash Expenditure is due to the increased number of vehicles owned by JFM and leased to other States Departments.

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 FROM 2013

	£'000
2013 NRI	(953)
Vehicle and plant hire income	(319)
Other Variances	69
2014 NRI	(1,203)

The key differences from 2013 are due to the increased number of vehicles leased to other States Departments.

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.

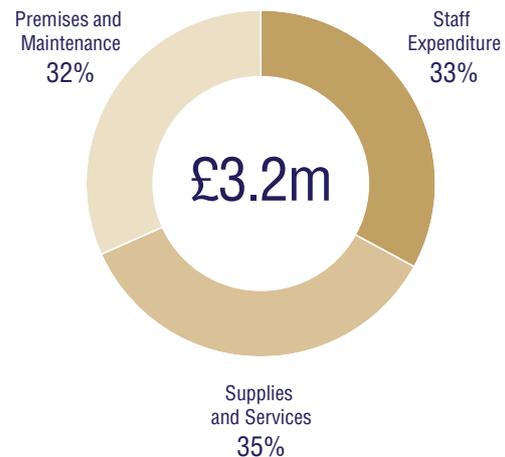
Near Cash by Expenditure Type

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 SERVICE AREA BREAKDOWN



Financial Statements

Statement of Comprehensive Net Expenditure

2014 MTFP (Updated) £'000	2014 Final Approved Budget £'000		2013 Actual £'000	2014 Actual £'000
Revenue				
(5,341)	(5,341)	Sales of Goods and Services	(4,009)	(4,414)
(15)	(15)	Investment Income	(4)	(7)
–	–	Other Income	(5)	–
(5,356)	(5,356)	Total Revenue	(4,018)	(4,421)
Expenditure: Near Cash				
1,123	1,123	Staff Expenditure	994	1,057
1,052	1,052	Supplies and Services	1,069	1,134
1	1	Administrative Expenditure	8	4
1,904	1,904	Premises and Maintenance	985	1,016
–	–	Other Operating Expenditure	(4)	(6)
–	–	Finance Costs	13	13
4,080	4,080	Total Expenditure: Near Cash	3,065	3,218
(1,276)	(1,276)	Net Revenue Income: Near Cash	(953)	(1,203)
Non Cash Amounts				
1,095	1,095	Depreciation and Amortisation	913	1,136
(65)	(65)	Gain on Disposal of Non-Current Assets	(18)	(71)
1,030	1,030	Total Non Cash Amounts	895	1,065
(246)	(246)	Net Revenue Income	(58)	(138)

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	4,454	6,085	6,506
Intangible Assets	14	9	5
Total Non-Current Assets	4,468	6,094	6,511
Current Assets			
Inventories	50	58	52
Trade and Other Receivables	173	167	117
Balance due from the Consolidated Fund	1,497	825	2,198
Total Current Assets	1,720	1,050	2,367
Total Assets	6,188	7,144	8,878
Current Liabilities			
Trade and Other Payables	(222)	(121)	(216)
Total Current Liabilities	(222)	(121)	(216)
Assets Less Liabilities	5,966	7,023	8,662
Taxpayer's Equity			
Accumulated Revenue Reserves	5,966	7,023	8,662
Total Taxpayer's Equity	5,966	7,023	8,662

Trading Fund Balance

	Trading Fund Balance £'000
Balance Brought forward	929
Net Revenue Income	138
Additional States Funding	1,500
Capital Expenditure	(1,715)
Depreciation and Disposals (NBV)	1,299
Trading Fund Balance 31 December 2014	2,151
Comprising:	
Net Current Assets	2,151
Trading Fund Balance 31 December 2014	2,151
Less: Unspent Capital Approvals	(2,005)
Available Trading Fund Balance 31 December 2014	146



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 P84/2009 which proposed that this policy is varied to enable the Strategic Reserve to be used, if necessary, for the purposes of providing funding of up to £100 million for a Bank Depositors Compensation Scheme and P122/2013 which agreed to the drawdown of approximately £297 million to fund the new hospital scheme over a period of years.

Summary Snapshot

FUND POSITION

£786,522,084

5.8% increase

from 2013

NET REVENUE INCOME

£53,593,884

41.7% decrease

from 2013

1. Fund Performance

1. Income

Actual 2013	Actual 2014
£91.9 million	£53.7 million

The Strategic Reserve Fund continues to pursue its investment strategy through investment in the States of Jersey Common Investment Fund. The Fund's portfolio includes a balance of return seeking assets, including equity and capital preservation assets, such as gilts. The year end holdings are illustrated per the diagram to the right of this page.

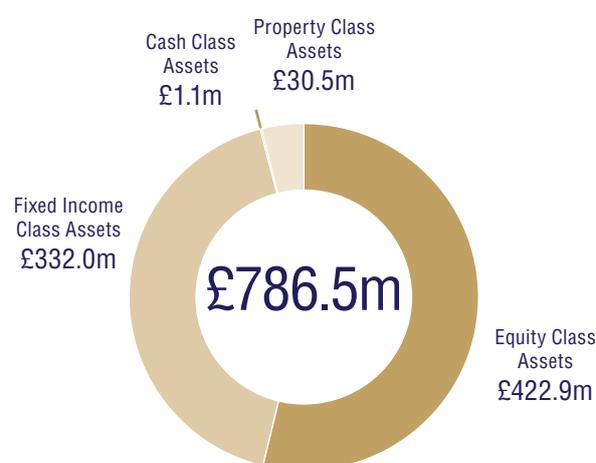
By the year end the Fund held investment assets to the value of £786.5 million; these assets generated the vast majority of the Fund's £53.7 million income equating to a return of around 7.2%. Although lower than the prior year return this represents a good return for the Fund and exceeds the Fund's expected long term return of 5%.

The majority of the performance of the Fund was generated by the Fund's equity class investments which contributed £37.5 million to the total Fund return. Of the remaining £16.2 million, the property pool contributed £2.9 million and the UK corporate bond pool £8.9 million. The remainder was earned by the other fixed income classes, the short term government bond and absolute return bond pools.

The majority of the Fund's managers exceeded their benchmark performance for the year; however the overall Fund underperformed benchmark due to the costs incurred building the Fund's property pool position. Although beneath benchmark, the pool generated positive returns and is expected to recover against benchmark through subsequent performance of the investment.

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 units held in the CIF.



The table below shows the share of transactions in the CIF attributable to the Fund

CIF AMOUNTS ATTRIBUTABLE TO THE STRATEGIC RESERVE FUND

	2013 £'000	2014 £'000
Income	(19,640)	(16,531)
Expenditure	4,280	4,401
Gains on Investments	(76,539)	(41,545)
Total Gains recognised	(91,899)	(53,675)

The above table shows the income and expenditure paid within the CIF pools apportioned to the Strategic Reserve 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, transactional charges and the manager's fees. The lower income and gains on investment were attributable to market conditions which, although positive, were less favourable than the prior year. Expenditure is attributable mostly to investment management fees and is in line with the prior year when adjusted for the increased average funds under management.

The remaining investment income is generated outside the CIF by legacy investments sold before year end and transitional cash holdings.

2. Expenditure

Actual 2013

£0.0
million

Actual 2014

£0.0
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 expenses 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 2013

£743.1
million

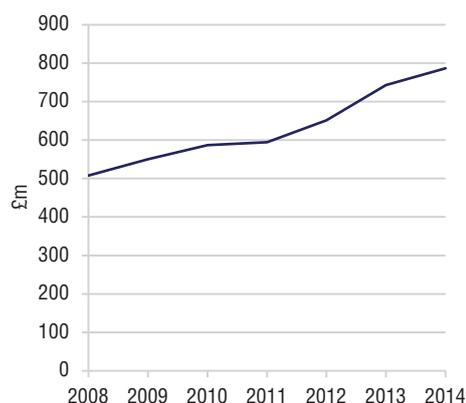
Fund Balance 2014

£786.5
million

The Net Asset Value (NAV) increased from £743.1 million to £786.5 million over 2014, an increase of £43.4 million (5.8%).

The increase in the NAV is predominantly attributable to net income from the Fund's investments held within the CIF. During the year, in line with the 2014 Budget Statement (P122/2013), £10.2 million was drawn from the Fund and transferred to the Consolidated Fund for the planning and creation of new hospital services in the Island.

STRATEGIC RESERVE FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2013 Actual £'000	2014 Actual £'000
Revenue		
Investment Income	(91,981)	(53,688)
Total Revenue	(91,981)	(53,688)
Expenditure: Near Cash		
Supplies and Services	69	77
Finance Costs	–	17
Total Expenditure: Near Cash	69	94
Net Revenue Income	(91,912)	(53,594)

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Investments held at Fair Value through Profit or Loss	651,295	743,068	786,543
Total Non-Current Assets	651,295	743,068	786,543
Current Assets			
Trade and Other Receivables	16	16	–
Cash and Cash Equivalents	–	1	25
Balance due from the Consolidated Fund	–	52	–
Total Current Assets	16	69	25
Total Assets	651,311	743,137	786,568
Current Liabilities			
Trade and Other Payables	(8)	(9)	(10)
Balance due to the Consolidated Fund	(87)	–	(36)
Total Current Liabilities	(95)	(9)	(46)
Assets Less Liabilities	651,216	743,128	786,522
Taxpayer's Equity			
Accumulated Revenue Reserves	651,216	651,216	651,216
Accumulated Returns Ring-Fenced for Hospital	–	91,912	135,306
Total Taxpayer's Equity	651,216	743,128	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
£6,182	£5,094
99.4% decrease from 2013	44.4% decrease from 2013

Fund Performance

1. Income

Actual 2013	Actual 2014
£0.0 million	£0.0 million

The remaining £1 million held by the Stabilisation Fund was drawn down in the fourth quarter of the year in line with the 2015 Budget Statement debated by the States in September 2014. During the year the Fund held assets only in the CIF Long Term Cash Pool due to the low level of holdings and in anticipation of the drawdown.

The low level of income of £9,167 in 2013 and £5,468 in 2014, reflects the low balance of the Fund and ongoing low interest rate environment which has continued to depress cash returns.

Performance of CIF Investments

The Stabilisation Fund participated in the CIF Long Term Cash Pool. Investments were 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 STABILISATION FUND

	2013 £'000	2014 £'000
Income	(11)	(4)
Expenditure	1	1
Losses/(Gains) on Investments	1	(2)
Total Gains recognised	(9)	(5)

2. Expenditure

Actual 2013	Actual 2014
£0.0 million	£0.0 million

As in the prior year, the only expenses of the Fund related to fees paid within the Long Term Cash Pool of the Common Investment Fund and related to management of those investments.

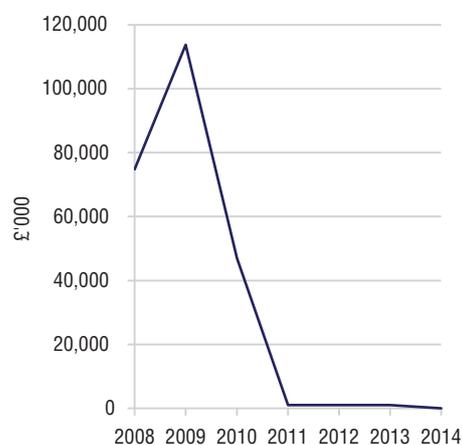
3. Changes in Fund Net Asset Value

Fund Balance 2013	Fund Balance 2014
£1.1 million	£0.006 million

The Net Asset Value (NAV) decreased from £1.1million to £6,182 during 2014, a decrease of 99.4%.

The Stabilisation Fund was fully drawn down in 2014. The decrease in the NAV reflects the £1.1million transfer to the Consolidated Fund in accordance with the 2015 Budget Statement. Some legacy funds relating to broker cash remained in the Fund for settlement of any outstanding fees and were transferred to the Consolidated Fund post year end.

STABILISATION FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2013 Actual £'000	2014 Actual £'000
Revenue		
Investment Income	(9)	(5)
Total Revenue	(9)	(5)
Net Revenue Income	(9)	(5)

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Investments held at Fair Value through Profit or Loss	1,049	1,058	1
Total Non-Current Assets	1,049	1,058	1
Current Assets			
Cash and Cash Equivalents	1	1	1
Balance due from the Consolidated Fund	–	–	4
Total Current Assets	1	1	5
Total Assets	1,050	1,059	6
Taxpayer's Equity			
Accumulated Revenue Reserves	1,050	1,059	6
Total Taxpayer's Equity	1,050	1,059	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
£1,763,099	£413,429
77.5% decrease from 2013	86.2% decrease from 2013

Fund Performance

1. Income

Actual 2013

£5.7
million

Actual 2014

£3.3
million

The Currency Notes Fund continues to generate the majority of its returns through investment in the States of Jersey Common Investment Fund.

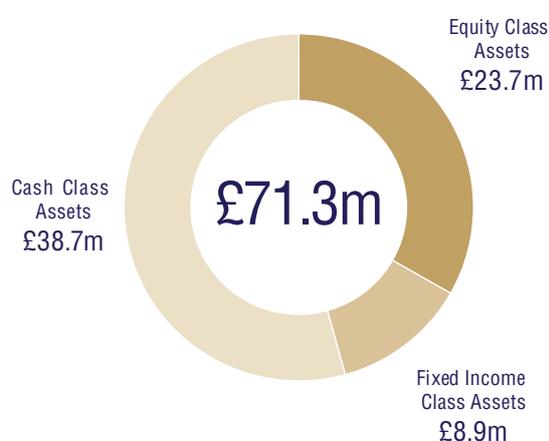
The Fund's portfolio includes a large operational balance, this balance is maintained in cash type assets, focused on liquidity and capital preservation and varies in line with the annual fluctuation in the islands currency in circulation. The long term investment portfolio, made up of the non-cash elements of the Fund's CIF investments plus £10 million of infrastructure investment held outside the CIF, represents the proportion of currency deemed to be in permanent circulation which can be invested over a longer term time horizon.

The majority of income generated by the Fund is attributable to the Fund's long term investment portfolio which generated £2.6 million of returns during the year. The operational portfolio generated £0.3 million of returns with the remaining £0.4 million generated by royalties from the issue of commemorative coins.

The Fund generated good returns during the year attributable to both good returns from the markets but also performance from the active investment managers who produced net returns in the year in excess of their benchmarks.

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 units held in the CIF.



The table below shows the share of transactions in the CIF attributable to the Fund

CIF AMOUNTS ATTRIBUTABLE TO THE JERSEY CURRENCY FUND

	2013 £'000	2014 £'000
Income	(1,133)	(949)
Expenditure	248	241
Gains on Investments	(4,199)	(1,799)
Total Gains recognised	(5,084)	(2,507)

The above table shows the income and expenditure paid within the CIF pools apportioned to the Currency Notes 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 fall in income and gains on investment was attributable to market conditions which, although positive, were less favourable than the prior year. Expenditure is attributable mostly to Investment Management fees and is in line with the prior year.

The remaining investment income is generated outside the CIF through the Funds holdings of infrastructure investments and cash invested by the States Cash Manager.

2. Expenditure

Actual 2013

£2.7

million

Actual 2014

£2.9

million

The total expenditure of the Jersey Currency Fund was £2.9 million up from £2.7 million in the prior year. By far the largest component of this expenditure is the financial return, which rose marginally from the prior year. The Financial Return relates to the transfer to the Consolidated Fund of realised profits made by the Fund in excess of those required to back the currency in circulation.

