

# Our purpose

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Our purpose as the Government of Jersey is to serve and represent the best interests of the Island and its citizens. In order to do this, we must:

- Provide strong, fair and trusted leadership for the island and its people
- Deliver positive, sustainable economic, social and environmental outcomes for Jersey
- Ensure effective, efficient and sustainable management and use of public funds
- Ensure the provision of modern and highly-valued services for the public.

## Scope of the Annual Report and Accounts

While most matters within the Annual Report and Accounts are the responsibility of the Government of Jersey, this publication also covers the wider States of Jersey Group, including Non-Ministerial Departments and States-Owned Enterprises. As a result, there are references to both the Government of Jersey and, where appropriate, to the States of Jersey throughout this document. More detail on the specific accountabilities of the different parts of the public sector is contained within the accountability section of this report.

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# Performance Report

## Chief Minister's Foreword

2020 presented an unparalleled challenge for the Government of Jersey, for local businesses, for charities and for all Islanders. When we entered 2020 no one could have expected that reports of a developing virus in China would ever reach our shores, yet by March it was clear that Covid-19 would dominate all of our lives for some time to come.



**Senator John Le Fondré**  
Chief Minister

The Government had to work quickly to meet the threat of Covid-19. We have mobilised the largest financial support package in our Island's history, developed a testing programme which ranks amongst the most effective in Europe and implemented a comprehensive track and trace program to mitigate the spread of the virus within our community.

The Government's initial measures to assist local businesses were announced within 24 hours of the categorisation of Covid-19 as a pandemic by the World Health Organisation. This initial package included the deferral of GST payments, the deferral of social security contributions and in many cases, the deferral of rent payments in properties where the Government acts as a landlord.

Less than a week later, on the 18th March we announced a £180 million package of business support. This included a Disruption Loan Guarantee Scheme to support new bank lending and loans; and an enhanced data capacity for all Islanders at no extra cost – in co-ordination with Telecoms providers.

At the end of March, a further £100 million was committed in the form of a Payroll Co-funding scheme which ranks amongst the most comprehensive in the world. Through this scheme the Government agreed to fund 80% of the wages of Jersey employees up to a maximum payment of £1,600 a month and subject to a betterment test based on turnover.

A version of this scheme had already been deployed for some businesses earlier in the month, but this updated scheme greatly expanded the scope and level of the Government's contributions. The Co-Funded Payroll Scheme was enhanced at numerous points during 2020 and at its height supported one in four Islanders in work.

As our lockdown measures have been eased, the Government has initiated a coordinated and phased approach to recovery. The first stages of this included a universal voucher scheme providing £100 for each Islander to spend in our local

economy, which in itself has attracted some international attention; enhanced income support payments to assist the most vulnerable in our community; and a reduction in employee social security contributions – effectively translating into a 2% pay-rise for local workers.

In planning these stimulus efforts, the Government has engaged with local businesses and employees and utilised the local expertise within Jersey through a newly formed Economic Council.

This Annual Report and Accounts reflects not only the significant work that has been undertaken by the Government as part of its response to the Covid-19 pandemic, but also the progress which has been made on the Government's longstanding commitments to Islanders and our strategic priorities.

While meeting the challenges to public health and our local economy presented by Covid-19, we have continued to work on our commitments to Islanders and also navigated the UK's Free Trade Agreement negotiations with the European Union.

We continued to put children first.

The Island became the first place in the British Isles to ban smacking children on 24 April 2020, meaning that parents, carers, legal guardians could face prosecution for any use of physical punishment on their children. We announced plans for a Youth Parliament to give young people a greater voice in the running of their Island and we put forward a school catch-up initiative to ensure that the disruption to our children's education due to Covid-19 does not become a permanent detriment.

Alongside our considerable public health response to Covid-19 we have worked to secure Islanders' wellbeing both mentally and physically.

We have continued to improve mental health facilities and the Covid Adult Social Care and Mental Health services have been fully integrated with a single point of access across multi-professional teams, focusing on early intervention and prevention with social work at the heart of our services.

Our Adult Community Mental Health team have returned to newly refurbished facilities at La Chasse where a range of multi-disciplinary teams now work together in areas such as crisis resolution, home treatment, drug and alcohol services and Jersey Talking Therapies.

In November 2020, the States Assembly approved the Jersey Care Model which will improve Islanders' wellbeing, mental and physical health in the years to come. The model will enhance care in the community through increased prevention services and utilisation of technologies for Islanders to remain healthy and independent for as long as possible.

A new hospital site has been approved at Overdale and this facility will ensure we have an excellent health care campus to meet the needs of Islanders for years to come. The new hospital will be fully integrated within the Jersey Care Model to deliver quality health care services to an Island with a shifting demographic profile.

Our Island's economy has also received significant government attention during the

Covid-19 pandemic as we worked to protect livelihoods and assist local businesses.

We have utilised our Island's excellent digital infrastructure to assist with home working arrangements for local businesses, upgrading all fibre connections to 1 Gbit/s symmetrical speeds without increasing tariffs. We have also mobilised a comprehensive financial support package to protect local jobs during the pandemic including a fifty-million-pound Fiscal Stimulus Fund. And we have also lodged our new Migration Control Policy to help to ensure we have a workforce with the skills necessary for us to compete on the world stage.

Our External relations team have worked hard to ensure that Jersey's interests were accounted for during the UK-EU Future Relationship negotiations and we will continue to work with UK colleagues to ensure our voice is heard as the UK negotiates free trade agreements with countries outside of Europe.

As part of our ongoing efforts to counter income inequality, the Government has also launched a new scheme offering subsidised GP visits for approximately 12,000 Islanders from low-income households. We passed family friendly legislation to enhance the parental leave available to all new parents, including adoptive and surrogate parents.

And we have continued our commitment to protect and value our Island's unique environment, by launching a new Wildlife Law and providing funding for Jersey's Climate Conversation which will include a major citizens assembly this year, giving Islanders an opportunity to shape our response to the Climate Emergency.

2021 will be a year when, I hope, we begin to see a focus return to business-as-usual for Islanders and for the Government. It is a year when we will see significant steps made in the delivery of a number of our capital projects including Fort Regent, the office accommodation strategy and the new Hospital. And a year when the Government and States Assembly will make important decisions on the future of our migration policy, and how we want to develop an economy to meet the challenges of the post-Covid world. I believe that we can do so with confidence and strength.

I would like to thank the Treasury Minister, and officials for their work in preparing this Annual Report and Accounts, and all colleagues across the Government of Jersey for their ongoing dedication to our Island and the services we provide. Their passion, commitment and agility in the face of Covid-19 are hallmarks of the community-wide approach to the pandemic, the results of which are reflected in this document.

**Senator John Le Fondré**

Chief Minister

Date: 14 May 2021

## Chief Executive's Report

This is my first Annual Report as Interim Chief Executive and Head of the Public Service, and although I only took up the role in March 2021 I am hugely impressed by the scale, breadth and quality of work that our public sector staff have carried out over the last year, in the face of the pandemic and the resulting healthcare and economic crises. It is right that we acknowledge that work, while also identifying the areas for continued improvement within the provision of Government services.



**Paul Martin**  
Interim Chief Executive

2020 presented one of the most significant challenges in the Island's recent history for civil and public servants working across Jersey's public sector. The organisation had to shift from operating business-as-usual to protecting Islanders in a pandemic and in so doing ensure the continued stability of health care services, schools, borders and our island economy in a matter of weeks.

This was achieved by staff working across the States, in the community and with business. They have been remarkably agile, innovative and incredibly hardworking. New services were stood up, including the Test, Track and Tracing regime, Border Testing, the Covid-19 helpline, PPE cell and, latterly, the Vaccination Programme. Alongside these health and protection initiatives, various fiscal and economic support packages have also been developed. All of which has resulted in colleagues pulling together in a way that epitomises good teamwork.

Teams across all Departments were often redeployed or had their expertise channelled into improving the effectiveness and efficiency of our response to the pandemic. Whether through our enforcement response, the creation and deployment of a range of support measures, a huge public communications campaign and wide-ranging community engagement programme, everyone has done their bit.

Many of us changed our working practices. For example, many healthcare staff had to stay away from home in hotels to minimise the possibility of viral contagion at the same time as working gruelling long hours. For others, home working became the standard practice while a small group of essential employees remained within our offices, supporting Ministers and the Senior Leadership Team in overseeing the Government's emergency response to the pandemic.

While the focus of much of Government work was inevitably on the management

and operational requirements of the pandemic, we also continued the critical work of implementing the Common Strategic Priorities as set by the Council of Ministers. We ensured the continued delivery of our important day-to-day, business-as-usual, work of Government; in teaching children, protecting the vulnerable, providing healthcare services, maintaining our infrastructure and delivering a range of public services.

In January 2020 we launched the Jersey Performance Framework as a tool to measure how we are performing against the vision and aims of Future Jersey, the Island's community vision. It brings together a range of metrics in one place, in an accessible and transparent way, providing accountability and measurable outcomes that the public can use to hold us to account. In 2021, we will build on this approach to use performance data more effectively as a tool for targeting resources and improving services and value for money.

Our technology provision has been tested by the requirements of mass homeworking, video and audio conferencing, alongside an Island that was demanding the same network capability for education, working and entertainment. The resilience created by the Modernisation and Digital team over the previous two years allowed this to occur almost seamlessly.

Our Integrated Technology Solution (ITS) was launched in early 2020 and will enable the Government to use modern, cloud-based systems, which will be bought 'off the shelf' and used, like most other modern organisations do. This will deliver up to date, digital IT solutions for finance, payroll, HR, procurement and asset management, thereby helping to support an effective public service.

During 2020, our new People Strategy was agreed in November with the strategic intent that "we will be a forward-thinking organisation which offers high-quality public services, values our people and grows our talent for the future." The strategy reinforces the narrative that underpins the OneGov initiative and will deliver genuine benefits by embedding a single organisation approach for future career development, people management and strategy decisions.

We always aim to be an employer of choice, and in 2020 ensured that staff were supported in often difficult circumstances for example through health check-ins and continued managerial and leadership development in the Team Jersey programme. To address the issue of the gender pay gap, we will be improving our flexibility in the workplace, encouraging the uptake of shared parental leave, reviewing the total reward package for staff and improving succession planning. Mentoring and sponsoring schemes under the I WILL (Inspiring Women into Leadership and Learning) programme, also form an important aspect of this work to address the inequality within the workforce.

Looking to our financial performance, Ministers made clear commitments within the 2020 Government Plan to ensure that we were delivering change in a sustainable way.

The 2020 plan required the delivery of £40 million of efficiencies in 2020 and this target has been fully met. This figure can be further broken down into around £25 million of recurring efficiencies and a further £15 million of one-off measures, typically a deferral of growth funds. These deferrals were, in large part, as a consequence of prioritising the Government's response to Covid-19.

The value of one-off items will be carried forward but on a recurring basis in 2021. This ensures continued focus on building a more efficient public sector for the people of Jersey.

This Annual Report and Accounts demonstrates a public sector that has not only managed, but thrived in the face of adversity that the pandemic has created, and has shown resilience to continue delivering on objectives set by the Council of Ministers in the Government Plan.

I commend all of Jersey's public servants for their efforts to deliver this impressive set of results.

**Paul Martin**

Interim Chief Executive

Date: 14 May 2021

# Section 1 – Introduction and overview

The Performance Report provides an overview of Government performance in 2020 by bringing together:

- highlights of key activity to protect lives and livelihoods during Covid-19
- highlights of key Government programmes and projects that are supporting the Common Strategic Policy priorities and modernising government
- analysis of departmental and service performance
- information on the implementation of the Efficiencies Plan for 2020 as set out in the Government Plan 2020-23.

In line with this approach, the Performance Report is structured into the following four sections:

**Section 1 – Introduction and overview**

**Section 2 – 2020 Performance highlights**

**Section 3 – Delivering for Islanders**

**Section 4 – Delivering Efficiencies**

The Performance Report necessarily summarises and selects highlights from large areas of work. More detailed information across the full breadth of government activity can be found in the [Departmental Annual Reports 2020](#).

The Performance Report does not set out in detail relevant delivery from Non-Ministerial Departments, States-Owned Enterprises and arms-length bodies, many of whom produce their own annual reports.

# Improving Performance Reporting in 2021

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The Government has set an ambition, by the next election to have fully implemented [Jersey's Strategic Framework](#) and to use it to continuously inform and improve everything we do. This includes the development, over the current term of this Government, of a comprehensive performance management framework covering both population-level metrics (the Island Outcomes and Indicators) and Government service performance metrics (the Service Performance Measures).

Good progress has been made to put into place many of the building blocks of this performance framework for Jersey.

We have established a clear framework of Island Outcomes and Indicators and published updated trend data for all Islanders to see and understand. This allows us to monitor the sustainable wellbeing of Islanders today and over successive generations. This data information includes 20 storyboards with over 50 outcomes supported by more than 300 indicators. This detailed information can be found in the [Jersey Performance Framework](#).

At the same time, there have been some challenges across 2020, primarily due to the Covid-19 pandemic, that have delayed the development of some of the support capabilities that are needed to fully implement the comprehensive performance management to which we aspire. For example, while a first phase of our Analytics Transformation Programme has established the blueprint for a new cross-government analytics capability, the implementation of this has been deferred into 2021 as much of the analytics leadership and capacity has rightly been redeployed to support the Covid-19 response.

It remains a Government priority to continuously develop the way that we measure Government service performance and to identify service improvement that will contribute towards our Island Outcomes. In 2021 we will continue to improve performance reporting by:

- Setting out a set of Service Performance Measures across key areas of government in the [Departmental Operational Business Plans for 2021](#). This includes, for each Service Performance Measure, a description of the performance measure to be used, the reporting frequency, the baseline, what is intended to be achieved and whether international benchmarking is possible
- Improving the collection, analysis and use of Service Performance Measures to inform our decision-making
- Publishing the Service Performance Measures on the Jersey Performance Framework during 2021 and updating them on a regular basis so that Islanders can understand where we are performing well and where we need to improve.

## Section 1 – Introduction and overview

In this way, the Jersey Performance Framework can be seen to have developed each year, from overarching performance data in 2019, to the establishment of the comprehensive Service Performance Measures set out in Departmental Operational Business Plans for 2020, to the envisaged full development of the Jersey Performance Framework in 2021.

Jersey's second Government Plan, the Government Plan 2021-24 was approved, as amended, by the States Assembly on 17th December 2020 and came into effect on 1st January 2021.

The Government Plan 2021-24 sets out the programmes and projects that support the Common Strategic Policy priorities, modernising government and rebalancing Government finances that we will deliver in 2021. In addition, it also sets out how we will continue to measure our sustainable wellbeing impact in 2021.

The Departmental Operational Business Plans for 2021 also came into effect on 1st January 2021.

The Departmental Operational Business Plans include the objectives for departments in 2021 and the Service Performance Measures that will be used to monitor how services are performing.

# The performance implications of Covid-19 in 2020

In 2020 the worldwide Covid-19 pandemic has been the defining story. It has dramatically impacted the quality of people's lives, both individually and as a community.

The performance implications of Covid-19 will be significant and long-lasting. It will take many years to fully understand the impact it has had on our children's education, on our economy, our social habits and behaviours and, perhaps most significantly, on our mental and physical health. These will have an impact on the long-term trends and Island Indicators that we will need to work hard to understand and seek to mitigate in future years.