Remaining expenditure relates mostly 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 2013

£7.8

million

Fund Balance 2014

£1.8

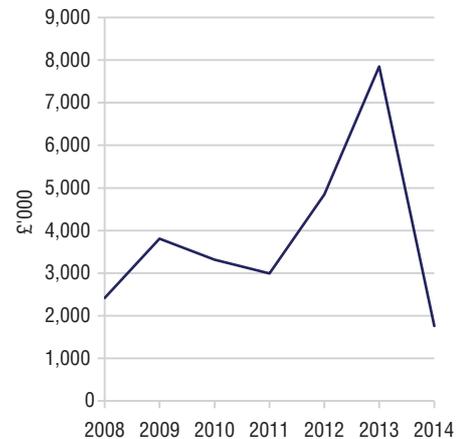
million

The Net Asset Value (NAV) decreased from £7.8 million to £1.8 million during 2014, a decrease of £6.0 million (77.5%). The NAV of the Fund equals the holdings of the fund in excess of the currency in circulation the Fund backs.

The decrease in NAV reflects the profit made by the Fund less £6.5 million surplus transfer and £2.2 million financial return.

The surplus transfer of £6.5 million to the Consolidated Fund has been approved by the Minister in order to allow Funds to be actively applied to benefit the public through expenditure on capital projects.

JERSEY CURRENCY FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2013 Actual £'000	2014 Actual £'000
Revenue		
Sales of Goods and Services	(8)	(4)
Investment Income	(5,452)	(2,889)
Other Income	(206)	(373)
Total Revenue	(5,666)	(3,266)
Expenditure: Near Cash		
Supplies and Services	686	626
Administrative Expenditure	2	3
Premises and Maintenance	16	18
Other Operating Expenditure	19	9
Finance Costs	5	4
Total Expenditure: Near Cash	728	660
Net Revenue Income: Near Cash	(4,938)	(2,606)
Non Cash Amounts		
Depreciation and Amortisation	11	10
Total Non Cash Amounts	11	10
Net Revenue Income (before Financial Return)	(4,927)	(2,596)
Financial Return to Consolidated Fund	1,924	2,183
Net Revenue Income	(3,003)	(413)

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	8	74	64
Investments held at Fair Value through Profit or Loss	67,677	68,762	71,269
Infrastructure Investment	10,000	14,896	10,000
Total Non-Current Assets	77,685	83,732	81,333
Current Assets			
Inventories	1,987	1,712	1,511
Trade and Other Receivables	83	109	243
Cash and Cash Equivalents	16,562	26,451	24,712
Total Current Assets	18,632	28,272	26,466
Total Assets	96,317	112,004	107,799
Current Liabilities			
Trade and Other Payables	(18)	(1,620)	(94)
Currency in Circulation – Notes	(82,281)	(92,265)	(95,116)
Currency in Circulation – Coinage	(8,189)	(8,344)	(8,644)
Balance due to the Consolidated Fund	(982)	(1,925)	(2,182)
Total Current Liabilities	(91,470)	(104,154)	(106,036)
Assets Less Liabilities	4,847	7,850	1,763
Taxpayer's Equity			
Accumulated Revenue Reserves	3,097	6,100	13
Circulation Reserve	1,750	1,750	1,750
Total Taxpayer's Equity	4,847	7,850	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

£5,675,565

29.6% decrease
from 2013

NET REVENUE INCOME

£118,601

59.8% decrease
from 2013

Fund Performance

1. Income

Actual 2013

£1.3
million

Actual 2014

£1.2
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 2013

£1.0
million

Actual 2014

£1.1
million

The Insurance Fund saw an increase of expenditure in 2014 of £0.1 million. The largest increase was attributable to 'Other Operating Expenses' resulting from higher ex-gratia payments made over the year which related to one-off costs due to extreme storm damage to coastal defences. These are not expected to be a recurring expense. Premises and Maintenance costs also saw a small rise; these costs include all insurance charges and settlements levied on the Insurance Fund and saw a net increase of £76,000. This increase reflected a number of offsetting movements, the largest movements being an increase in property claims of £158,000 and the largest fall being Motor and Liability claims which saw a decrease of £82,000.

3. Changes in Fund Net Asset Value

Fund Balance 2013

£8.1
million

Fund Balance 2014

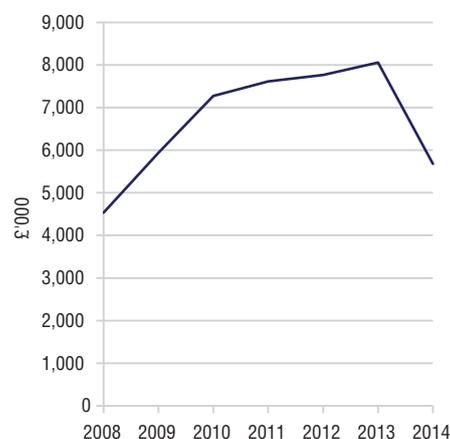
£5.7
million

The Insurance Fund had accumulated balances that, per the most recent actuarial valuation, were in excess of the amount expected to be required to meet the obligations of the Fund. Accordingly in line with the 2015 budget

statement £2.5 million of these excess holdings were transferred to the Consolidated Fund at the end of 2014.

The remaining movement is attributable to a £119,000 excess of revenue generated from insurance recharges over expenses paid from the Fund.

INSURANCE FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2013 Actual £'000	2014 Actual £'000
Revenue		
Other Income	(1,258)	(1,238)
Total Revenue	(1,258)	(1,238)
Expenditure: Near Cash		
Supplies and Services	50	6
Premises and Maintenance	523	599
Other Operating Expenditure	390	514
Total Expenditure: Near Cash	963	1,119
Net Revenue Income	(295)	(119)

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Current Assets			
Trade and Other Receivables	–	–	106
Balance due from the Consolidated Fund	10,047	10,651	7,890
Total Current Assets	10,047	10,651	7,996
Total Assets	10,047	10,651	7,996
Current Liabilities			
Trade and Other Payables	(31)	(463)	(13)
Total Current Liabilities	(31)	(463)	(13)
Total Assets Less Current Liabilities	10,016	10,188	7,983
Non-Current Liabilities			
Provisions for Liabilities and Charges	(2,254)	(2,131)	(2,307)
Total Non-Current Liabilities	(2,254)	(2,131)	(2,307)
Assets Less Liabilities	7,762	8,057	5,676
Taxpayer's Equity			
Accumulated Revenue Reserves	7,762	8,057	5,676
Total Taxpayer's Equity	7,762	8,057	5,676



Special Funds for Specific Purposes



Dwelling Houses Loan Fund

Established in 1950, to enable residentially qualified first-time buyers who have never owned residential freehold property in Jersey to purchase a Jersey home.

Summary Snapshot

FUND POSITION	NET REVENUE INCOME
£4,274,588	£553,622
59.8% decrease from 2013	30.4% increase from 2013

Fund Performance

1. Income

Actual 2013	Actual 2014
£0.5 million	£0.6 million

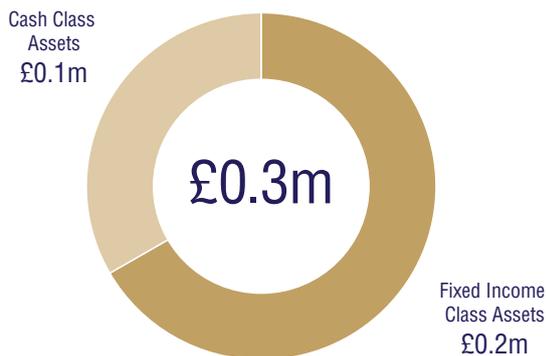
Loan interest received was £540,914 in 2014, an increase of £100,974 (23.0%) due to capital repayments received from borrowers.

Gains on CIF investments of £51,395 occurred during the year, an increase of £44,332 in 2014.

Interest received on financing for the balance due from the Consolidated Fund was £11,816, a decrease of £1,630 (12.1%) during 2014 due to withdrawals from the Fund.

Performance of CIF Investments

The Dwelling Houses Loan Fund participated in a range of CIF pools during 2014; during the year £3.4 million was divested from the Funds holdings in the CIF. 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 following table shows the share of transactions in the CIF attributable to the Fund

CIF AMOUNTS ATTRIBUTABLE TO THE DWELLING HOUSES LOAN FUND

	2013 £'000	2014 £'000
Income	(156)	(93)
Expenditure	3	2
Losses on Investments	146	40
Total Gains recognised	(7)	(51)

2. Expenditure

Actual 2013	Actual 2014
£0.04 million	£0.05 million

Supplies and Services were charged to the Fund of £34,843 in 2014, a decrease of £1,150 (3.2%) on 2013.

During the year there was a £13,860 loan write off.

Interest paid on financing for the balance due to the Consolidated Fund was £1,799 during the year. In 2013 the Fund did not owe any balances to the Consolidated Fund.

3. Changes in Fund Net Asset Value

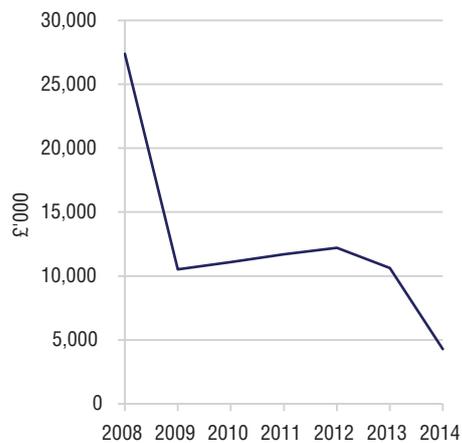
Fund Balance 2013	Fund Balance 2014
£10.6 million	£4.3 million

The Net Asset Value (NAV) decreased by £6.4 million (59.8%).

During the year the scheme did not make any new loans. Advances decreased by £605,650 (14.7%) due to capital repayments and by £1.1 million increase in the balance due from the Consolidated Fund.

The Fund mainly reduced as a result of £6.9 million withdrawals from the Fund. £6.5 million was withdrawn from the Fund and transferred to the Consolidated Fund as approved in Budget Statement 2015 (P.129/2014). £0.4 million was withdrawn from the Fund as approved under P.131/2012 to finance the Pilot Starter Home Deposit Loan Scheme. These were financed by the sale of CIF Investments and a reduction in the balance due from the Consolidated Fund.

DWELLING HOUSES LOAN FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2013 Actual £'000	2014 Actual £'000
Revenue		
Investment Income	(460)	(604)
Total Revenue	(460)	(604)
Expenditure: Near Cash		
Supplies and Services	36	34
Other Operating Expenditure	–	14
Finance Costs	–	2
Total Expenditure: Near Cash	36	50
Net Revenue Income	(424)	(554)

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Loans and Advances	4,289	3,757	3,169
Investments held at Fair Value through Profit or Loss	5,646	3,653	270
Total Non-Current Assets	9,935	7,410	3,439
Current Assets			
Loans and Advances	400	364	346
Trade and Other Receivables	23	20	18
Balance due from the Consolidated Fund	1,853	2,841	472
Total Current Assets	2,276	3,225	836
Total Assets	12,211	10,635	4,275
Assets Less Liabilities	12,211	10,635	4,275
Taxpayer's Equity			
Accumulated Revenue Reserves	12,211	10,635	4,275
Total Taxpayer's Equity	12,211	10,635	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
£2,173,324	£23,616
1.1% increase from 2013	20.5% decrease from 2013

Fund Performance

1. Income

Actual 2013	Actual 2014
£0.04 million	£0.03 million

Loan interest received was £31,380 in 2014, a decrease of £8,955 (22.2%) due to capital repayments received from borrowers.

Interest received on financing for the balance due from the Consolidated Fund was £1,142. In 2013 the Fund did not hold a balance due from the Consolidated Fund.

2. Expenditure

Actual 2013	Actual 2014
£0.01 million	£0.01 million

Supplies and Services were charged to the Fund of £8,753 this was mainly in line with the 2013 charge.

Interest paid on financing for the balance due to the Consolidated Fund was £152 during the year, a decrease of £1,753 (92.0%) in 2014 due to annual loan repayments.

3. Changes in Fund Net Asset Value

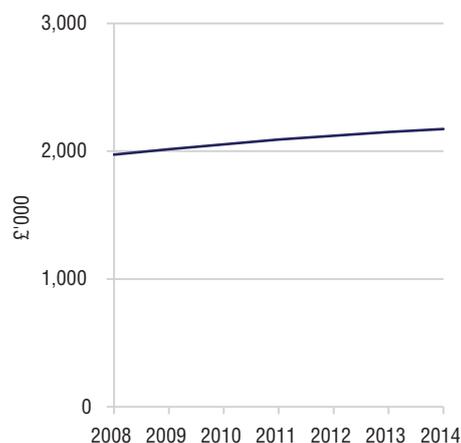
Fund Balance 2013	Fund Balance 2014
£2.2 million	£2.2 million

The Net asset Value (NAV) increased by £23,616 (1.1%).

During the year the scheme did not make any new loans. Advances decreased by £652,745 (28.4%) due to capital repayments.

These repayments are also reflected in the £676,875 movement in the balance due to the Consolidated Fund. During the year all balances due to the Consolidated Fund were repaid (£150,868) and an additional £526,007 was paid, making the balance now due from the Consolidated Fund.

ASSISTED HOUSE PURCHASE SCHEME NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2013 Actual £'000	2014 Actual £'000
Revenue		
Investment Income	(40)	(33)
Total Revenue	(40)	(33)
Expenditure: Near Cash		
Supplies and Services	8	9
Finance Costs	2	–
Total Expenditure: Near Cash	10	9
Net Revenue Income	(30)	(24)

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Loans and Advances	2,453	2,025	1,497
Total Non-Current Assets	2,453	2,025	1,497
Current Assets			
Loans and Advances	200	274	149
Trade and Other Receivables	3	2	1
Balance due from the Consolidated Fund	–	–	526
Total Current Assets	203	276	676
Total Assets	2,656	2,301	2,173
Current Liabilities			
Balance due to the Consolidated Fund	(536)	(151)	–
Total Current Liabilities	(536)	(151)	–
Assets Less Liabilities	2,120	2,150	2,173
Taxpayer's Equity			
Accumulated Revenue Reserves	2,120	2,150	2,173
Total Taxpayer's Equity	2,120	2,150	2,173

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 TRANSFER)
£830,372	£16,170
No change from 2013	2.0% decrease from 2013

Fund Performance

1. Income

Actual 2013	Actual 2014
£0.02 million	£0.02 million

Loan interest received was £13,095 in 2014, a decrease of £365 (2.7%) due to capital repayments received from borrowers.

Interest received on financing for the balance due from the Consolidated Fund was £3,325, an increase of £37 (1.1%) on 2013.

2. Expenditure

Actual 2013	Actual 2014
£0.02 million	£0.02 million

A Financial return was charged to the Fund of £16,170 during the year, representing a decrease of £335 (2.0%) in 2014. 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.

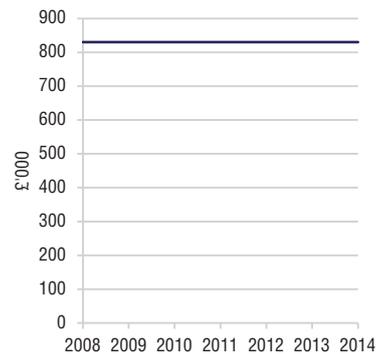
3. Changes in Fund Net Asset Value

Fund Balance 2013	Fund Balance 2014
£0.8 million	£0.8 million

During the year the scheme did not make any new loans. Advances decreased by £4,811 (3.0%) due to capital repayments and by £4,823 increase in the balance due from the Consolidated Fund.

There is no change in the Net Asset Value (NAV) from 2013 as surplus revenue income is transferred to Jersey Property Holding's cash limit at the end of each year and is presented as a Financial Return.

99 YEAR LEASEHOLDERS FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2013 Actual £'000	2014 Actual £'000
Revenue		
Investment Income	(17)	(16)
Total Revenue	(17)	(16)
Expenditure: Near Cash		
Financial Return	17	16
Total Expenditure: Near Cash	17	16
Net Revenue Expenditure	–	–

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Loans and Advances	155	150	144
Total Non-Current Assets	155	150	144
Current Assets			
Loans and Advances	10	11	12
Balance due from the Consolidated Fund	665	669	674
Total Current Assets	675	680	686
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
£488,885	£42,881
9.6% increase from 2013	27.9% decrease from 2013

Fund Performance

1. Income

Actual 2013	Actual 2014
£0.07 million	£0.05 million

Loan interest received was £53,843 in 2014, a decrease of £17,957 (25.0%) due to capital repayments received from borrowers.

2. Expenditure

Actual 2013	Actual 2014
£0.01 million	£0.01 million

Supplies and Services were charged to the Fund of £8,994 this was mainly in line with the 2013 charge.

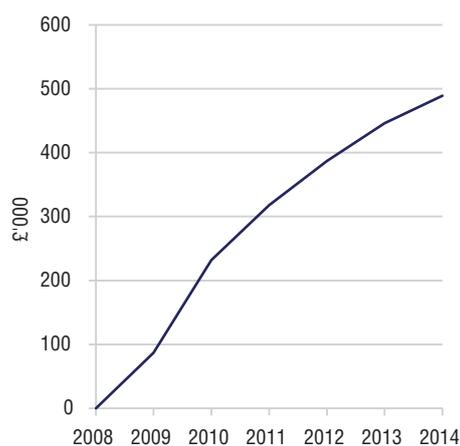
Interest paid on financing for the balance due to the Consolidated Fund was £1,969 during the year, a decrease of £1,636 (45.4%) in 2014 due to annual loan repayments.

3. Changes in Fund Net Asset Value

Fund Balance 2013	Fund Balance 2014
£0.4 million	£0.5 million

During the year the scheme did not make any new loans. Advances decreased by £314,168 (31.2%) due to capital repayments by borrowers; these repayments are also reflected in the £367,450 decrease in the balance due to the Consolidated Fund.

AGRICULTURAL LOANS FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2013 Actual £'000	2014 Actual £'000
Revenue		
Investment Income	(72)	(54)
Total Revenue	(72)	(54)
Expenditure: Near Cash		
Supplies and Services	9	9
Finance Costs	4	2
Total Expenditure: Near Cash	13	11
Net Revenue Income	(59)	(43)

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Loans and Advances	1,028	888	624
Total Non-Current Assets	1,028	888	624
Current Assets			
Loans and Advances	136	119	69
Trade and Other Receivables	46	40	30
Total Current Assets	182	159	99
Total Assets	1,210	1,047	723
Current Liabilities			
Balance due to the Consolidated Fund	(823)	(601)	(234)
Total Current Liabilities	(823)	(601)	(234)
Assets Less Liabilities	387	446	489
Taxpayer's Equity			
Accumulated Revenue Reserves	387	446	489
Total Taxpayer's Equity	387	446	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
£828,706	£116,794
12.4% decrease from 2013	

Fund Performance

1. Income

Actual 2013	Actual 2014
£0.5 million	£0.5 million

The Fund received a grant of £500,000 from the Economic Development Department to allow the TDF Panel to continue further rounds of grant allocations during 2014 and beyond

2. Expenditure

Actual 2013	Actual 2014
£0.3 million	£0.6 million

There was an increase of £0.3 million (107.1%) in grants paid compared to 2013. Grants from the Fund are considered and recommended to the Minister by a committee comprising business leaders and senior officers from the Economic Development Department. The amount paid in grants each year is dependent upon the number and financial amounts of applications received and approved by the committee.

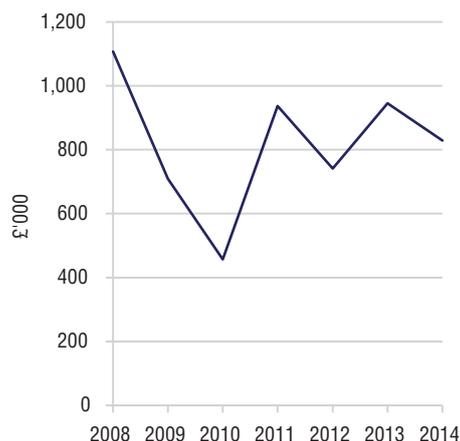
The Panel recommended £794,256 grants in 2014 of which £640,215 will be paid in 2015 and 2016.

3. Changes in Fund Net Asset Value

Fund Balance 2013	Fund Balance 2014
£0.9 million	£0.8 million

The decrease of £0.1 million was mainly due to the payment of grants (£0.6 million) offset by the receipt of a grant of £0.5 million from the Economic Development Department

TOURISM DEVELOPMENT FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2013 Actual £'000	2014 Actual £'000
Revenue		
Investment Income	(6)	(6)
Other Income	(500)	(500)
Total Revenue	(506)	(506)
Expenditure: Near Cash		
Supplies and Services	4	8
Administrative Expenditure	1	–
Grants and Subsidies Payments	297	615
Total Expenditure: Near Cash	302	623
Net Revenue (Income)/Expenditure	(204)	117

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Current Assets			
Balance due from the Consolidated Fund	742	1,130	1,057
Total Assets	742	1,130	1,057
Current Liabilities			
Trade and Other Payables	(1)	(185)	(228)
Total Liabilities	(1)	(185)	(228)
Assets Less Liabilities	741	945	829
Taxpayer's Equity			
Accumulated Revenue Reserves	741	945	829
Total Taxpayer's Equity	741	945	829

Jersey Innovation Fund

Established in 2013, 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 INCOME
£4,988,819	£4,988,819

2014 is the first year of operation therefore no comparative figures are presented for prior years.

Fund Performance

1. Income

Actual 2013	Actual 2014
£0.0 million	£5.0 million

In 2014 a grant of £5.0 million was received from the Economic Development Department to providing initial funding.

Loan Interest of £14,041 was accrued in 2014, which is payable in 2015. During the year 3 loans were issued (£910,000).

2. Expenditure

Actual 2013	Actual 2014
£0.0 million	£0.03 million

Total expenses of £25,222 in 2014 related to the Jersey Innovation Board's operating costs together with advertising and publicity costs to establish the Fund.

No grants were awarded in 2014.

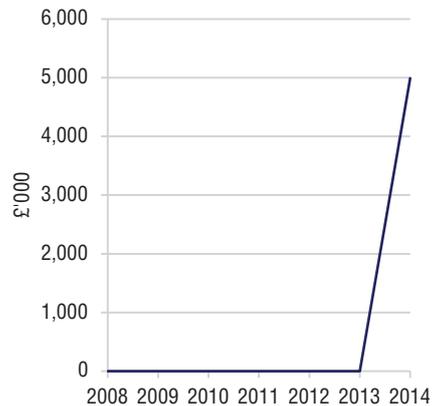
3. Changes in Fund Net Asset Value

Fund Balance 2013	Fund Balance 2014
£0.0 million	£5.0 million

The Net Asset Value (NAV) was £5.0 million.

During the year the Fund received a £5.0 million grant to establish the Fund and 3 Loans were issued from the Fund.

JERSEY INNOVATION FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2014 Actual £'000
Revenue	
Investment Income	(14)
Other Income	(5,000)
Total Revenue	(5,014)
Expenditure: Near Cash	
Staff Expenditure	18
Supplies and Services	5
Administrative Expenditure	2
Total Expenditure: Near Cash	25
Net Revenue Income	(4,989)

As the Jersey Innovation Fund is in its first year, there are no comparative figures presented.

Statement of Financial Position

	2014 Actual £'000
Non-Current Assets	
Loans and Advances	850
Total Non-Current Assets	850
Current Assets	
Loans and Advances	61
Trade and Other Receivables	14
Balance due from the Consolidated Fund	4,066
Total Current Assets	4,141
Total Assets	4,991
Total Assets Less Current Liabilities	4,991
Non-Current Liabilities	
Trade and Other Payables	(2)
Total Non-Current Liabilities	(2)
Assets Less Liabilities	4,989
Taxpayer's Equity	
Accumulated Revenue Reserves	4,989
Total Taxpayer's Equity	4,989

As the Jersey Innovation Fund is in its first year, there are no comparative figures presented.

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
£180,172	£410,120
69.5% decrease from 2013	

Fund Performance

1. Income

Actual 2013
£8.2
million

Actual 2014
£11.3
million

Ticket sales accounted for the overwhelming majority of income in 2014 at £11.1 million (98.2%). The Christmas Draw and Super Red Hot 7s were the most popular games jointly contributing £5.9 million of sales. Other income from investment returns and time expired prizes amounted to £0.2 million (1.8%).

Combined Jersey and Guernsey sales grew by £3.1million (38.8%) in 2014. Sales of Super Red Hot 7s recorded the greatest increase at £1.5 million, whilst the Christmas Lottery sales grew by £0.5 million. Income from investments and time expired prizes remained at the same level as 2013.

Performance of CIF Investments

The Channel Islands Lottery (Jersey) Fund participates in a single CIF pool. Investments are held by the CIF, which recognises income, expenditure and gains/losses on Investments. The Fund recognises only gains or losses on the units held in the CIF.



The table below shows the share of transactions in the CIF attributable to Fund

CIF AMOUNTS ATTRIBUTABLE TO THE CHANNEL ISLANDS LOTTERY (JERSEY) FUND

	2013 £'000	2014 £'000
Income	(5)	(1)
Expenditure	–	–
Gains on Investments	–	–
Total Gains recognised	(5)	(1)

2. Expenditure

Actual 2013
£8.2
million

Actual 2014
£11.7
million

Prize payments and commission to distributors were the principal costs in 2014 before distributions to the Association of Jersey Charities. Together they accounted for expenditure of £9.5 million (81.2%) and £0.8 million (6.8%) respectively.

Overall expenditure grew by £3.5 million (42.7%) in 2014. Prize payments make up the majority of this increase at £2.9 million with commission the other significant contributor at £0.3million.

The 2014 grant to the Association of Jersey Charities was £0.7 million, which represents an increase compared to 2013 of 2.5%.

The 2014 grant increased by less than income as the underlying profitability of the lottery was lower in 2014 than 2013 as a result of larger prize funds on 2014 games and higher commission costs.

A special distribution of £0.4 million was made to the Association of Jersey Charities from the net assets of the fund. As a result, expenditure was greater than income in 2014.

3. Changes in Fund Net Asset Value

Fund Balance 2013

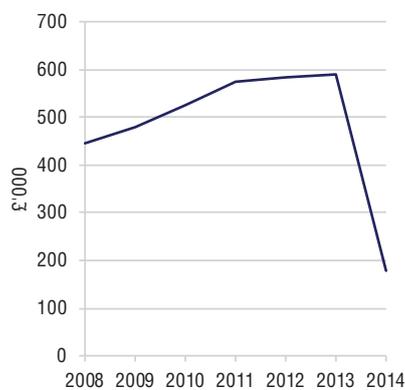
£0.6
million

Fund Balance 2014

£0.2
million

Over several years the Channel Islands Lottery (Jersey) Fund established a reserve to protect against the potential losses that could have been incurred through the operation of the Lottery. In 2014 a new approach to ticket sales was introduced which significantly reduced the fund's risk exposure and permitted a reduction in the level of reserves held. As a consequence, a special distribution of £0.4 million was paid to the Association of Jersey Charities reducing the Net Asset Value of the fund by an identical amount.

CHANNEL ISLANDS LOTTERY (JERSEY) FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2013 Actual £'000	2014 Actual £'000
Revenue		
Sales of Goods and Services	(8,020)	(11,139)
Investment Income	(11)	(11)
Other Income	(171)	(176)
Total Revenue	(8,202)	(11,326)
Expenditure: Near Cash		
Supplies and Services	924	1,113
Other Operating Expenditure	6,586	9,508
Grants and Subsidies Payments	684	1,112
Impairments of Financial Assets	3	3
Total Expenditure: Near Cash	8,197	11,736
Net Revenue (Income)/Expenditure	(5)	410

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Investments held at Fair Value through Profit or Loss	539	142	143
Total Non-Current Assets	539	142	143
Current Assets			
Trade and Other Receivables	1,490	1,117	1,816
Balance due from the Consolidated Fund	958	1,636	2,683
Total Current Assets	2,448	2,753	4,499
Total Assets	2,987	2,895	4,642
Current Liabilities			
Trade and Other Payables	(2,402)	(2,305)	(4,462)
Total Current Liabilities	(2,402)	(2,305)	(4,462)
Assets Less Liabilities	585	590	180
Taxpayer's Equity			
Accumulated Revenue Reserves	585	590	180
Total Taxpayer's Equity	585	590	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

£9,060,706

NET REVENUE INCOME

£3,277,508

56.7% increase

from 2013

Fund Performance

1. Income

Actual 2013	Actual 2014
(£0.3) million	£8.7 million

On 9 June 2014 the States of Jersey issued a £250.0 million Bond at a coupon rate of 3.75% with a 40 year maturity. The cash received from the Bond (£243.8 million) is invested in the CIF until it is lent out.

£6.8 million income was received from gains recognised in the CIF during 2014.

£1.2 million was received by way of a one off reimbursement of part of the Bond issuance costs from Andium Homes Limited.

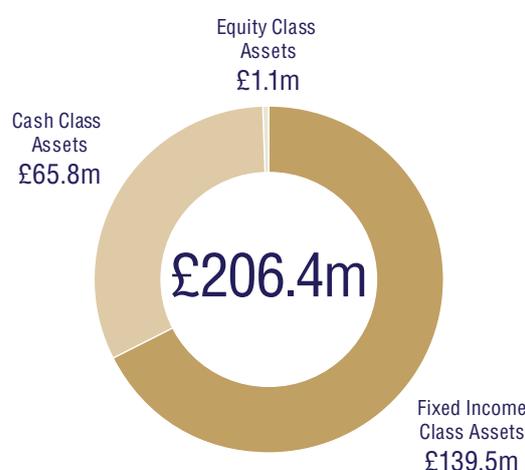
£0.3 million related to the unrealised gain on revaluation of derivatives (Letters of Comfort) in 2014. The 2013 provision was removed in full.

Loan interest received was £0.2 million in 2014. During the year 3 loans were issued to Andium Homes Limited (£40.6 million).

Interest received on financing for the balance due from the Consolidated Fund was £0.1 million, an increase of £77,690 (258.2%) on 2013.

Performance of CIF Investments

The Housing Development Fund participated in a range of CIF pools in 2014, 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

	2013 £'000	2014 £'000
Income	–	(1,874)
Expenditure	–	232
Gains on Investments	–	(5,188)
Total Gains recognised	–	(6,830)

2. Expenditure

Actual 2013

£0.0

million

Actual 2014

£5.4

million

Expenditure in 2014 changed mainly as a result of the £250.0 million Bond issuance. The Bond discount (which is the difference between the Bond value of £250.0 million and the cash received of £243.8 million) and Bond issuance costs are amortised over the life of the Bond (40 years).

On 9th December the first half yearly interest instalment was paid to investors at the coupon rate of 3.75% per annum (£4.7 million.)

The total expenses in 2014 relating to the Bond which included Bond interest payments and accruals, amortisation of the Bond discount and issuance costs, using an effective interest rate, was £5.3 million.

£0.1 million of costs related to the operational costs for the Bond and issuance costs not capitalised.

3. Changes in Fund Net Asset Value

Fund Balance 2013

£5.8

million

Fund Balance 2014

£9.1

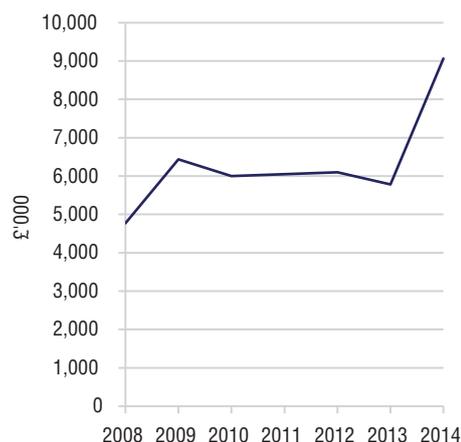
million

The amount borrowed by the States was transferred from the Consolidated Fund to the Housing Development Fund.