The performance implications of Covid-19 can also be seen in the near term. Many key indicators look very different in 2020 to previous years – both in their year-end position and in the trends they have displayed throughout the year. There are both positive and negative marked differences, often within the same public service systems, for example:

- Bus ridership was down by 48% in 2020, (2.22m compared to 4.94m in 2019) but also peak time congestion has reduced by almost 13%<sup>1</sup>
- Patient waiting times have increased 10% and more of the list are waiting over 90 days at year-end, but attendances at the Emergency Department are down 21% in Q4<sup>2</sup>
- Overall crime reduced by 14%, domestic crime reduced by 17% and domestic incidents reduced by 7%<sup>3</sup>
- Overall mortality is down with 753 deaths<sup>4</sup> occurring during 2020 which compares to a five-year average (2015-2019) of 806 deaths a year<sup>5</sup>

Some of these indicators will naturally correct themselves following the pandemic; others will take concerted action either to rectify– such as through the planned investment in our Covid-19 Schools Catch-up Programme – or to sustain the good performance, such as support for remote working and delivery of Sustainable Transport initiatives to promote an on-going reduction in private car use.

At the same time, Covid-19 also inspired some hugely effective public service performance, much of which is summarised in the highlights below. The need to respond to the pandemic drove innovation and a degree of rapid responsiveness equal to the best efforts of any large organisation. The best examples of this excellence in public services – much of which was delivered in partnership with local businesses and communities – have been recognised widely in our One Gov awards, the Bailiff's Covid-19 awards and the Queen's Birthday Honours.

<sup>1</sup>Source: Infrastructure, Housing and Environment

<sup>2</sup>Source: Strategic Policy, Planning and Performance

<sup>3</sup>Source: Justice and Home Affairs

<sup>4</sup>This figure is different to the numbers compiled by the Superintendent Registrar who records deaths registered. There may also be a small number of off-Island deaths of residents which have yet to be recorded.

<sup>5</sup>Source: Strategic Policy, Planning and Performance

## Section 1 – Introduction and overview

A wide range of actions taken to respond to Covid-19 are described throughout this report, with key public health interventions summarised in support of the Common Strategic Policy priority to improve Islanders' well-being and their mental and physical health. Examples and analysis are also provided relating to wide range of key service and programmes that have continued to be delivered throughout 2020 alongside the Covid-19 response.

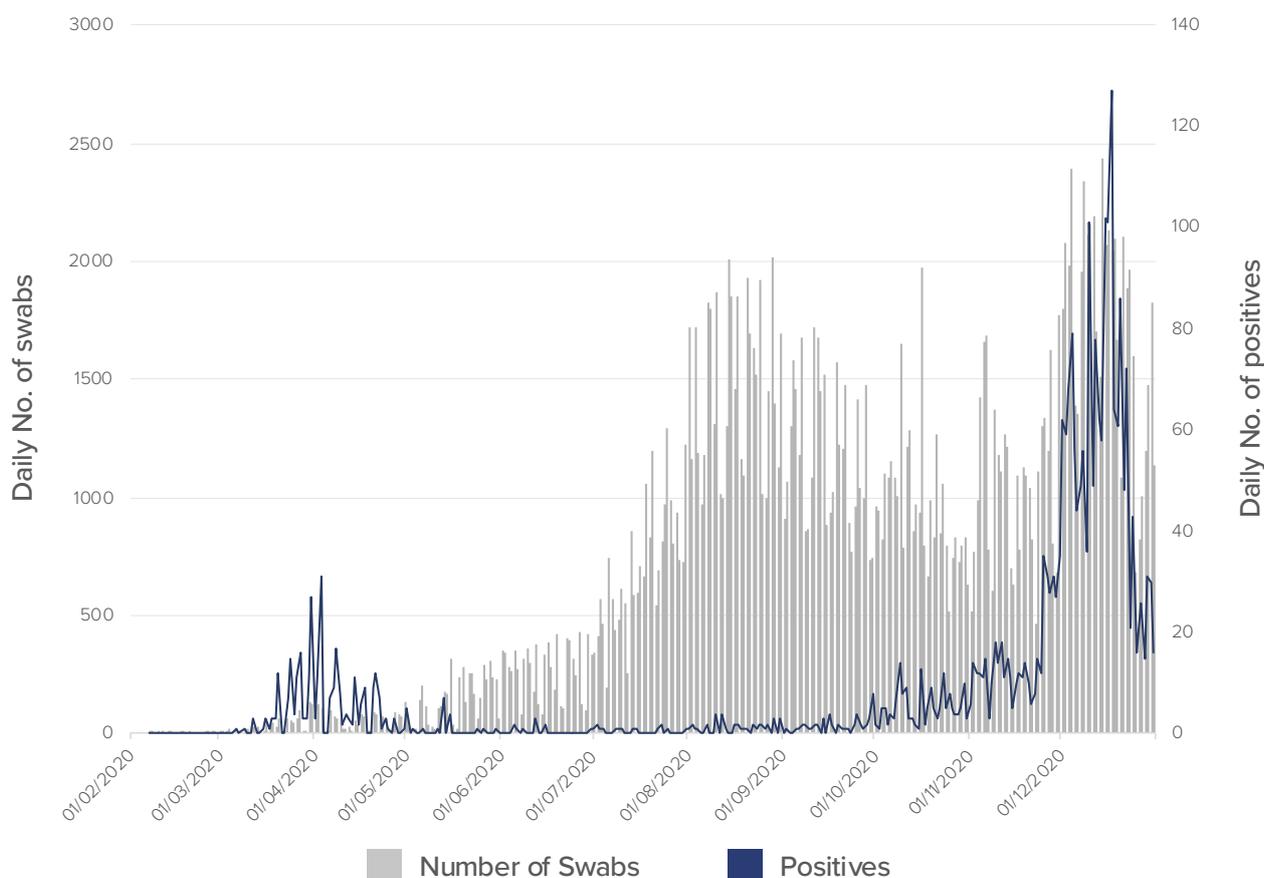
Not all aspects of the Government's response to Covid-19, or of the impacts that the pandemic had on the Island and Islanders, can be helpfully quantified. Whilst those aspects that can be quantified will never convey the very real emotional, physical or economic cost of the pandemic, they can help to describe the scale of the challenges posed during 2020.

The data set out below therefore provides a limited but important snapshot of key areas of activity and focus across 2020. This includes summary health impacts such as confirmed case numbers and, sadly, the 44 deaths during 2020 where Covid-19 was registered on the death certificate. The data also outlines the tens of thousands of tests undertaken and the distribution and location of the cases that they identified.