£243.8 million of cash was received from the Bond issuance. The difference between this and the £250.0 million value of the Bond is due to the published coupon rate of 3.75% which was rounded to the nearest 1/8th as is the market norm. This is to allow comparability between all Bonds in the market place. The Bond has been accounted for using amortised cost using an effective interest rate as per the JFRM.

The reason for the increase in the Fund value relates to the growth in Statement of Comprehensive Expenditure. This is mostly due to the Fund holding the proceeds from the Bond issuance and the investment of Bond proceeds in the CIF until they are issued as Loans from the Fund.

HOUSING DEVELOPMENT FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2013 Actual £'000	2014 Actual £'000
Revenue		
Investment Expense/(Income)	311	(7,499)
Other Income	–	(1,190)
Total Revenue	311	(8,689)
Expenditure: Near Cash		
Supplies and Services	–	132
Finance Costs	–	5,279
Total Expenditure: Near Cash	–	5,411
Net Revenue Expenditure/(Income)	311	(3,278)

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Loans and Advances	–	–	39,625
Investments held at Fair Value through Profit or Loss	–	–	206,428
Total Non-Current Assets	–	–	246,053
Current Assets			
Loans and Advances	–	–	927
Balance due from the Consolidated Fund	6,099	6,129	5,138
Total Current Assets	6,099	6,129	6,065
Total Assets	6,099	6,129	252,118
Current Liabilities			
Trade and Other Payables	–	–	(27)
Total Current Liabilities	–	–	(27)
Total Assets Less Current Liabilities	6,099	6,129	(252,091)
Non-Current Liabilities			
Derivative Financial Instruments expiring after more than one year	(4)	(346)	–
Other Financial Liabilities	–	–	(243,030)
Total Non-Current Liabilities	(4)	(346)	(243,030)
Assets Less Liabilities	6,095	5,783	9,061
Taxpayer's Equity			
Accumulated Revenue Reserves	6,095	5,783	9,061
Total Taxpayer's Equity	6,095	5,783	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. During the year The Proceeds of Crime and Terrorism (Miscellaneous Provisions) (Jersey) Law 2014, which came into effect on 4th August 2014, repealed the Drug Trafficking Offences (Jersey) Law 1988 and prescribed that any monies remaining in the Drug Trafficking Confiscation Fund (DTCF) should be transferred to the Criminal Offences Confiscation Fund (COCF). Therefore the fund ceased to exist, and the remaining balance of £1.2million was transferred into the COCF. These accounts illustrate the combined Fund Position.

Summary Snapshot

FUND POSITION	NET REVENUE EXPENDITURE – NEAR CASH
£3,026,560	£14,138,009
82.4% decrease from 2013	

1. Fund Performance

1. Income

Actual 2013	Actual 2014
£2.0 million	£4.6 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 £4.5 million were received in 2014. This was mainly due to two large receipts of £2.8 million and £1.5 million which both formed part of an asset sharing agreements with the UK and US respectively.

Bank Interest received amounted to £0.1million.

2. Expenditure

Actual 2013	Actual 2014
£0.1 million	£18.7 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 2014 grants totalling £16.9 million were made of which, £14.8 million were to the Home Affairs Department for the Police Headquarters Re-location Project.

In 2014 £1.9 million was paid out in respect of an asset sharing agreement held with the UK.

3. Changes in Fund Net Asset Value

Fund Balance 2013	Fund Balance 2014
£17.2 million	£3.0 million

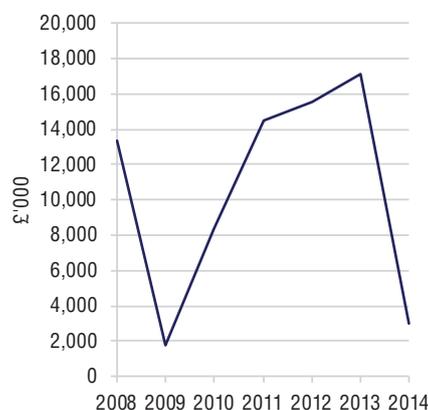
Accumulated reserves of £1.3 million were transferred into the Fund from the DTCF which included bank balances of £4.1 million, a provision of £3 million for an Asset Sharing Agreement with the United States relating to a case dating back more than eight years and deferred expenditure of £0.2 million which related to grants made to the Home Affairs Department which remained unspent at the point of transfer.

During the year total confiscations of £4.5 million were received in 2014 which were offset by the £17.0 million grants paid, £1.9 million which was paid out in respect of an asset sharing agreement held with the UK and a gain on foreign exchange during the year of £0.2 million.

A creditor of £0.7million existed at the year end for the grant due to Health and Social Services for the UK Mental Health Placement.

Deferred expenditure was reduced by £0.1 million during the year as the Home Affairs Department used some of the Funds for a Jersey Customs & Immigration Service project.

COCF NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2013	2014
	Actual (Restated)	Actual
	£'000	£'000
Revenue		
Investment Income	(56)	(59)
Other Income	(1,915)	(4,505)
Total Revenue	(1,971)	(4,564)
Expenditure: Near Cash		
Supplies and Services	3	3
Other Operating Expenditure	8	1,889
Grants and Subsidies Payments	299	16,986
Foreign Exchange Loss/(Gain)	34	(176)
Total Expenditure: Near Cash	344	18,702
Net Revenue (Income)/Expenditure	(1,627)	14,138

During 2014 the DTCF and COCF were combined into one Fund and therefore the previous years have been restated.

Statement of Financial Position

	2012	2013	2014
	Actual (Restated)	Actual (Restated)	Actual
	£'000	£'000	£'000
Current Assets			
Trade and Other Receivables	195	191	137
Cash and Cash Equivalents	17,301	18,990	16,144
Total Current Assets	17,496	19,181	16,281
Total Assets	17,496	19,181	16,281
Current Liabilities			
Trade and Other Payables	(8)	(8)	(722)
Balance due to the Consolidated Fund	(79)	(137)	(9,534)
Total Current Liabilities	(87)	(145)	(10,256)
Total Assets Less Current Liabilities	17,409	19,036	6,025
Non-Current Liabilities			
Provisions for Liabilities and Charges	(1,871)	(1,871)	(2,998)
Total Non-Current Liabilities	(1,871)	(1,871)	(2,998)
Assets Less Liabilities	15,538	17,165	3,027
Taxpayer's Equity			
Accumulated Revenue Reserves	15,538	17,165	3,027
Total Taxpayer's Equity	15,538	17,165	3,027

During 2014 the DTCF and COCF was combined into one Fund and therefore the previous years have been restated.

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 – NEAR CASH
£200,983	£116,814
138.8% increase from 2013	127.8% increase from 2013

Fund Performance

1. Income

Actual 2013
£0.1
million

Actual 2014
£0.1
million

The Fund's main source of income is from seizures made by Customs and Immigration during the year. In 2014 cash seizures amounted to £116,435 compared to £51,975 in 2013.

2. Expenditure

Actual 2013
£0.0
million

Actual 2014
£0.0
million

Admin recharges of £800 were incurred during the year.

3. Changes in Fund Net Asset Value

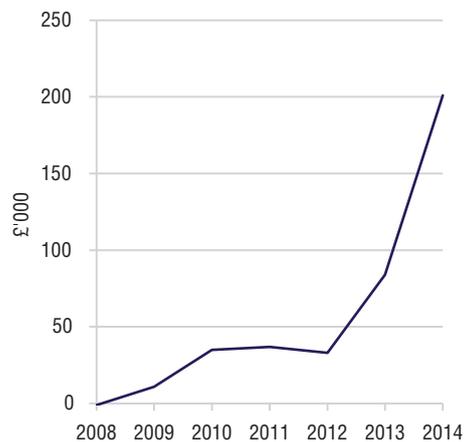
Fund Balance 2013
£0.1
million

Fund Balance 2014
£0.2
million

Net Asset Value increased by £116,814.

This increase is mainly due to the Cash seizures made by the Customs and Immigration Department during the year.

CIVIL ASSET RECOVERY FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2013 Actual £'000	2014 Actual £'000
Revenue		
Other Income	(52)	(117)
Total Revenue	(52)	(117)
Expenditure: Near Cash		
Supplies and Services	1	1
Foreign Exchange Loss/(Gain)	–	(1)
Total Expenditure: Near Cash	1	–
Net Revenue Income	(51)	(117)

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Current Assets			
Cash and Cash Equivalents	19	19	23
Balance due from the Consolidated Fund	22	173	289
Total Current Assets	41	192	312
Total Assets	41	192	312
Current Liabilities			
Trade and Other Payables	(8)	(108)	(111)
Total Current Liabilities	(8)	(108)	(111)
Assets Less Liabilities	33	84	201
Taxpayer's Equity			
Accumulated Revenue Reserves	33	84	201
Total Taxpayer's Equity	33	84	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: NEAR CASH
£88,636,669	£13,029,309
16.3% increase from 2013	11.3% increase from 2013

1. What resources we have used

Fund Position

The surplus of £11.7 million in 2013 increased to £14.8 million in 2014 because of the following variances in income and expenditure.

KEY VARIANCES FROM 2013

	£'000
2013 NRI	(11,709)
Social Benefit Payments	3,779
Contributions	(3,973)
States Contribution	(1,500)
Other Variances	374
2014 NRI	(13,029)

In comparison to the prior year there has been an increase of £3.8 million on Social Benefit Payments.

Contributions increased from 2013 by £4.0 million in line with the increase in the number of contributors. The States Contribution to the Fund also increased from £62.2 million to £63.7 million.

Fund Balance 2013

£76.2
million

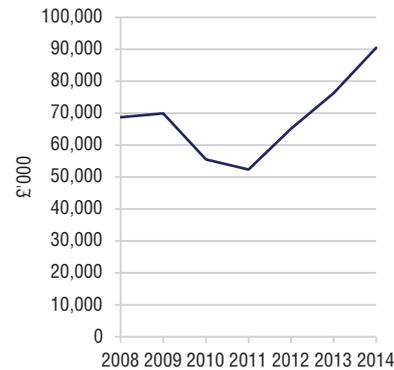
Fund Balance 2014

£88.6
million

The balance on the Fund has increased by 16.3% (£12.4 million) due to the surplus retained in the fund.

Assets are mainly debtors for contributions along with fixed assets including the building which houses the department and working cash balances. The fund invests its surplus in the Social Security Reserve Fund 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



Fund Income

Actual 2013

£219.2
million

Actual 2014

£224.4
million

Income within the Social Security Fund has increased by £5.2 million over the prior year.

Contribution income and the States Grant have increased by 2.5% (£4.0 million) and 2.4% (£1.5 million) respectively.

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 £47,016 per annum.

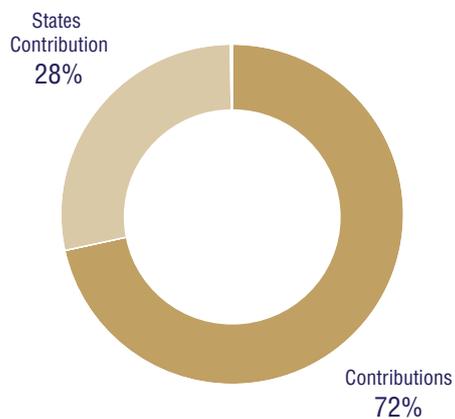
Contributors with earnings below the SEL, but above the Lower Earnings Limit (LEL) of £9,888 per annum, normally receive a supplement to bring their contributions up to the SEL. This is in order to protect pensions and benefit entitlement.

The States provide an annual grant to the Fund, which partly covers the cost of the supplement. The 2014 grant was £63.7 million, £1.5 million higher than 2013 and is recorded as expenditure in the Social Security Department pages of this Annex. The amount is governed by a formula and was set for the period of the MTFP. A contribution rate of 2% payable on earnings by employers and Class 2 contributors between the SEL and the Upper Earnings Limit (UEL) of £155,568 per annum makes up the remaining supplement.

Contribution income has increased by £4.0 million compared with prior year. The number of contributors rose from an average of 50,865 in 2013 to an average of 51,292 in 2014 (based on latest figures).

MAJOR INCOME STREAMS

	£'000
Contributions	(160,388)
States Contribution	(63,700)
Other	(339)
Total Revenue	(224,427)



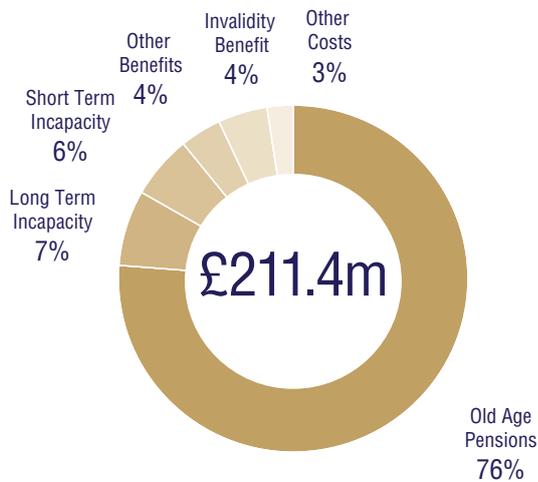
2. What we have spent funding on

Fund Expenditure

Actual 2013	Actual 2014
£207.5 million	£211.4 million

Expenditure has increased by £3.9 million during 2014, including an increase in social benefits payments of £3.8 million offset by a decrease in other costs of £0.8 million.

The increase in social benefits payments is mainly due to the increase in Pensions (£6.2 million) offset by decreases in Redundancy Protection (£1.0 million), Invalidity Benefit (£0.9 million) and Short Term Incapacity (£0.5 million).



Old Age Pensions £160.5 million

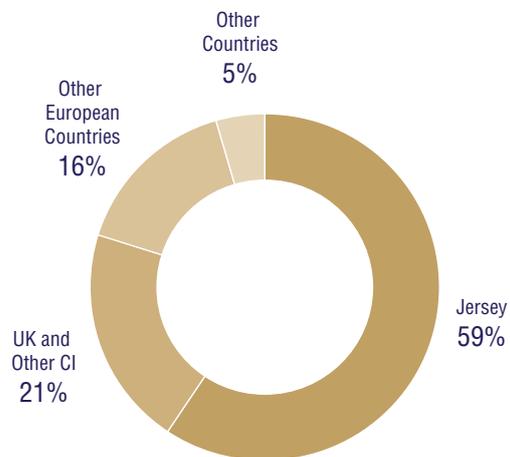
Just over three-quarters of Social Security benefit expenditure is in respect of old age pensions. This cost is growing year on year as the number of pensioners increases.

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 2014 the standard rate of pension increased by 2% from £193.48 to £197.40 per week.

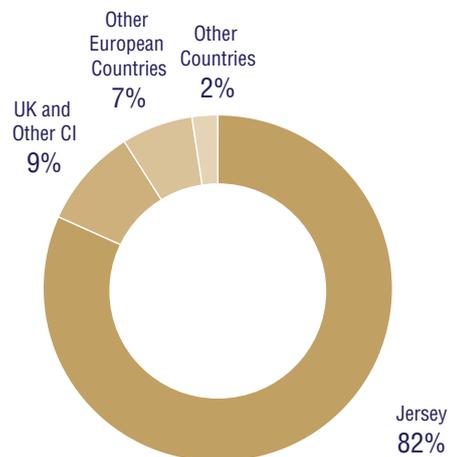
Pensioners living in Jersey have typically paid more Social Security contributions having lived and worked for more years in Jersey, and therefore receive a larger pension. The lower levels of pensions paid abroad reflect Jersey's history of high levels of migrant labour where non-Jersey born nationals 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) £22.9 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.

£8.1 million was paid out in Invalidation and Disablement Benefits in 2014. These benefits are no longer open to new claimants as they are directed towards LTIA therefore numbers and cost are steadily reducing.

The LTIA benefit (£14.8 million in 2014) 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) £12.4 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.

Other Benefits

Survivor's Benefits £4.6 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 & Adoption Benefits £2.6 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.

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.

Insolvency Benefit £0.1 million

Insolvency Benefit was introduced on 1st December 2012 and provides financial assistance to employees who are made redundant due to the insolvency of their employer.

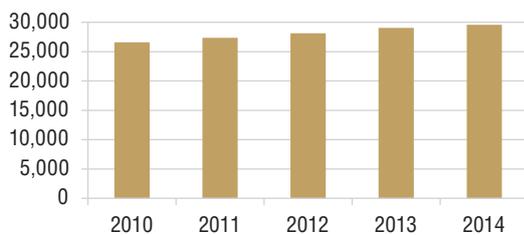
3. What we have achieved

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 2014 almost 30,000 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 2010–2014

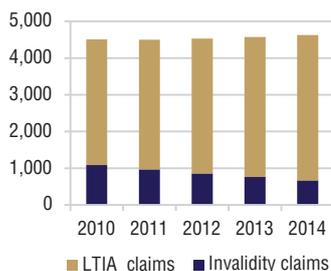


Long Term Incapacity Allowance (LTIA) and Invalidity Benefit (INV)

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 2014 just over 4,500 claims for these benefits were in payment.

LTIA & INV BENEFITS IN PAYMENT AT YEAR END 2010–2014

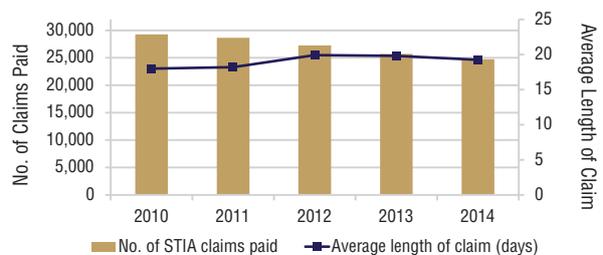


Short Term Incapacity Allowance (STIA)

There has been a gradual decline in the number of STIA claims per year and since 2012 there has also been a slight fall in the average length of a claim.

In 2014 almost 25,000 STIA claims were paid.

NO. OF STIA CLAIMS PAID AND AVERAGE LENGTH OF CLAIM 2010–2014

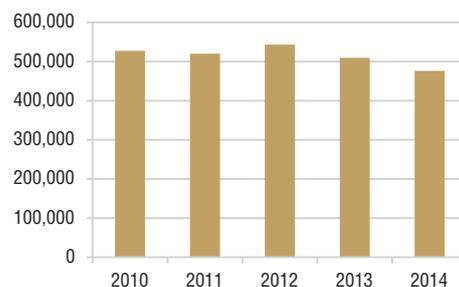


The number of claims paid has been decreasing each year since 2010.

The average length of claim was increasing until 2012, but has since been decreasing.

The combined effects of a reduction in the number of claims and average length of claim from 2012 onwards, have resulted in year on year decreases in the number of STIA days paid since 2012.

NO. OF DAYS PAID



Financial Statements

Statement of Comprehensive Net Expenditure

	2013 Actual £'000	2014 Actual £'000
Revenue		
Contributions	(156,415)	(160,388)
States Contribution	(62,200)	(63,700)
Sales of Goods and Services	(163)	(150)
Investment Income	(165)	(189)
Other Income	(308)	–
Total Revenue	(219,251)	(224,427)
Expenditure: Near Cash		
Social Benefit Payments	201,678	205,457
Supplies and Services	4,872	4,431
Administrative Expenditure	635	411
Premises and Maintenance	317	175
Other Operating Expenditure	1	–
Impairments of Financial Assets	–	885
Finance Costs	39	39
Total Expenditure: Near Cash	207,542	211,398
Net Revenue Income: Near Cash	(11,709)	(13,029)
Non Cash Amounts		
Depreciation and Amortisation	659	596
Total Non Cash Amounts	659	596
Net Revenue Income	(11,050)	(12,433)

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	7,170	6,735	6,291
Intangible Assets	1,148	1,110	1,110
Total Non-Current Assets	8,318	7,845	7,401
Current Assets			
Trade and Other Receivables	56,436	58,789	57,377
Cash and Cash Equivalents	8,287	7,758	25,222
Balance due from the Consolidated and Other Funds	–	3,351	–
Total Current Assets	64,723	69,898	82,599
Total Assets	73,041	77,743	90,000
Current Liabilities			
Trade and Other Payables	(3,807)	(1,539)	(1,268)
Balance due to the Consolidated and Other Funds	(4,080)	–	(95)
Total Current Liabilities	(7,887)	(1,539)	(1,363)
Assets Less Liabilities	65,154	76,204	88,637
Taxpayer's Equity			
Accumulated Revenue Reserves	61,848	72,898	85,331
Revaluation Reserve	3,306	3,306	3,306
Total Taxpayer's Equity	65,154	76,204	86,637

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 EXPENDITURE
£85,115,578	£923,998
1.1% decrease from 2013	£5.5 million surplus in 2013

1. What resources we have used

Fund Position

The surplus of £5.5 million in 2013 became a deficit of £0.9 million in 2014 because of the following variances in income and expenditure.

KEY VARIANCES FROM 2013

	£'000
2013 NRI	(5,518)
Contribution to HSSD for Primary Care	4,000
Investment Income	2,877
Social Benefit Payments	764
Contributions	(794)
Other Variances	(475)
2014 NRE	924

As agreed in the Medium Term Financial Plan, and as brought into effect through P.88/2012, £6.0 million was transferred in 2014 to Health and Social Services (HSSD) to fund primary care services, an increase of £4.0 million when compared to prior year.

Investment income decreased by £2.9 million compared with prior year.

Contributions paid to the department increased by £0.7 million, offset by an increase in Social Benefit Payments of £0.8 million.

Fund Balance 2013

£86.1
million

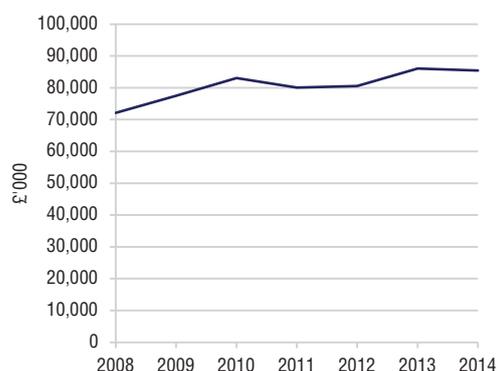
Fund Balance 2014

£85.1
million

Net Asset Value decreased by £1.0 million in 2014 due to the deficit largely caused by the increase in the transfer to HSSD for Primary Care.

Assets consist of investments held through the Common Investment Fund (CIF) of £78.5 million which are managed in accordance with an investment strategy aligned to the HIF's strategic objectives, and debtors for contributions of £9.0 million.

HEALTH INSURANCE FUND NET ASSET VALUE OVER TIME



Fund Income

Actual 2013

£37.2
million

Actual 2014

£35.3
million

Income within the Health Insurance Fund has decreased by £1.9 million from the prior year.

Contributions to the Fund are paid by working age adults (0.8% of earnings) and their employers (1.2%) up to the Standard Earnings Limit (SEL) of £47,016 per annum.

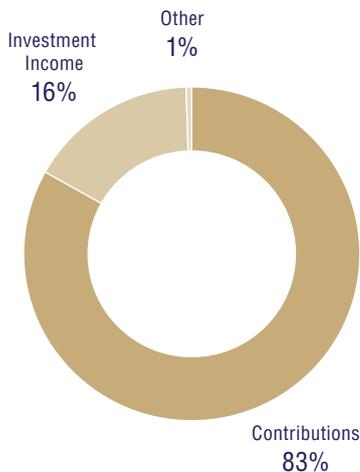
Contribution income has increased by £0.7 million compared with prior year. The number of contributors rose from an average of 50,865 in 2013 to an average of 51,292 in 2014 (based on latest figures).

Investment income decreased by £2.9 million compared with prior year. Investments generated a net return of 7.3%, although lower than 2013, this represented a good return for the Fund with underlying investment managers producing returns in excess of the benchmark.

Other income consists of ongoing costs of GP Central Services invoiced to the surgeries now using the system.

MAJOR INCOME STREAMS

	£'000
Contributions	(29,297)
Investment Income	(5,776)
Other Income	(193)
Total Income	(35,266)



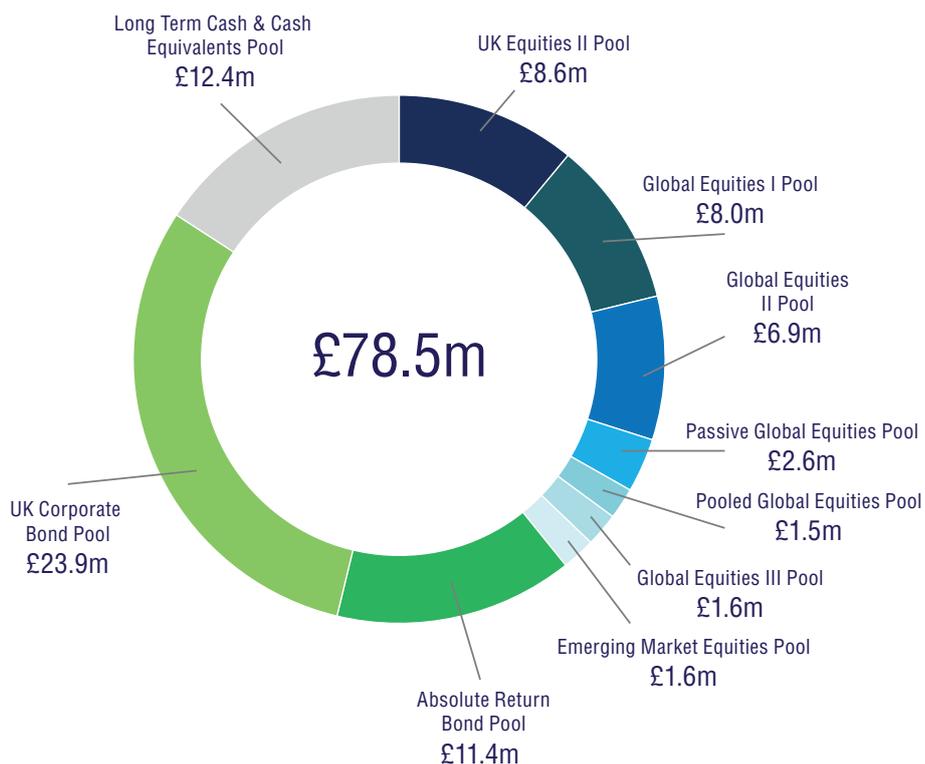
Performance of CIF Investments

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.

CIF AMOUNTS ATTRIBUTABLE TO THE HEALTH INSURANCE FUND

	2013 £'000	2014 £'000
Income	1,954	985
Expenditure	(488)	(496)
Gains on Investments	7,187	5,287
Total Gains recognised	8,653	5,776

The fall in income and gains on investment were attributable to market conditions which, although positive, were less favourable than the prior year. Expenditure is attributable mostly to Investment Management fees and is in line with the prior year, adjusted for small changes to the average funds under management.

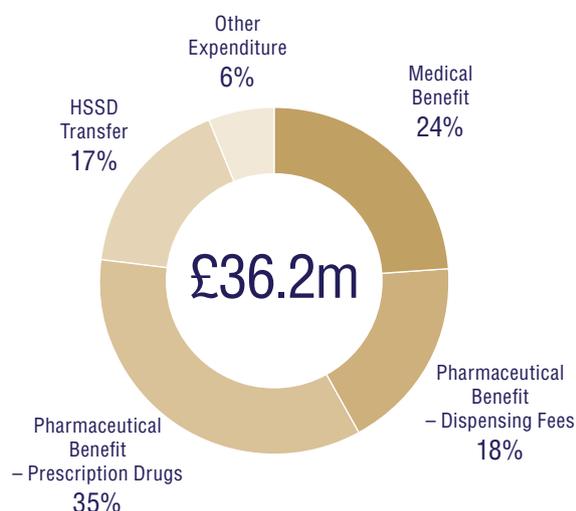


2. What we have spent funding on

Fund Expenditure

Actual 2013	Actual 2014
£31.7 million	£36.2 million

Expenditure has increased by £4.5 million during 2014, due to an increase in the transfer to HSSD (£4.0 million) and an increase in social benefit payments (£0.8 million), offset by a decrease in other costs (£0.5 million).



Pharmaceutical Benefit **£18.9 million**

Pharmaceutical benefit covers the full cost of prescription drugs prescribed by GPs (£12.5 million) and includes a dispensing fee paid to community pharmacists (£6.4 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 **£8.8 million**

Medical Benefit – GP Consultations **£7.9 million**

A standard benefit is paid in respect of each GP consultation covered by the Health Insurance Fund. Additionally a separate benefit, paid at the same rate, is available in respect of the cost of a letter of referral written by a GP to a hospital consultant or other specialist.

Throughout 2014 the value of the benefit was set at £20.28 per consultation.

Medical Benefit – Pathology Laboratory Benefit **£0.9 million**

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 before being increased to £10.35 in June 2012.

Primary Care Services – HSS **£6 million**

In 2014 there was a £6 million transfer from the Health Insurance Fund to Health and Social Services to fund primary care services provided by that Department.

Other Benefits

Gluten-free Scheme **£0.3 million**

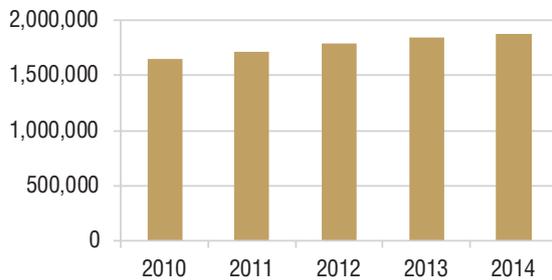
Individuals who require a gluten-free diet can receive vouchers towards the cost of purchasing gluten-free products. The current value of the vouchers is £14 per beneficiary per week.

3. What we have achieved

Pharmaceutical Benefit

The long-term growth in numbers of prescriptions continued in 2014 with over 1.8 million items being prescribed.

NO. OF ITEMS PRESCRIBED 2010–2014



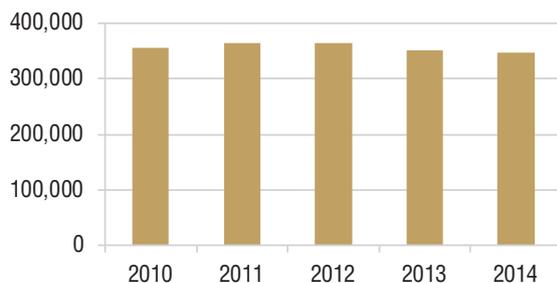
The rate of increase in the number of items prescribed has decreased from between 3% and 5% per year 2010–2013, to 1% 2014 vs. 2013.

There were 18 items prescribed per head of population in 2014, a similar number to that in 2013.

Medical benefit – GP Consultations

In 2014 there were almost 350,000 GP consultations and over 40,000 letters of referral that were paid for from the health fund.

NO. OF GP CONSULTATIONS 2010–2014

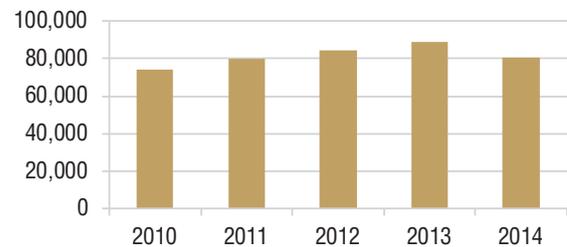


The number of GP consultations has remained quite consistent over the past five years.