Section 1 – Introduction and overview

## Covid-19 Statistics (7 Feb – 31 Dec 2020)

<b>Total tests</b>	<b>Negative results</b>	<b>Confirmed cases</b>	<b>Total recovered</b>	<b>Total deaths</b>
<b>234,930</b>	<b>231,941</b>	<b>2,760</b>	<b>2,166</b>	<b>44*</b>

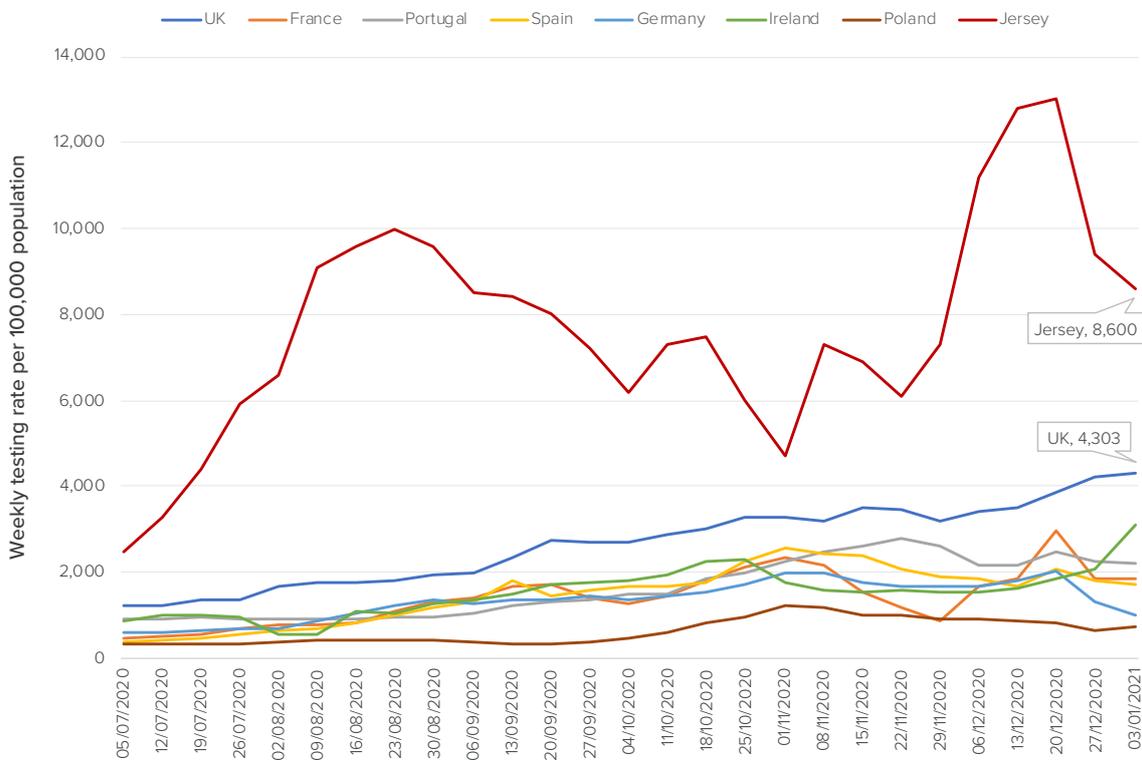


The chart shows the number of Covid-19 positive cases identified in Jersey from the start of the pandemic to the end of December 2020. These are charted based on the date the swab was taken rather than the date the result was reported. The reason for this is that at times there can be a gap between the swab being taken and the result being available – this was particularly evident in the early part of the pandemic when swabs were being sent off Island for testing. Analysis by date of swab taken therefore gives a better picture of the level and spread of virus in the Island.

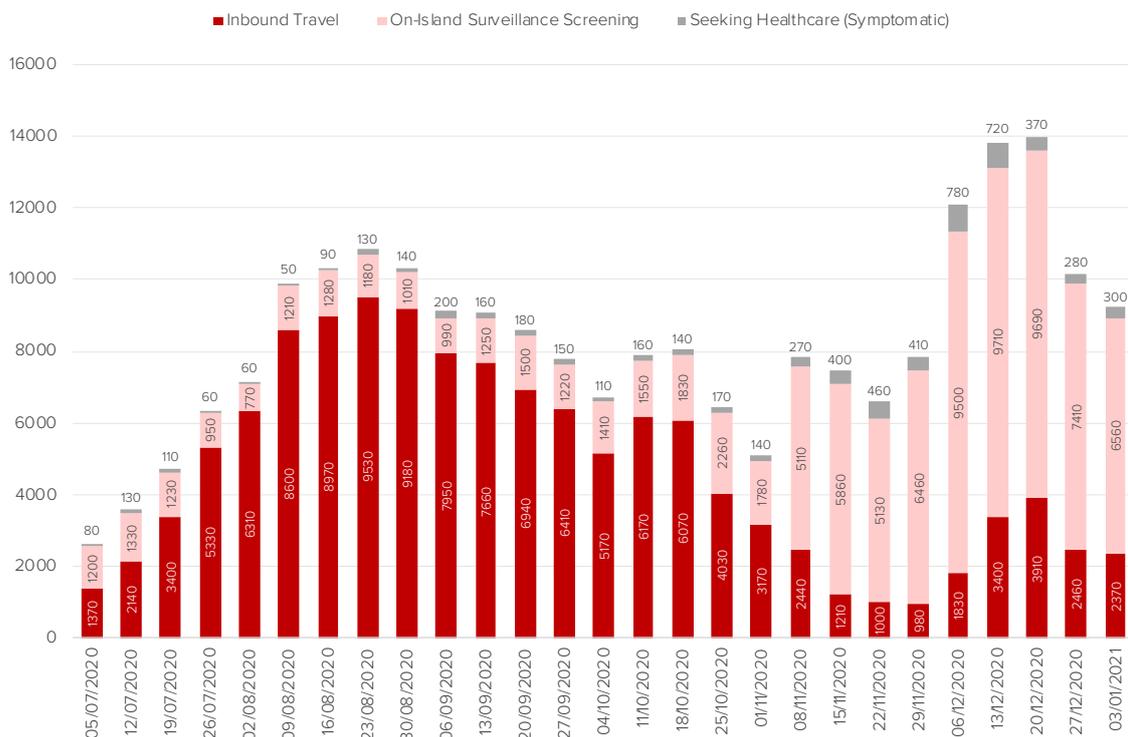
The volume of testing has changed over the course of the year, with the introduction of on-Island testing facilities. At the start of the pandemic, testing was focused on testing people who were more likely to have had the virus (e.g. they were showing symptoms or direct contacts) as the number of tests available was limited. This means that the test positivity rate (the proportion of tests that are positive) was higher at the start of the pandemic than during the second wave when more tests were available. In terms of Government decisions and actions that were made based on this data, it was estimated that our testing in wave 1 identified around 1 in 10 cases of Covid-19 on the Island. Our higher levels of testing at the end of year meant that we were able to estimate that we were identifying 1 in every 2 or 3 cases on the Island.

Section 1 – Introduction and overview

Between 1 June 2020 and 30 December 2020 more than 233,000 PCR tests were undertaken. Throughout this period, Jersey's testing rate has been higher than countries with significant travel links to the Island.



Over the Summer months, following the implementation of the Safer Travel Policy, most tests were for passengers – with a peak of 9,530 passenger tests in the week of 23 August. Then through November and December there was a significant increase in testing of Direct Contacts, admissions screening, cohort screening, contact tracing, and an increasing focus on workforce screening in response to the second wave as well as a re-focus on reducing the risk of transmission, in order to keep Islanders safe and support the economy.



## Section 1 – Introduction and overview

## Number of tests

Total samples tested	Prior to 1 July	1 July - 31 December
<b>234,930</b>	<b>15,802</b>	<b>219,128</b>

## Reason for test since 1 July

Seeking healthcare	6,107
Inbound travel	126,635
On-Island surveillance screening	86,386

Total negative tests	Prior to 1 July	1 July - 31 December
<b>231,941</b>	<b>15,482</b>	<b>216,459</b>

## All confirmed cases

## Total confirmed positive cases

(excludes those confirmed as "old" no longer active at time of detection)

**2,760**

Prior to 1 July	1 July - 31 December	"Old cases"
<b>320</b>	<b>2,452</b>	<b>12</b>

\*An "old" case is one where an asymptomatic person tested positive but a subsequent serology test confirmed the virus was "old" and no longer active. These people did not have to continue isolation and neither did their direct contacts.