Medical Benefit – Pathology Laboratory Benefit

In 2014, over 80,000 Pathology Laboratory Benefit claims were paid.

PATHOLOGY LABORATORY BENEFIT CLAIMS 2010–2014



Financial Statements

Statement of Comprehensive Net Expenditure

	2013 Actual £'000	2014 Actual £'000
Revenue		
Contributions	(28,573)	(29,297)
Sales of Goods and Services	–	(138)
Investment Income	(8,653)	(5,776)
Other Income	–	(55)
Total Revenue	(37,226)	(35,266)
Expenditure: Near Cash		
Social Benefit Payments	27,213	27,977
Supplies and Services	2,319	1,844
Administrative Expenditure	150	183
Premises and Maintenance	26	17
Other Operating Expenditure	2,000	6,000
Impairments of Financial Assets	–	169
Total Expenditure: Near Cash	31,708	36,190
Net Revenue (Income)/Expenditure	(5,518)	924

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	285	–	–
Investments held at Fair Value through Profit or Loss	70,085	78,739	78,514
Total Non-Current Assets	70,370	78,739	78,514
Current Assets			
Trade and Other Receivables	8,874	9,111	9,303
Cash and Cash Equivalents	–	1	1
Balance due from the Consolidated and Other Funds	2,940	193	–
Total Current Assets	11,814	9,305	9,304
Total Assets	82,184	88,044	87,818
Current Liabilities			
Trade and Other Payables	(1,648)	(1,989)	(1,975)
Balance due to the Consolidated and Other Funds	–	–	(728)
Total Current Liabilities	(1,648)	(1,989)	(2,703)
Assets Less Liabilities	80,536	86,055	85,115
Taxpayer's Equity			
Accumulated Revenue Reserves	80,536	86,055	85,115
Total Taxpayer's Equity	80,536	86,055	85,115



Social Security (Reserve) Fund

Established under the Social Security (Jersey) Law 1974, the Fund sets aside funds for the future provision of pension benefits for those in employment so as to reduce the impact of pensions in future generations, as well as to smooth contributions for Social Security benefits over time.

Summary Snapshot

FUND POSITION

£1,253,169,377

8.2% increase

from 2013

NET REVENUE INCOME

£ 95,475,561

51.1% decrease

from 2013

Fund Performance

1. Income

Actual 2013	Actual 2014
£195.6 million	£95.5 million

The Social Security (Reserve) Fund holds a range of investments both within the CIF and outside. The assets within the CIF are mostly managed on an active basis; these managers seek to outperform a relative benchmark. The Fund also holds assets with Legal & General (L&G) in passive funds outside the CIF, which follow a benchmark without seeking to outperform. By the year end £1,099 million of the Fund's assets were held within the CIF and £154 million of its assets were held outside with L&G.

Of the total return in 2014 of £95.5 million, £85 million was generated by the CIF and £10.5 million by the assets held outside. Although lower than the prior year this represents a good return for the Fund and exceeds the Fund's actuarial assumption of investment return of 2% in excess of earnings increases per annum.

The majority of the performance of the Fund was generated by the Fund's equity class investments, though the other classes, fixed income, cash and property also generated positive returns.

The overall net return of the Fund was 8.2%; this stems from both good returns from the markets but also performance from the active investment managers who produced net returns in the year in excess of their benchmarks.

2. Expenditure

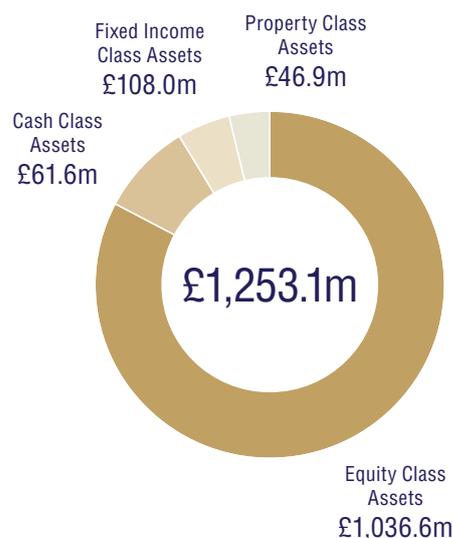
Actual 2013	Actual 2014
£0.3 million	£0.0 million

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 recognised directly by the Social Security (Reserve) Fund relate mostly to management fees charged directly to the Fund by the Investment Manager of the assets held outside the CIF. Equivalent fees in the CIF are charged to the CIF pool and are therefore recognised within the unrealised gain or loss on the Units held by the Social Security Reserve Fund.

Performance of CIF Investments

Social Security (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 units held in the CIF.



The table on the following page shows the share of transactions in the CIF attributable to the Fund

CIF AMOUNTS ATTRIBUTABLE TO THE SOCIAL SECURITY (RESERVE) FUND

	2013 £'000	2014 £'000
Income	(15,190)	(19,955)
Expenditure	6,084	6,813
Gains on Investments	(134,822)	(71,818)
Total Gains recognised	(143,928)	(84,960)

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. Manager fees are expected to be higher in the CIF than outside due to the greater costs of active management. Fees charged during the year have risen due to the higher value of Fund Assets held within the CIF.

3. Changes in Fund Net Asset Value

Fund Balance 2013

£1,157.7
million

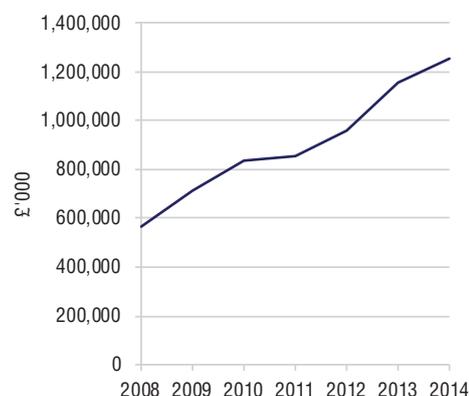
Fund Balance 2014

£1,253.2
million

The Net Asset Value (NAV) increased from £1,157.7 million to £1,253.2 million during 2014, an increase of £95.5 million (8.2%).

The increase in the NAV is mostly attributable to net income from the Fund's investments held both within and outside CIF. A small proportion of fees are charged outside of the CIF units; these fees relate to expenses directly incurred by the Social Security (Reserve) Fund rather than expenses of the CIF pools, these fees are negligible and have an immaterial impact on the Fund.

SOCIAL SECURITY (RESERVE) FUND NET ASSET VALUE OVER TIME



Financial Statements

Statement of Comprehensive Net Expenditure

	2013 Actual £'000	2014 Actual £'000
Revenue		
Investment Income	(195,602)	(95,476)
Total Revenue	(195,602)	(95,476)
Expenditure: Near Cash		
Supplies and Services	328	–
Total Expenditure: Near Cash	328	–
Net Revenue Income	(195,274)	(95,476)

Statement of Financial Position

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Investments held at Fair Value through Profit or Loss	962,143	1,157,731	1,253,208
Total Non-Current Assets	962,143	1,157,731	1,253,208
Current Assets			
Cash and Cash Equivalents	43	148	80
Total Current Assets	43	148	80
Total Assets	962,186	1,157,879	1,253,288
Current Liabilities			
Trade and Other Payables	(113)	(63)	(111)
Balance due to the Consolidated and Other Funds	–	(122)	(8)
Total Current Liabilities	(113)	(185)	(119)
Assets Less Liabilities	962,073	1,157,694	1,253,169
Taxpayer's Equity			
Accumulated Revenue Reserves	962,073	1,157,694	1,253,169
Total Taxpayer's Equity	962,073	1,157,694	1,253,169

Long Term Care Fund

The Long Term Care Fund is a ring fenced fund administered by the Social Security Department which will receive contributions from local residents and the States and pay benefits to adults with long-term care needs.

Summary Snapshot

FUND POSITION	NET REVENUE INCOME
£11,783,404	£82,208
0.7% increase from 2013	99.3% decrease from 2013

1. What resources have we used

Fund Position

The Fund position has slightly improved. A small surplus was made as payments of benefits commenced on 1st July 2014.

KEY VARIANCES FROM 2013

	£'000
2013 NRI	(11,701)
States Contribution	(6,455)
Social Benefit Payments	16,899
Supplies and Services	1,220
Other Variances	(45)
2014 NRI	(82)

Income consists of both a Grant from the States and transfers from Health and Social Services Department and Social Security Department as set out under P.140/2013 (Add). Social Benefit payments commenced from the Fund on 1 July 2014.

Fund Balance 2013

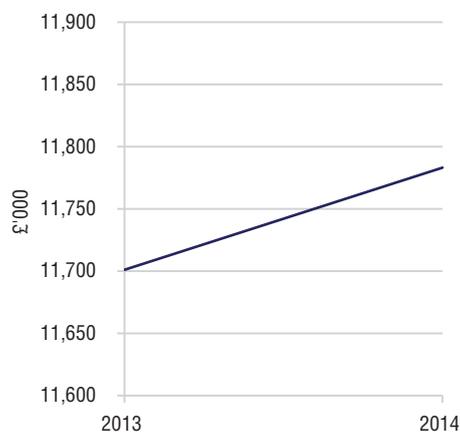
£11.7
million

Fund Balance 2014

£11.8
million

The Net Asset value of the Fund at 31 December 2014 stood at £11.8 million. £10.5 million of this was held in cash and cash equivalents, the majority of which was by Royal London Asset Manager (RLAM).

Debtors include £2.8 million due from Health and Social Services and creditors are for accrued benefit. Balance due to the Consolidated and Other Funds represents the net of amounts due to and from Health and Social Services and Social Security Department.



Fund Income

Actual 2013

£11.7
million

Actual 2014

£18.2
million

Income within the Long Term Care Fund (LTCF) has increased by £6.5 million from prior year. This was because of the contribution from 1st July 2014 from the Social Security Department and Health and Social Services Department tax funded budgets as agreed under P.140/2013 and a grant of £4.6 million being made by the States funded by the Social Security Department underspend.

A small amount of investment income was received during the year amounting to £76,970.



MAJOR INCOME STREAMS

	£'000
Contribution from SSD & HSSD	13,508
Tax Funded Grant	4,647
Other Services and Revenue	77
Total Revenue	18,232

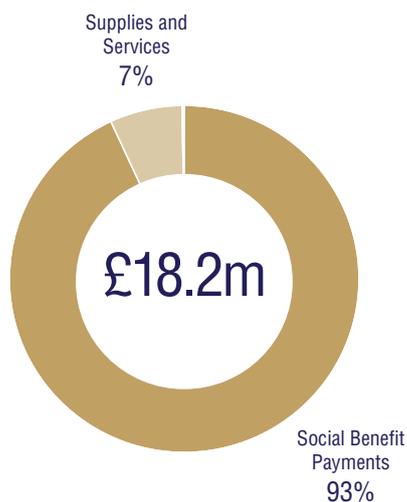
2. What we have spent funding on

Fund Expenditure

Actual 2013
£0.0
million

Actual 2014
£18.2
million

Expenditure on benefits from the LTCF commenced 1 July 2014 and in total amounted to £18.2 million. Benefits paid totalled £16.9 million and 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.

3. 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. Over 600 new applications have been received in the second half of 2014.

Financial Statements

Statement of Comprehensive Net Expenditure

	2013 Actual £'000	2014 Actual £'000
Revenue		
States Contribution	(11,700)	(18,155)
Investment Income	(1)	(77)
Total Revenue	(11,701)	(18,232)
Expenditure: Near Cash		
Social Benefit Payments	–	16,899
Supplies and Services	–	1,220
Administrative Expenditure	–	23
Premises and Maintenance	–	8
Total Expenditure: Near Cash	–	18,150
Net Revenue Income	(11,701)	(82)

Statement of Financial Position

	2013 Actual £'000	2014 Actual £'000
Current Assets		
Trade and Other Receivables	–	4,558
Cash and Cash Equivalents	11,701	10,463
Total Current Assets	11,701	15,021
Total Assets	11,701	15,021
Current Liabilities		
Trade and Other Payables	–	(1,785)
Balance due to the Consolidated and Other Funds	–	(1,453)
Total Current Liabilities	–	(3,238)
Assets Less Liabilities	11,701	11,783
Taxpayer's Equity		
Accumulated Revenue Reserves	11,701	11,783
Total Taxpayer's Equity	11,701	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.

Annual Business Plan (ABP)

An annual plan detailing the resources to be allocated to each States department together with the objectives of each department. Before 2013 it was through the Annual Business Plan debate that the States Assembly allocated funding to Departments' Net Expenditure Limits (budgets) from the Consolidated Fund.

Asset

An asset is something that the States of Jersey owns; assets are sub-divided into fixed assets, financial assets and current assets. Property, Plant and Equipment assets are assets which the States of Jersey has bought or constructed to provide services over a period of time. Property, Plant and Equipment will have a life of more than one year; Non-Current Financial assets are investments such as bonds or equities, loans made to third parties, or strategic investments. These assets are expected to be held for longer than one year and typically provide a return for the States; Current assets are assets typically sold

or otherwise redeemed within one year of the end of the accounting period (e.g. inventory and receivables).

Audit of Accounts

An audit is an evaluation of the accounts by an independent expert. Please refer to the Auditor's Report for details of the work carried out.

Available-for-Sale Financial Assets

This category includes all Financial Assets that do not fall into one of the other categories (FVTPL, Held to Maturity or Loans and Receivables). Despite the name, it may be intended that the States holds these Assets indefinitely. Movements in the value of these investments are recorded in Taxpayers' Equity rather than income and expenditure for the year.

Balance Sheet

Under UK GAAP this is a primary accounting statement that shows the assets, liabilities and reserves of the States of Jersey at the end of the accounting period. The equivalent IFRS statement is the Statement of Financial Position.

Budget (Approval)

A budget approval is the amount agreed either as the expected level of States Income (approved through the Annual Budget Statement), or the amount of expenditure a department may incur (approved through the Medium Term Financial Plan). Variations to these amounts may also be approved during the year. These accounts report two budget approval figures:

- 2013 MTFP: This is the original budget set and approved by the States Assembly;
- Final Approved Budget: This is the final budget after taking account of authorised changes during the year.

Capital Expenditure

Expenditure on the acquisition or construction of non-current assets that will be used to provide services beyond the current accounting period or expenditure that adds value to an existing fixed asset.

Cash Equivalent Transfer Values (CETV)

A cash equivalent transfer value (CETV) is a lump sum value in today's terms of the rights accrued within a

member's pension scheme. It assumes the member is leaving service and makes a pension transfer from the pension fund to an alternative pension arrangement.

Cash Flow Risk

The risk that the States' available cash will not be sufficient to meet its financial obligations.

Common Investment Fund (CIF)

The Common Investment Fund is an administrative arrangement that allows States Funds (including those outside of the States of Jersey Accounting Boundary) to pool investments to benefit from greater investment opportunities and economies of scale.

Consolidated Fund

This is the fund through which the majority of the States' income and expenditure is managed. More detail on this fund is given in the Annex to the Accounts.

Contingent Liability

A contingent liability is a possible liability, as explained in Note 9.1 to the Accounts.

Corporate Bonds

Corporate bonds are issued by companies to raise capital. They are an alternative to issuing new shares on the stock market (equity finance) and are a form of debt finance.

Creditor

The UK GAAP term for a payable is a party who the States of Jersey owe money to at the end of the accounting period for goods or services provided within the accounting period.

Debtor

The UK GAAP term for a receivable. A debtor is a party who owes the States of Jersey money at the end of the accounting period for goods or services provided by the States of Jersey within the accounting period.

Departmental Income

Departmental Income is income derived from charges made for services provided by departments.

Derivative Financial Instruments

A derivative is a financial instrument or other contract whose value changes in response to the change in an underlying variable (e.g. interest rates, equity share prices, exchange rates etc.), and will be settled at a future date.

Equities

Equities are instruments that signify an ownership position in a corporation, and represent a claim on its proportionate share in the corporation's assets and profits

Financial Instruments

A contract that gives rise to either cash, equities or a contractual right to receive either cash or another financial instrument.

Foreign Exchange Risk

The risk of loss stemming from exposure to adverse foreign exchange rate movements.

Full Time Equivalents (FTE)

FTE represents the equivalent number of Full Time Employees a department has, taking into account any part-time and other flexible working arrangements. For example, if an employee works 75% of normal hours they would be recorded as a FTE of 0.75.

General Revenue Income

General Revenue Income comprises taxation, duties, the Island rate, and other income to the Consolidated Fund covered by the Annual Budget Statement.

Generally Accepted Accounting Principles (GAAP)

Generally Accepted Accounting Principles (GAAP) are a standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as Accounting Standards. GAAP includes the standards, conventions, and rules accountants follow in recording and summarising transactions, and in the preparation of financial statements. Variations include UK GAAP (used by the States in 2010 and 2011), and IFRS. The States of Jersey follows GAAP, as interpreted by the Jersey Financial Reporting Manual.

Grants and Subsidies

Grants and subsidies are assistance from a States entity in the form of transfers of resources to an individual or organisation in return for past or future compliance with certain conditions.

Gross Departmental Expenditure

This is revenue expenditure incurred by States departments in the course of providing public services, before taking account of Departmental Income.

Head of Expenditure

A head of expenditure is either the annual net revenue expenditure limit of a States funded body, or an amount allocated for a capital project.

Impairment

Where the value of an asset (as shown in the Statement of Financial Position) exceeds its actual value to the States of Jersey, the amount included on the balance sheet for the asset is reduced. This reduction is recognised as a cost in the Operating Cost Statement, and is called an Impairment.

Income

This is the amounts that the States of Jersey receives or is entitled to in the accounting period.

Interest Rate Risk

This is the financial risk to which a portfolio or institution is exposed to if interest rates change.

International Financial Reporting Standards (IFRS)

IFRS refers to a GAAP framework developed by the International Accounting Standards Board. The States of Jersey has adopted IFRS for the first time in the 2012 Accounts. The States of Jersey follows IFRS, as interpreted by the Jersey Financial Reporting Manual.

Inventory

These are items that the States of Jersey has purchased, or is developing, but has not yet used in the provision of services. For example, supplies held in a store prior to being issued for use.

Investments held at Fair Value through Profit or Loss

The States of Jersey has designated Investments held in the Common Investment Fund as part of this category, as they are managed as a portfolio reported at Fair Value. Changes in the value of these investments are reported in income and expenditure in the year they occur, even if these gains/losses haven't yet been realised.

Jersey Financial Reporting Manual (JFRm)

The Jersey Financial Reporting Manual interprets GAAP for the public sector in Jersey, and is based on the UK Government version of the same document.

Key Management Personnel

Key management personnel are members of senior management (defined later), and Assistant Ministers.

Leases

A lease is a financial arrangement that provides for the use of an asset without direct ownership. For accounting purposes leases can be either:

Finance leases: A lease that transfers substantially all of the risks and rewards associated with owning the asset to the lessee (in these accounts the States of Jersey). Typically finance leases are entered into to finance large capital projects, or

Operating Lease: A lease where the risks and rewards of ownership are not borne by the lessee. Operating leases are entered into for a range of assets such as vehicles or plant and machinery.

Liability

A debt or obligation owed by the States of Jersey to another party.

Liquidity Risk

The risk that an organisation may not have, or may not be able to raise cash funds when needed.

Market Risk

The risk of losses resulting from adverse changes in market prices or other market rates.

Medium Term Financial Plan (MTFP)

The States approved changes to the Public Finances (Jersey) Law 2005 in July 2011 to introduce longer term financial planning and the approval of a three-year Medium Term Financial Plan from 2013. This replaces the Annual Business Plan. The MTFP extends the States budgeting period from one to three years, and fits with the existing political cycle, where each Council of Ministers is elected for a three-year term.

Ministerial Department

A Ministerial Department is one for which a Minister is responsible to the States for its administration and funding.

Near-Cash

Near Cash income or expenditure refers to items that will turn into cash flows soon, for example expenditure incurred that will be paid for within 30 days.

Net Revenue Expenditure (NRE)

NRE is the net of gross departmental expenditure and departmental Income. If income exceeds expenditure it is reported as Net Revenue Income.

Net Revenue Income (NRI)

See Net Revenue Expenditure.

Non Cash

Income and Expenditure are now recorded in line with GAAP, and so includes amounts to reflect the use of assets even where no cash flow occurs (for example depreciation). Non Cash amounts are recorded to ensure that expenditure reflects the full economic cost of activities, even where there is no direct cash flow

Non-Ministerial Department

A non-Ministerial Department is one for which no Minister is responsible to the States for its administration or funding.

Operating Cost Statement (OCS)

Under UK GAAP this was a primary accounting statement showing the income and expenditure for the States in the

current accounting period. The IFRS equivalent is the Statement of Comprehensive Net Expenditure.

Payable

A payable is an amount owed by the States of Jersey at the end of the accounting period for goods or services provided within the accounting period.

Primary Accounting Statements

The four primary accounting statements within the States of Jersey accounts are the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows and the Statement of Changes in Taxpayers' Equity.

Provision

This is an amount set aside in the accounts (included in liabilities on the balance sheet) for probable payments due after the end of the accounting period that relate to events that have taken place in the current, or previous, accounting period.

Related Party

Related Parties are more fully defined in 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 the RPI excluding mortgage interest payments, often considered as a measure of underlying inflation

Receivable

A receivable is an amount owed to the States of Jersey at the end of the accounting period for goods or services provided by the States of Jersey within the accounting period.

Revaluation

Accounting Standards require Property, Plant and Equipment Assets to be held at "Current Value", and so regular revaluations of certain asset classes are required (as explained in Note 9.1 to the Accounts).

Revenue Expenditure

The day to day expenses associated with the provision of services, including the cost of employing staff, purchasing supplies and services and holding and using fixed assets.

Revenue Expenditure Limit

Revenue expenditure limits are approved by the States Assembly (through the Medium Term Financial Plan, or previously the Annual Business Plan), and are the key measure against which Accounting Officers are held to account for delivering services within an allocated expenditure limit.

Revenue Levied by the States of Jersey

Income such as taxes, duties or fines, raised by the States of Jersey where no or nominal consideration is provided in return. Whilst the States of Jersey does provide a range of services to islanders, it does not do so directly in consideration for payments received.

Senior management

Senior management includes Accounting Officers (except those of smaller departments exempted by the Treasury and Resources Minister through a formal decision) and members of the Council of Ministers.

Special Funds

These are funds with a specific purpose and are usually established by legislation or a States' decision. They are also sometimes referred to as "Separately Constituted Funds".

Statement of Cash Flows

A primary accounting statement that explains actual movements in cash balances that have occurred in the year. This contrasts to the Statement of Comprehensive Net Expenditure which reports accrued income and expenditure. This is covered in more detail in Section 6 of the Accounts – "Introduction to the Accounts".

Statement of Changes in Taxpayers' Equity (SoCiTE)

This is a primary statement that gives details of the movements in Taxpayers' Equity. Under UK GAAP this information was included in the Reserves Note.

Statement of Comprehensive Net Expenditure (SoCNE)

This is a primary accounting statement showing the income and expenditure for the States in the current accounting period. In also includes "Other Comprehensive Income", which includes Gains and Losses not recorded in income and expenditure, such as unrealised gains such as those arising from the revaluation of Property Plant and Equipment. Under UK GAAP this information was included in the Operating Cost Statement and the Statement of Total Recognised Gains and Losses.

Statement of Financial Position (SoFP)

This is a primary accounting statement that shows the assets, liabilities and taxpayers equity of the States of

Jersey at the end of the accounting period. This is covered in more detail in Section 6 of the Accounts – “Introduction to the Accounts”. Under UK GAAP this is referred to as a Balance Sheet.

Statement of 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.

Statement of Total Recognised Gains and Losses (STRGL)

Under UK GAAP the STRGL is a primary statement that includes all gains and losses made in the accounting period whether realised or unrealised. Under IFRS this is incorporated into the Statement of Comprehensive Net Expenditure.

Stock and Work in Progress

The UK GAAP term for Inventory. These are items that the States of Jersey has purchased, or is developing, but has not yet used in the provision of services. For example, supplies held in a store prior to being issued for use.

Strategic Investments

Companies in which the States has a majority shareholding but which are not consolidated into the States’ accounts as their inclusion would distort the presentation of the States’ financial results.

Taxpayers’ Equity

Equal to Net Asset Value, Taxpayers’ Equity result from the accumulation of surpluses, deficits, revaluations of assets and other surplus sums.

Trading Operation

These are areas of operation of the States of Jersey, designated by the States to be a States Trading Operation. At present there are four States Trading Operations: Jersey Airport, Jersey Harbours, Jersey Fleet Management and Jersey Car Parking.

Trading Fund

Trading Operations do not form part of the Consolidated Fund, and so each maintain a separate Trading Fund balance. This is calculated using the same method as the Consolidated Fund balance, as detailed in the Consolidation Fund section of the Annex to the Accounts.

Summary of Acronyms and Initialisations

BP	Business Plan
CETV	Cash Equivalent Transfer Value (Pensions)
CIF	Common Investment Fund
CSR	Comprehensive Spending Review
CSS	Civil Service Scheme
DPS	Discretionary Pension Scheme
EUSD	European Union Savings Tax Directive
FSR	Fiscal Strategy Review
FTE	Full Time Equivalent
GAAP	Generally Accepted Accounting Principles
GST	Goods and Services Tax
HCAE	Historic Child Abuse Enquiry
IFRS	International Financial Reporting Standards
JFReM	Jersey Financial Reporting Manual
JPOPF	Jersey Post Office Pension Fund
JTSF	Jersey Teachers’ Superannuation Fund
MTFP	Medium Term Financial Plan
NRE	Net Revenue Expenditure
NRI	Net Revenue Income
PECRS	Public Employees’ Contributory Retirement Scheme
SoCF	Statement of Cash Flows
SoCiTE	Statement of Changes in Taxpayers’ Equity
SoCNE	Statement of Comprehensive Net Expenditure
SoFP	Statement of Financial Position
SOJ	States of Jersey
SOJDC	States of Jersey Development Company Limited
SoOaA	Statement of Outturn against Approvals
VER	Voluntary Early Retirement
VR	Voluntary Redundancy
WEB	Waterfront Enterprise Board



Appendix A – Grants under £75,000

Full details of significant Grants and Subsidies awarded to any individual or organisation are given in Note 9.12 to the Accounts. This Appendix gives the detail of grants awarded under States of Jersey Grant Schemes and also summarises grants and subsidies of less than £75,000 made by the States of Jersey in 2014.

Details of significant grants awarded under States of Jersey Grant Schemes

DEPARTMENT OF THE ENVIRONMENT

Name of Scheme	Reason for Grant	Amount £
Energy Efficiency Service – Various recipients	Initiative to assist low-income and vulnerable households reduce their energy bills and keep warmer through the winter	632,108
Countryside Enhancement Scheme – Various recipients	Environmental financial support to land owners for the benefit of the Island's population	248,505
Total payments under Significant Schemes – Department of the Environment		880,613

ECONOMIC DEVELOPMENT DEPARTMENT

Name of Scheme	Reason for Grant	Amount £
Area Payments	Support a base level of farming activity in the countryside	
Area Payments to Individuals		75,771
Woodside Farms Ltd		46,512
Melechtes 2007 Ltd		41,292
Amal-Grow Limited		37,721
Fosse Au Bois Growers Ltd		33,161
Master Farms Ltd		32,047
St Lawrence Growers Ltd		30,877
Somerleigh Farms 1996 Ltd		25,008
Labey Farms Ltd		16,336
Lodge Farm Ltd		15,158
Cowley Farm Ltd		14,938
R Le B Ltd		14,527
D A Richardson Ltd		13,513
J and S Growers (2009) Ltd		12,925
Classic Herd Ltd		12,482

Name of Scheme	Reason for Grant	Amount £
Chalet Jersey Ltd		12,401
Trinity Manor Farm Ltd		11,709
Meadow Vale Farm Ltd		10,618
Didier Hellio Ltd		9,792
La Ferme Ltd		8,542
T H Barette Ltd		8,156
Le Gresley Farms Ltd		7,707
Freedom Farms Ltd		7,453
T and R Perchard Ltd.		6,766
AMW (Jersey) Ltd		6,750
Bel Val Farm Ltd		6,209
C and A Jersey Royals Ltd		5,921
Printemps Farm Ltd		5,907
Les Cotils Farms Ltd		4,832
D J Farming Ltd		4,728
J E Perchard Ltd		4,727
Gold Leaf Farm Ltd		4,555
The Reserve		4,482
Cross Cottage Farm Ltd		4,360
Le Sech Farms Ltd		4,018
Anneville Farm Ltd		3,867
Vermont Farm Ltd		3,389
Devon Villa (1991) Ltd		3,218
Rondel Farms Ltd		2,951
Person and Freire Ltd		1,975
La Robeline Cider Company Ltd		1,737
Potage Farm Ltd		1,583
Le Rendu and Son Ltd		1,582
Bayview Livery Ltd		1,488
Ocean Dream Ltd		1,406
La Mare Vineyards Ltd		1,360
Bon Air Stables		1,007
CAF Engineering Limited		976
La Pompe Ltd		920
JR Jersey Horticulture Limited		679
Vers Les Monts Organic Farm		671
Field Farm		639
East Riding Ltd		508
Total Area Payments		591,857

Name of Scheme	Reason for Grant	Amount £
Quality Milk Payments	Transitional support to allow the industry to implement their Dairy Industry Recovery Programme	
Quality Milk Payments to individuals		91,825
La Ferme Ltd		42,978
R Le B Ltd		37,205
Chalet Jersey Ltd		33,734
Lodge Farm Ltd		31,883
Cowley Farm Ltd		30,186
Trinity Manor Farm Ltd		27,391
Meadow Vale Farm Ltd		26,313
T H Barette Ltd		16,949
Master Farms Ltd		15,201
Freedom Farms Ltd		13,899
Gold Leaf Farm Ltd		13,896
AMW (Jersey) Ltd		12,844
Le Gresley Farms Ltd		10,821
J E Perchard Ltd		10,634
Classic Herd Ltd		9,723
Cross Cottage Farm Ltd		6,536
Total Quality Milk Payments		432,018
Rural Initiative Scheme	Rural Initiative Scheme provides support for innovation and business diversification	
Butler Ltd		47,225
Rural Initiative Scheme payments to individuals		17,370
Somerleigh Farms 1996 Ltd		16,898
Durrell Wildlife Conservation Trust		6,088
Jersey Inshore Fishermen		5,280
R Le B Ltd		4,590
Classic Herd Ltd		2,436
The Smokey Shed		1,000
Didier Hellio Ltd		640
Woodside Farms Ltd	Unused grant returned	(8,024)
Total Rural Initiative Scheme		93,503

Name of Scheme	Reason for Grant	Amount £
Skills Accelerator Grant	To provide skills training to employees with the aim of making a difference to the sustainability or development of their employer's business	
Skills Accelerator Grant to Individuals		214,832
Total Skills Accelerator Grant		214,832
Fisherman's Aid Pack	One-off support for commercial fishermen to compensate for losses during the storms of 2013/14	
Fisherman's Aid grant to Individuals		80,581
P A and C Gay Fisheries Ltd		4,384
MacAlister Elliott and Partners		4,068
Icon Flexpack Ltd		3,400
Total Fisherman's Aid Pack		92,433
Total payments under Significant Schemes – Economic Development Department		1,424,643