## Positive cases identified since 1 July from:

Seeking healthcare	561
Inbound travel: active infections	322
Admissions screening	58
Planned workforce screening	491
Cohort screening	112
Contact tracing	897

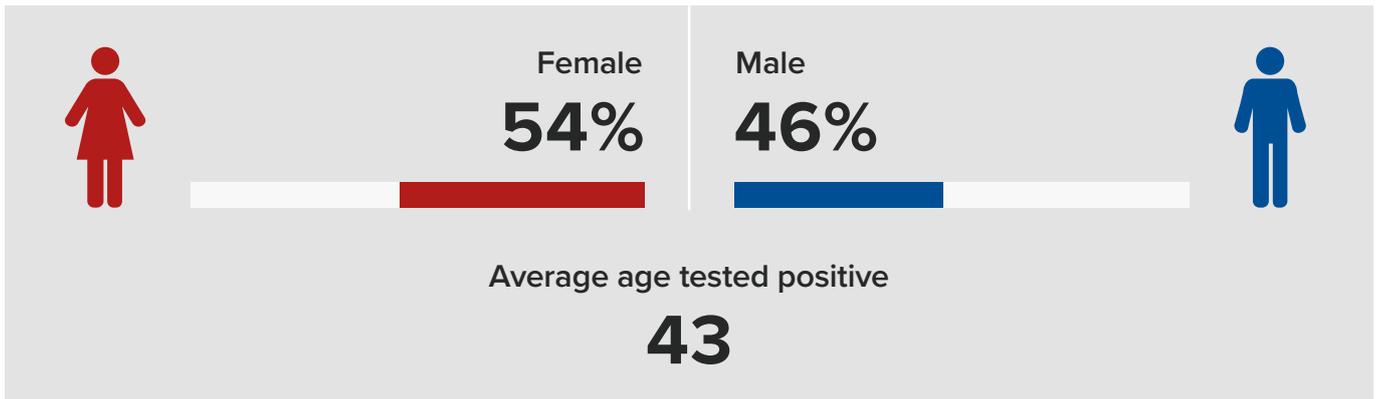
Section 1 – Introduction and overview

## All confirmed cases

### Total confirmed positive cases

(excludes those confirmed as “old” no longer active at time of detection)

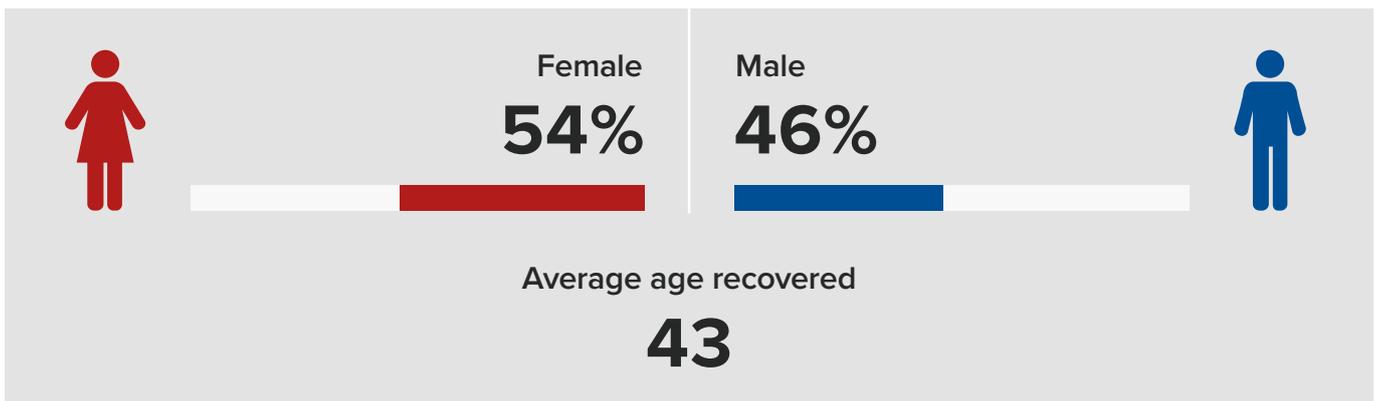
**2,760**



## Recoveries

### Total recovered

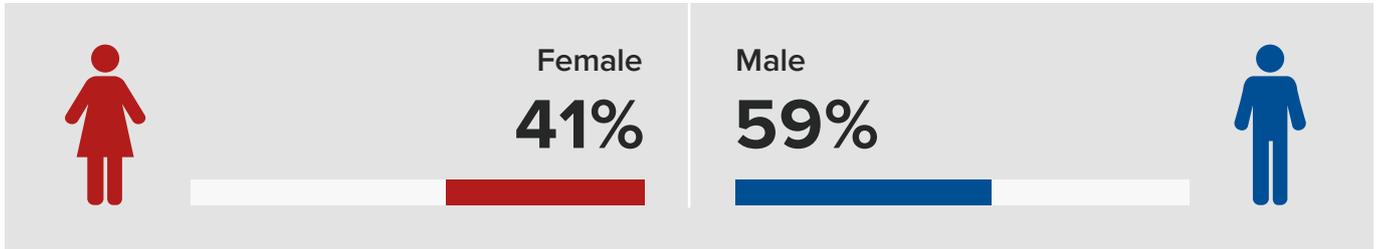
**2,166**



Section 1 – Introduction and overview

## Deaths

# 44



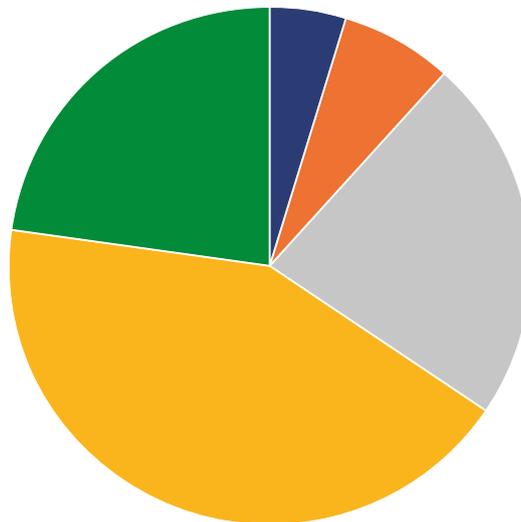
### Places of deaths

Hospital  
**26**

Community  
**18**

St Saviour's Hospital	3	Domestic properties (community)	2
General Hospital	23	Care home	16

### Age band of deaths



● 50-59	2 (4.5%)
● 60-69	3 (6.8%)
● 70-79	10 (22.7%)
● 80-89	19 (43.2%)
● 90+	10 (22.7%)

## Contact Tracing, Monitoring and Enforcement Activities in 2020

The development of a contact tracing, monitoring and enforcement service was key to successfully suppressing the spread of Covid-19 throughout much of 2020. The existing Environmental Health team expanded rapidly to around 100 full time staff in the Autumn. The monitoring and enforcement teams also worked closely with both Honorary and States of Jersey Police.

As the data below shows, the contact tracing service identified around a third of all positive cases, helping to break the chains of infection quickly and ensure Islanders were supported to enter isolation. Similarly, the monitoring and enforcement service undertook significant activity, speaking to around 10,000 people during their self-isolation and investigating almost 11,000 alleged breaches of isolation guidance.



### Positive cases picked up through contract tracing

# 31%

This includes more than half of the cases in November at the beginning of the second wave<sup>6</sup>



### The average positivity rate for contact tracing tests was

# 4%

This is higher than any of the other testing cohorts (test positivity rates for non-contact tracing tests averages 0.9%)<sup>7</sup>



### Prosecutions in 2020 for breaches of Covid-19 isolation requirements

# 14

£25,300 of fines were issued and resulted in a six-month suspended sentence for one individual.<sup>8</sup>

<sup>6</sup> Source: Strategic Policy, Planning and Performance

<sup>7</sup> Source: Strategic Policy, Planning and Performance

<sup>8</sup> Source: Justice and Home Affairs

## Section 1 – Introduction and overview

**Table 1.** Summarises the monthly breakdown of total tests and contact tracing tests and positivity since February 2020<sup>9</sup>

Month Year	Total Tests	Total Positives	Contact Tracing Tests	Contact Tracing Positives	Contact Tracing Positivity Rate	% of total positives found by Contact Tracing
Feb-20	42	N/A	N/A	N/A	N/A	N/A
Mar-20	1,062	125	N/A	N/A	N/A	N/A
Apr-20	1,823	162	N/A	N/A	N/A	N/A
May-20	4,562	22	9	0	0.0%	0.0%
Jun-20	8,313	11	118	0	0.0%	0.0%
Jul-20	21,889	15	149	1	0.7%	5.9%
Aug-20	45,916	39	270	7	2.6%	15.2%
Sep-20	35,708	49	360	10	2.8%	20.4%
Oct-20	30,194	167	1,858	47	2.5%	28.1%
Nov-20	32,174	459	8,386	243	2.9%	52.6%
Dec-20	53,247	1,723	10,987	589	5.4%	34.6%
<b>Overall</b>	<b>234,930</b>	<b>2,772</b>	<b>22,137</b>	<b>897</b>	<b>4.1%</b>	<b>32.4%</b>

**Table 2.** Monitoring and Enforcement team breakdown of monitoring/welfare calls by type (4 August – 31 December)<sup>10</sup>

Description	Number
Calls to passengers that had failed to respond to the SMS system	1,025
Calls to passengers in self-isolation	9,862
Two-way email monitoring processed for passenger arrivals in self-isolation	11,618
Visits to those in self-isolation	4,953
Allegations of breaches investigated	10,871

**Table 3.** Contact Tracing monitoring/welfare calls (from the date of creation of Integrated Public Health Record 25/03/2020)<sup>11</sup>

Description	Number
Calls to positive cases	10,709
Calls to Direct Contacts that subsequently turned positive	1,600
Calls to Direct Contacts	21,792

<sup>9</sup> Source: Strategic Policy, Planning and Performance<sup>10</sup> Source: Strategic Policy, Planning and Performance<sup>11</sup> Source: Strategic Policy, Planning and Performance

## Supporting Livelihoods in 2020

The Government's initial measures to assist local businesses, and preserve Islanders' livelihoods, were announced within 24 hours of the categorisation of Covid-19 as a pandemic by the World Health Organisation. This initial package included the deferral of GST payments, the deferral of social security contributions and in many cases, the deferral of rent payments in properties where the Government acts as a landlord.

On 18th March a £180 million package of business support followed. This included a Disruption Loan Guarantee Scheme to support new bank lending and loans, and enhanced data capacity for all Islanders at no extra cost – in coordination with Telecoms providers.

At the end of March 2020, a further £100 million was committed in the form of a Payroll Co-funding scheme. Through this scheme the Government agreed to fund 80% of the wages of Jersey employees up to a maximum payment of £1,600 a month and subject to a betterment test based on turnover. The Government also provided support to Jersey Business, enabling them to provide additional free-to-access professional business advice.

As lockdown measures eased, the Government initiated a coordinated and phased approach to recovery, including a universal voucher scheme providing £100 for each Islander to spend in our local economy, and a reduction in employee social security contributions.



### Over £21.1m

paid out under Phase Three and Three+ of the Government Co-Funded Payroll Scheme

This included a total of 5,000 claims for September, October, November and December 2020



### Over £2m

paid out under the Visitor Accommodation Support Scheme

This included a total of 120 claims for October, November and December 2020



### 60

loans had been approved under the Business Disruption Loan Guarantee Scheme

the total amount of loans approved was £3,388,700, of which £3,358,700 had been drawn down<sup>12</sup>

# Section 2 – 2020 Performance Highlights

This section provides highlights of public sector performance throughout 2020 to deliver the Common Strategic Policy (CSP) priorities, including progress to deliver the modernisation of government.

The highlights touch on many of the key programmes and projects delivered by the Government of Jersey during 2020, including a great number that have protected the lives and livelihoods of Islanders during Covid-19.

5

Strategic  
Priorities



**We will put children first**  
by protecting and supporting children, by improving their educational outcomes and by involving and engaging children in decisions that affect their everyday lives



**We will improve Islanders' wellbeing and mental and physical health**  
by supporting Islanders to live healthier, active, longer lives, improving the quality of and access to mental health services, and by putting patients, families and carers at the heart of Jersey's health and care system



**We will create a sustainable, vibrant economy and skilled local workforce for the future**  
by delivering an economic framework to improve productivity, by nurturing and strengthening our financial services industry, by enhancing our international profile and promoting our Island identity, by delivering the best outcomes from Brexit, and by improving skills in the local workforce to reduce Jersey's reliance on inward migration



**We will reduce income inequality and improve the standard of living**  
by improving the quality and affordability of housing, improving social inclusion, and by removing barriers to and at work



**We will protect and value our environment**  
by embracing environmental innovation and ambition, by protecting the natural environment through conservation, protection, sustainable resource use and demand management, and by improving the built environment, to retain the sense of place, culture and distinctive local identity

## Section 2 – 2020 Performance Highlights

The Government Plan 2020-23 set out the initiatives that we would progress during 2020 to support our strategic priorities. However, in order to deliver our response to Covid-19 we had to redirect our capacity into delivering Covid-19 Initiatives instead. This has meant that, although we have completed or kept on track many of the Government Plan and Departmental Initiatives, we have had to defer the delivery of others into 2021 and beyond.

More detailed information on delivery of the Government Plan 2020-23, Departmental and Covid-19 Initiatives in 2020 can be found in the [Departmental Annual Reports](#) for 2020. A summary of progress in 2020 is set out below:

Department	Government Plan Initiatives			Departmental Initiatives			Covid-19 Initiatives	
	Complete	Deferred/ Delayed/ Partially deferred/ on hold	On Track	Complete	Deferred/ Delayed	On Track	Complete	On Track
CLS	3	1	1	4	4	7	2	6
COO	7	1	15	0	0	0	10	3
CYPES	1	8	13	0	3	4	0	0
HCS	4	5	7	3	3	7	13	1
IHE	2	17	10	0	0	1	2	2
JHA	4	3	2	2	12	6	0	1
OCE	0	3	16	1	0	12	0	6
SPPP	3	4	10	2	16	0	7	4
T&E	5	2	4	2	5	16	15	2
<b>Totals</b>	<b>29</b>	<b>44</b>	<b>78</b>	<b>14</b>	<b>43</b>	<b>53</b>	<b>49</b>	<b>25</b>

More information on the Government Plan Initiatives we will deliver in 2021 can be found in the [Government Plan 2021-24](#).

# We will put Children First

by protecting and supporting children, by improving their educational outcomes and by involving and engaging children in decisions that affect their everyday lives.



The following are highlights of our progress in supporting this priority in 2020, through activity to protect lives and livelihoods during Covid-19, service delivery and Government Plan programmes and projects.

## Children and Families Hub

2020 Highlight



CYPES, MCH

Covid-19 Response



### Children and Families Hub

The Children and Families Hub provides a single point of contact and referral for children, young people and families who require additional support. The Hub ensures that children and families get the right help at the right time so that children are appropriately supported, safeguarded and protected. The Hub responded to calls, emails and online form submissions from families and professionals relating to more than 2,130 children in its first nine months of operation.

The Department for Children, Young People, Education and Skills (CYPES) brought forward the launch of the Children and Families Hub on 23 March 2020 to provide the right help at the right time for children, young people and families requiring additional support when the majority of Government of Jersey schools and colleges closed to support efforts to contain the spread of Covid-19.

Some children were more vulnerable during this period and a safeguarding campaign was launched by CYPES and the States of Jersey Police to ensure these children were safe from harm and abuse. CYPES also issued advice through schools, the Youth Service, Children's Services, Health services and on gov.je. An advice line was also set up for parents and a helpline set up for children as well as on-line resources launched to support parents during this challenging period, including the Children and Families Hub directory of services and the Learning at Home website available on gov.je.