EDUCATION, SPORT AND CULTURE DEPARTMENT

Name of Scheme	Reason for Grant	Amount £
Nursery Education Fund	Provide pre-school learning through the Nursery Education Fund	1,718,751
Grants to individuals (Jersey College for Girls)	Assist students in the payment of fees	129,053
Grants to individuals (Victoria College)	Assist students in the payment of fees	70,031
Support for travel to participate in sports events	Support individuals, clubs and associations in travel to participate in sports events	
Jersey Netball Association development		19,550
Jersey Athletics Association		19,000
Jersey Football Association		15,560
Jersey Tennis Association		15,000
Jersey Sports Association for Disabled		13,640
Jersey Motor Cycle and Light Car Club		12,000
Tigers (Jersey) Swimming Club		10,670
St Catherines Sailing Club		9,920
Jersey Cycling Association		9,870
Jersey Fencing		9,600
Jersey Hockey Association		9,000
Jersey Table Tennis Association		8,170
Jersey Cycling Association Youth Academy		8,100
Jersey Triathlon Club		6,710
British Show Jumping Association		6,460
Regent Gymnastic Club		6,300
Jersey Aquatic Rescue Club		5,700
Jersey Gymnastics Club		5,520
Jersey Volleyball Association		5,460
Jersey Softball Association		5,200
De Mond Gymnastics		5,000
Jersey Netball Association		5,000
Archery Association of Jersey		4,900
Jersey Hockey Association Development Fund		4,700
Bowls Jersey		4,600
Jersey Squash and Racketball Association		4,550
Jersey Judo Association		4,385
Jersey Surfboard Club		4,150

Name of Scheme	Reason for Grant	Amount £
Jersey Dressage Club		3,800
Jersey Badminton Association		3,565
Jersey Horse Driving Society		3,270
Jersey Smallbore Shooting Association		3,260
Jersey Irish G A A Club		3,100
Jersey Archery Society		3,000
Archers of Jersey		3,000
Jersey Cricket Board		2,820
Jersey Rifle Association		2,210
Jersey Rowing Club		1,850
Jersey Pistol Association		1,650
C I Freshwater Fishing Association		1,500
Jersey Indoor Bowling Association		1,290
Jersey Petanque Association		1,240
Jersey Swimming Club		1,200
Crabbe Clay Pigeon Shooting Club		1,000
Jersey Waterpolo Association		710
Jersey Agility Club		650
The Kennel Club Of Jersey		600
Jersey Youth Bowling Club		600
Royal C I Yacht Club		575
Jersey Freshwater Angling Association		500
Jersey Muzzleloaders and Antique Firearms		500
The Jersey Race Club		450
C I Contract Bridge Association		300
Jersey Archery Society		300
St Lawrence Charity Horse Show		300
Total support for travel to participate in sports events		281,955
Support for purchasing equipment and organising activities	Support sport and leisure clubs and associations in purchasing equipment and organising activities	
Jersey Primary Schools Sports		15,710
Jersey Cricket Board		15,000
Jersey Squash Racquets Association		15,000
Jersey Spartan Athletic Club		15,000
Jersey Football Association		15,000

Name of Scheme	Reason for Grant	Amount £
Jersey Table Tennis Association		15,000
Jersey Netball Association		15,000
Jersey Rugby Development Committee		15,000
Jersey Secondary School Sports Association		5,600
Jersey Fencing		3,000
Total support for purchasing equipment and organising activities		129,310
Total payments under Significant Schemes – Education, Sport and Culture Department		2,329,100

SOCIAL SECURITY DEPARTMENT

Name of Scheme	Reason for Grant	Amount £
Various employment schemes	The provision of a range of measures to encourage additional employment opportunities for the unemployed. Includes Back to Work, Enhanced Workzone and Advance Plus	1,264,546
Total payments under Significant Schemes – Social Security Department		1,264,546
Total payments under Significant Schemes		5,898,902

Other Grants and Subsidies

ANDIUM HOMES

Grantee	Reason for Grant	Amount £
Tenants Forum Admin Support – High Rise Panel	Temp for Tenants Forum	475
Le Squez Residents Association	Set up grant for residents group	300
Mrs L Bizouarn – Liberation Court Residents Group	Summer Community event	250
Total – Andium Homes		1,025

CHIEF MINISTER'S DEPARTMENT

Grantee	Reason for Grant	Amount £
Jersey Voluntary and Community Services	To support some of initial costs associated with the management of the Charities (Jersey) Law	40,000
Charitable Trust Caring Hands	To provide emergency assistance. The Charity provides a range of support services with the aim of supporting residents back to independent living	40,000
Alliance Francaise de Jersey	Development of Jersey/France relations – promoting French language and culture	10,000
Total – Chief Minister's Department		90,000

DEPARTMENT OF THE ENVIRONMENT

Grantee	Reason for Grant	Amount £
European Plant Protection Organisation	Contribution to plant research	24,280
Total – Department of the Environment		24,280

ECOLOGY FUND

Grantee	Reason for Grant	Amount £
National Trust For Jersey	Ecological survey of St Ouen's Pond	1,100
Durrell Institute of Conservation and Ecology	Study on the Grass Snake project	1,000
Jersey Seaserch	Air refills and training in relation to a seabed survey	785
Jersey Barn Owl Conservation Network	Refurbishment of Jersey's owl nesting boxes	662
Birds on the Edge Project	Winter bird feeding project	453
Societe Jersiaise (Botany Section)	Equipment for the collection of precise plant record data	328
Jersey in Transition	Funding for a permaculture event	153
Total – Ecology Fund		4,481

ECONOMIC DEVELOPMENT DEPARTMENT

Grantee	Reason for Grant	Amount £
Sweetspot Group Ltd t/a Tour Series	Grant for UK finale of the Tour Series	70,000
Band of The Island of Jersey	Grant to assist the cost of Uniforms	20,000
Apprenticeship Grants to individuals	Grants to individuals who complete their apprenticeships	2,985
Dandara Jersey Ltd	Grant to employer in respect of apprentices employed	1,615
Air Heating and Manufacturing (1990) Ltd	Grant to employer in respect of apprentices employed	1,250
A A Rive Ltd	Grant to employer in respect of apprentices employed	1,250
K C Engineering Ltd	Grant to employer in respect of apprentices employed	1,215
JPM Ironworks Services Ltd	Grant to employer in respect of apprentices employed	1,188
Larsen Ltd	Grant to employer in respect of apprentices employed	1,133
C and J Carpenters and Builders Ltd	Grant to employer in respect of apprentices employed	1,028
Raffray Ltd	Grant to employer in respect of apprentices employed	950
John Warrener Plumbing and Heating Ltd	Grant to employer in respect of apprentices employed	950
Kut and Kurls Ltd	Grant to employer in respect of apprentices employed	900
Syvret and Turner Ltd	Grant to employer in respect of apprentices employed	848
United Electrical Contractors Ltd	Grant to employer in respect of apprentices employed	808
Brady and Gallagher (1999) Ltd	Grant to employer in respect of apprentices employed	750
Darren Le Feuvre Plumbing and Heating Ltd	Grant to employer in respect of apprentices employed	600
JMEC Ltd	Grant to employer in respect of apprentices employed	565
Aston Services Ltd	Grant to employer in respect of apprentices employed	433
Jersey Evening Post Ltd	Grant to employer in respect of apprentices employed	425
Jersey Electricity Plc	Grant to employer in respect of apprentices employed	325

Grantee	Reason for Grant	Amount £
Jacksons (CI) Ltd	Grant to employer in respect of apprentices employed	300
G J M Developments Ltd	Grant to employer in respect of apprentices employed	265
Motor Mall (CI) Ltd	Grant to employer in respect of apprentices employed	265
Michelle Hairstyles Ltd	Refund of 2013 Grant to employer in respect of apprentices employed	(300)
Wallace and Cairney Plumbing and Heating Ltd	Refund of 2013 Grant to employer in respect of apprentices employed	(300)
Premier Contracting and Shopfitting (2005) Ltd	Refund of 2013 Grant to employer in respect of apprentices employed	(300)
Gelaires Hair and Beauty Ltd	Refund of 2013 Grant to employer in respect of apprentices employed	(325)
Natures Way of Life Ltd T/A Passion	Refund of 2013 Grant to employer in respect of apprentices employed	(325)
Michael Moyse Hair Fashion (2000) Ltd	Refund of 2013 Grant to employer in respect of apprentices employed	(325)
D I S Electrical Contractors Ltd	Refund of 2013 Grant to employer in respect of apprentices employed	(325)
Parish of St Helier	Refund of 2013 Grant to employer in respect of apprentices employed	(325)
Somerville Fabricators Ltd	Refund of 2013 Grant to employer in respect of apprentices employed	(325)
Elmina Lifestyle Ltd	Refund of 2013 Grant to employer in respect of apprentices employed	(950)
Total – Economic Development Department		106,248

EDUCATION, SPORT AND CULTURE DEPARTMENT

Grantee	Reason for Grant	Amount £
Jersey Arts Trust (Council for Culture)	To support the costs of creating new exhibition with Primary schools for 2015 Island Games	60,000
Jersey Sport Foundation	To provide strength and conditioning programmes for Jersey's top athletes to help them achieve their best possible performances	50,000
Jersey Rugby Association	To support individuals, clubs and associations in travel to participate in sports events	50,000
Caesarean Croquet	To support the development of facility identified in 'Fit for Future' Sports strategy	49,880
Victoria College Foundation	To support the operation of the school foundation	43,100
Island Games Association of Jersey	To support delivery of the Sports Strategy, 'Fit for Future'	30,000
Victoria College – Combined Cadet Force	To support the operations of the Combined Cadet Force (CCF)	22,000

Grantee	Reason for Grant	Amount £
Jersey Brook Advisory Centre	To support the operations of Brook (Jersey) and the 'Baby Think it Over' project	20,000
Commonwealth Games Association of Jersey	To support travel costs to Commonwealth Games	12,000
Goldsmiths College	To support Culture in Jersey	6,050
Music In Action Ltd	To support the development music in Jersey through Cultural events	5,000
Girlguiding Jersey	To support youth activities in the island	4,000
Jersey Fencing	To support travel costs and fees for visiting tutors	3,000
Child Accident Prevention Jersey	To support the operation of Child Accident Prevention (CAP) in Jersey	2,085
Young Enterprise	To support Young Enterprise in Jersey	2,000
Commonwealth Games Committee	To support travel costs to Commonwealth Games presentation event in London	1,760
Jersey Pistol Club	To support travel costs and fees for visiting tutors	1,219
Grants to Students (Education)	To assist students in the payment of fees (repaid)	(3,529)
Grants to individuals (Highlands College)	To assist students with educational visits (repaid)	(3,721)
Total – Education, Sport and Culture Department		354,844

JERSEY HARBOURS

Grantee	Reason for Grant	Amount £
Channel Islands Air Search	Monies for operation	8,000
Total – Jersey Harbours		8,000

HOME AFFAIRS DEPARTMENT

Grantee	Reason for Grant	Amount £
Community Relations Trust	Contribution to annual running costs and additional one off funding to support a new programme of activity as agreed by the Minister for Treasury and Resources	70,800
Prison! Me! No Way!!	Contribution to annual running costs	69,000
Jersey Domestic Violence Forum	Contribution to annual running costs	33,420
Victim Support Jersey	Contribution to annual running costs	30,000
Jersey Air Training Corps	Contribution to annual running costs	11,500
Fire and Rescue Service Cadets	Contribution to annual running costs	10,000

Grantee	Reason for Grant	Amount £
Combined Cadet Force	Contribution to annual running costs	10,000
Jersey Sea Cadets	Contribution to annual running costs	10,000
Jersey Army Cadet Force	Contribution to annual running costs	10,000
Safer St Helier	Contribution to costs of Taxi Marshall Scheme	5,500
Total – Home Affairs Department		260,220

HOUSING DEPARTMENT

Grantee	Reason for Grant	Amount £
Le Squez Tenants Association	Rental of Garage	1,092
Les Cinq Chenes Residents Group	Grant for Fun Day	300
St Helier Community in Bloom	Gardens in Bloom 2014	250
Tenants Forum Admin Support – High Rise Panel	Temp for Tenants Forum	231
Liberation Court Tenant Group	Grant returned	(250)
Total – Housing Department		1,623

HEALTH AND SOCIAL SERVICES DEPARTMENT

Grantee	Reason for Grant	Amount £
Salvation Army	Provide support for the development of a Community Resource Centre	50,000
Citizen's Advice Bureau	Provide an online directory for key health contacts	28,500
The Jersey Family Mediation Service	Provision of service to separating or divorced couples to assist in reaching agreements	12,238
The Jersey Hyperbaric Treatment Centre	Contribution towards specific costs of the hyperbaric treatment centre	8,282
The Jersey Arts in Healthcare Trust	Provide therapeutic services through the promotion of the arts	4,438
Total – Health and Social Services Department		103,458

JUDICIAL GREFFE

Grantee	Reason for Grant	Amount £
Jersey Family Mediation Service	To assist with running costs	60,000
Institute of Law	Assist with re-stocking hard copy law library	30,000
Total – Judicial Greffe		90,000

OFFICE OF THE LIEUTENANT GOVERNOR

Grantee	Reason for Grant	Amount £
Victoria College CCF	Equipment and Training Needs	8,349
The Sea Cadets T S Jersey	Equipment and Training Needs	8,349
Air Training Corps	Equipment and Training Needs	8,349
Royal Jersey Military Army Cadets	Equipment and Training Needs	8,349
Total – Office of the Lieutenant Governor		33,396

SOCIAL SECURITY DEPARTMENT

Grantee	Reason for Grant	Amount £
Jersey Council for Safety and Health at Work	Promote occupational health and safety in the work place	28,922
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	10,735
Total – Social Security Department		39,657

TOURISM DEVELOPMENT FUND

Grantee	Reason for Grant	Amount £
Jersey Heritage Trust	Ice Age Project and Ice Age Interpretation Project	73,000
La Hougue Farm (1975) Ltd	To support the building of a new indoor play barn	64,908
National Trust For Jersey	Wetlands Centre Project	41,870
2015 Island Games Organising Committee	Purchase of mobile seating for the Island Games	29,802
Paradox Ltd	To support the cost of new shower unit for the Haut de la Garenne site	20,000
Samares Manor Ltd	To support the building of a new visitor centre	17,721
Luxury Jersey Hotels	To develop a new website	13,500
Jersey Seasearch	Support the production of a diving book	10,075
Branchage Film Festival	Branchage Film Festival held 24–28 Sep 2014	10,000
Jersey Tourist Guide Association	To support the training of 19 new blue badge guiders	8,500
Jersey Canoe Club	Jersey Kayak Symposium	7,000
Jerzzy Journey Boutique	Marketing support for Russian trips	6,980
The Jersey Race Club	Marketing support and website design	6,000
Grant to Individual	Jersey Darts Festival — 13–15 Nov 2014	5,500
BeachAbility	Marketing of disability Wheelchairs	5,110
Art In The Frame	Textile workshop	3,034
Jersey Fencing	Autumn Fencing Festival	3,000
St Brelades College	To support the costs of attending overseas marketing events	2,400
Jersey Language Adventure	Marketing for the language school	983
Tarka Sea Trips	Marketing fishing trips	644
Total – Tourism Development Fund		330,027

TREASURY AND RESOURCES DEPARTMENT

Grantee	Reason for Grant	Amount £
Community Savings and Credit Limited	Grant to Community Savings	50,000
Jersey Maritime Trust Limited	Grant payment for Port Galots for development of Les Galots Site for Community use	14,550
Total – Treasury and Resources Department		64,550
Total other Grants and Subsidies		1,511,809
Total payments under Significant Schemes		5,898,902
Total significant Grants and Subsidies – see Accounts Note 9.12		38,068,788
Grand Total – Grants and Subsidies awarded in 2014		45,479,499



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