2020 Highlight



CYPES, MEDU

Covid-19 Response



### Children and Young People Survey

A total of 2,105 children and young people in Jersey shared their thoughts and feelings about the coronavirus pandemic, in a confidential survey, jointly commissioned by CYPES and the Children's Commissioner in May 2020.

Children and young people were asked questions relating to their family and environment, education and resources, physical and mental health, and their rights. They also shared their thoughts and feelings on a range of topics, from the impact coronavirus has had on their friendships to their experiences of home learning and returning to school.

2020 Highlight



CYPES, MEDU

Covid-19 Response



### School Catch-up programmes

There are four specific education programmes underway in Jersey aimed at reducing the impact of Covid-19 on pupils and staff: The Jersey Tutoring Programme (JTP), OLEVI, Early Years Foundation Stage (EYFS) to Key Stage 1 (KS1) numeracy training and KS1 Reading Recovery training.

The JTP aims to address the loss of learning suffered by children in primary and secondary schools, by providing high-quality tuition for those who require additional support. The programme started late in the autumn term, with over 200 teachers and teaching assistants signed up to deliver tutoring, and over 600 hours of tutoring delivered by the end of 2020. More than 6,000 assessments have so far been completed by pupils, with the intention of understanding gaps in learning, and measuring the impact of this intervention on pupil progress. Further assessments will be completed in June and October 2021.

Since September 2020, 72 school leaders (across 25 schools) have completed the OLEVI Power of Coaching learning and teaching programme. A total of 25 leaders (across 14 schools) have qualified to lead in-house programmes of the Creative Teacher Programme, and 30 teachers have completed or are undertaking the programme. Further programmes to support the quality of teaching in schools are scheduled to take place across 2021. These include the Outstanding Teacher Programme, the Advanced Power of Coaching, the Creative Teacher Programme, and Online Excellence. The OLEVI programme has been adopted in 28 schools, supporting the sustainable delivery of high-quality teaching.

Some 200 EYFS, KS1 teachers and teaching assistants across all schools are being trained as specialists in developing the foundations of early numeracy. This research-based approach minimises potential disparity caused by Covid-19, enabling improved long-term pupil progress. A further 100 KS2 teachers will also undertake online training in intervention strategies.

2020 Highlight

CYPES, MCH



**Redesign of Children and Adolescent Mental Health Services (CAMHS)**

Children and Adolescent Mental Health Services (CAMHS) provides mental health support to children and young people in Jersey up to the age of 18. In 2020, CYPES facilitated an extensive period of co-production with the aim of delivering a new model of children and young people emotional wellbeing and mental health support in Jersey.

CYPES worked with children, young people, and their families, as well as wider partners across Government and the voluntary and community sectors, to produce a design for future services for children and adolescents aged 0-25. This led to the development of the following objectives:

- All those living and working in Jersey will know where to go to find quality help, advice and support with emotional wellbeing and mental health issues
- All children and young people that need emotional wellbeing and mental health support will get the right help and support, at the right time
- All services working with children and young people will take a ‘think family’ approach with restorative practice at its core, being mindful of risk factors, trauma informed approaches and the wider determinants of health
- All children, young people and families will receive quality services and be involved in decisions affecting the care they receive through the collaborative setting of their own targets and planning their discharge from services.

Over the next few months, the Children and Young People Emotional Wellbeing and Mental Health Strategy will be launched, and new models of care will be rolled out from mid-2021.



2020 Highlight

SPPP, MCH



**Smacking Ban**

Jersey became the first place in the British Isles to ban smacking children on 24 April 2020.

The new law ends the defence of reasonable chastisement, meaning parents, carers, legal guardians could face prosecution for any use of physical punishment on their children.

The new Law means that children now have the same legal protection as adults from assault, so that smacking, hitting or slapping a child is not permitted in any circumstances.

# We will improve Islanders' wellbeing and mental and physical health



by supporting Islanders to live healthier, active, longer lives, improving the quality of and access to mental health services, and by putting patients, families and carers at the heart of Jersey's health and care system.

The following are highlights of our progress in supporting this priority in 2020, through activity to protect lives and livelihoods during Covid-19, service delivery and Government Plan programmes and projects.



2020 Highlight	HCS, MHSS	
<b>Our Hospital and Jersey Care Model</b>		

The new hospital site at Overdale will enable us to have a healthcare facility that is therapeutic, inspirational and cutting edge, delivering the best care for Islanders and a beyond compare working environment for our staff. Throughout 2020 we have sought and listened to the opinions, ideas and contributions from Health and Community Services (HCS) staff and the wider public on all areas of the buildings design, access routes, artwork, décor, and the facilities.

In November, the States Assembly approved the Jersey Care Model which will improve Islanders' wellbeing, mental and physical health in the years to come. The model will enhance care in the community through increased prevention services and utilisation of technologies for Islanders to remain healthy and independent for as long as possible. In 2020 we began the planning phase, including co-designing and putting in place the pathways that will change the way we deliver care in the future.

2020 Highlight	SPPP, CLS, HCS, MSS	
<b>Health Access Scheme</b>		

A new scheme to provide subsidised access to GP services for low income groups went live in December 2020.

Officers worked closely with local GPs to develop the scheme, which covers 12,000 Islanders who receive Income Support or Pension Plus benefits. Fixed prices apply under the scheme, with children aged under 17 receiving free surgery consultations. Adults pay no more than £12 for a surgery visit, and this fee includes any additional services such as blood tests or hospital referrals.

The scheme supports the use of practice nurses and healthcare assistants, in line with the Jersey Care Model, and is designed to improve access to healthcare for low income groups where cost is often a barrier.



# Mental Health Network

2020 Highlight

HCS, MHSS



## Improvements to Mental Health support services

Adult Social Care and Mental Health services have been fully integrated with a single point of access across multi-professional teams, focusing on early intervention and prevention with social work at the heart of our services. Better partnership with other Government Departments, including the Department for Customer and Local Services (CLS) ensure a holistic approach to care.

Our Adult Community Mental Health team have returned to newly refurbished facilities at La Chasse, where a range of multi-disciplinary teams now work together in areas such as crisis resolution, home treatment, drug and alcohol services and Jersey Talking Therapies. The Government invested £1 million into the improvements of this facility, which acts as an important base for community mental health care.

Orchard House, our inpatient service for adults with acute mental health problems requiring hospitalisation has, this year, achieved ‘green status’ by internal JNASS assessment auditors.

Islanders are now able to self-refer to Jersey Talking Therapies (JTT) for the first time. Waiting times were significantly reduced and JTT is working in closer partnership with The Listening Lounge, Recovery College, Mind Jersey and Liberate. The service has also developed digital resources to allow for greater focus on patients in urgent need of support.

We also launched ‘The Mental Health Network’, a collaboration of public and private service providers offering information, advice and support for people with mental health challenges in the Island. It is the definitive online network for all of Jersey’s mental health services, giving Islanders the right help, in the right place, at the right time.

STOP THE SPREAD OF CORONAVIRUS

# STAY HOME

2020 Highlight



SPPP, HCS, CYPES, JHA  
CM, MHSS, MEDU

Covid-19 Response



## Covid-19 Public Health Measures

- **Physical distancing:** Measures to ensure physical distancing were introduced to flatten the curve of infection on 20 March and extended on 24 March. A Safe Distancing Regulation was introduced by the Minister for Health and Social Services in November 2020.
- **Guidance and shielding instructions:** For Islanders of older ages and with certain medical conditions. Introduced on 14 March, extended to all Islanders aged 65 and over on 26 March, and supported by an Activity Risk Guide in June to empower high-risk Islanders to make their own choices about the activities they wish to take part in. In December 2020, high-risk Islanders were again advised take extra measures to protect themselves against Covid-19

### Covid-19 Public Health Measures (continued)

- **Statistical coronavirus model:** Based on a three-step approach to: 1) avoid Islanders becoming infected (contain); 2) reduce the infection rate (delay and shield); and 3) to ensure that if infection occurs, treatment would be available.
- **Stay at Home Order:** On 29 March, the Minister for Health and Social Services signed an Order which legally required Islanders to 'stay home' to slow down the spread of Covid-19. Islanders had a window of two hours per day where they could leave their homes to buy essential supplies, do daily exercise, or shop for necessary medical reasons.
- **School and nursery closures:** On 3 April the Education Minister signed a Ministerial Decision to close the majority of Government of Jersey schools and colleges until 1 May 2020 to help control the spread of the virus. All primary school students were able to return to school fully at the end of June 2020 and all Government-provided secondary schools were able to re-open full-time in September 2020.
- **Safe Exit Framework:** The Safe Exit Framework was published on 3 June 2020 to bring Jersey safely out of lockdown. This safe exit roadmap specified the public health and social measures to be taken at each level to enable the Island to progress through the pandemic as safely as possible.
- **Safer Travel policy:** The safer travel policy was put in place to support non-essential travel and ensure the safety of travellers and minimise seeding of Covid-19 into the Island.
- **Indoor workplace guidance:** On the 21 May 2020, indoor workplaces – including offices, warehouses, manufacturing facilities and workshops – were able to consider allowing employees to return to resume some workplace-based activity. This Guidance was linked to the Covid-19 (Workplace Restrictions) (Jersey) Regulations 2020, which along with existing Health and Safety legislation, provided Government the required legal powers to safely ease restrictions under the Safe Exit Framework.
- **Covid-19 Winter Strategy:** On 2 November 2020, the Government published an update to the main Covid-19 Strategy (the Safe Exit Framework). The Covid-19 Winter Strategy introduced a number of enhanced public health measures including expanded testing, updating Safer Travel classifications, adopting shielding programmes and vaccinating for flu and Covid-19.
- **Hospitality Circuit Breaker:** A hospitality circuit-breaker began on 4 December, which required all hospitality venues to close. All shops were able to remain open, but gyms and indoor sport and fitness classes closed, and Islanders were advised to work from home where it was possible to do so.

## Coronavirus helpline



2020 Highlight

SPPP, HCS, CYPES, JHA  
CM, MHSS, MEDU, IHE

Covid-19 Response



### Covid-19 Public Health Programmes

Island-wide public health programmes were also established at short notice and expanded and improved throughout the year as the course of the epidemic changed. Key programmes included:

- **Covid-19 Helpline:** Customer and Local Services operated the Coronavirus helpline since March 2020, providing a seven day-a-week one-stop shop for handling all public enquiries. Call volumes have been varied and have ranged between 400 and 2,500 calls a day on various topics including symptoms, travel, testing, public health measures, vaccinations and contact tracing.
- **Household health survey:** Islanders were invited to complete a household health survey in April 2020. The survey was developed to establish a picture of the health of Islanders in relation to Covid-19, as well as gathering information about their travel history and vulnerability.
- **PCR (swab) testing:** PCR (Polymerase chain reaction) was essential to tracking the spread of Covid-19, informing case management and suppressing transmission in the community – the most fundamental testing element for public safety. Once the testing laboratory was operational in Jersey in September 2020, the laboratory was able to process approximately 2,000 tests every day and provide results within 12 hours.
- **Border testing:** On 1 June 2020, the Government introduced a trial programme of testing passengers for Covid-19 as they arrived at Jersey Airport. Wider testing was rolled out to all arrivals as part of the Safer Travel policy when the borders opened to non-essential travel on 3 July 2020.
- **Workforce Testing:** Proactively tested for Covid-19 in work groups where workers are more likely to be a positive case because of where they work or transmit the virus to vulnerable individuals or enclosed communities. An enhanced workforce testing programme was announced as part of the Covid-19 Winter Strategy in November 2020, which saw more Islanders eligible for the programme.
- **Serology antibody testing community and essential worker surveys:** Antibody (serology) testing gave the Government insight into the likely percentage of the population who have previously been infected with Covid-19. A longitudinal statistical seroprevalence survey was undertaken throughout the spring and early summer. This was supplemented by an Essential Worker Antibody Survey was conducted between 21 - 29 May and 1 - 7 June.
- **Contact Tracing:** Jersey's Contact Tracing Team communicate with individuals who have a positive PCR result, and all who they have had contact with, to offer PCR tests where appropriate and monitor the spread of the virus. The team also work to ensure pubs, bars and restaurants record the details of every visitor to their premises and work with monitoring and enforcement teams to ensure public health guidance is followed.
- **Jersey Covid-19 Alert app:** Launched in October 2020 the App works alongside the existing contact tracing system to create another level of protection against community seeding of the virus.
- **Covid-19 Vaccine Programme:** On Tuesday 8 December, the first batch of Covid-19 vaccines arrived on-Island ahead of the first cohort of Islanders receiving the vaccine from Monday 14 December 2020.

Section 2 – 2020 Performance Highlights



2020 Highlight



IHE, MINF

Covid-19 Response



**Nightingale Wing**

On 8 April, the Emergencies Council approved Millbrook Playing Field as the location for Jersey’s Nightingale Hospital, with the decision announced the following day.

That weekend, the first elements of the structure and its construction equipment began to arrive in the Island and, in an unprecedented project, large numbers of the Island’s construction industry – many from previously competing companies – worked together to deliver a 180-bed medical facility on a greenfield site.

Infrastructure, Housing and the Environment Department co-ordinated the project across all government departments, ensured the facility was ready on time and under budget, and proudly handed the keys of an operational hospital wing over to the Health and Community Services on 5 May.

The achievement was crowned by winning an award in the UK-wide Building Award competition.

2020 Highlight



JHA, HCS, COO, Voluntary Agencies, private companies MHA, MHSS

Covid-19 Response



**Ambulance Workforce Collaboration**

At the start of Covid-19, the States of Jersey Ambulance Service established an extended workforce in collaboration with other Government Departments and Voluntary Organisations to ensure it maintained emergency operations and supported other initiatives.

The Ambulance Service was at the heart of the initial response receiving many calls from Islanders relating to Covid-19 in addition to regular work. Working with Careers Jersey, they quickly established contact with a range of students on Paramedic courses at Universities and offered them temporary contracts working within their skill level.

The final team included student paramedics, ex members of ambulance staff, Airport Fire Fighters, staff from the Health and Safety Executive, Jersey Field Squadron, and Les Quennevais Sports Centre along with volunteers from St John Ambulance and Normandy Rescue. More than 50 additional staff were recruited and trained to support the Ambulance Service.

2020 Highlight

SPPP, MHSS



**Health and Well-being framework**

A new Health and Well-being Framework designed to help improve Islanders’ well-being and mental and physical health has been published. The framework focusses on how to prevent illnesses by addressing the root cause of conditions such as heart disease, diabetes, cancer, anxiety and depression, and will allow health, well-being and the prevention of illness to be balanced against wider issues and policies across government, in the effort to improve health and ensure sustainable well-being for all Islanders.

2020 Highlight

HCS, MHSS



**Electronic Prescribing of Medicines (EPMA)**

Electronic prescribing of medicines in the hospital is one of the outcomes of the digital health and care strategy. Following a successful pilot earlier in the year, clinical approval from the Board was given, and a full roll-out of the new digital service has been fully implemented across the hospital and is now established as the main system for the management and dispensing of medicines and drugs in the hospital. This new system replaces the manual process of prescribing medications, with a new digital and online service, making the prescribing of drugs and medications safe and improving patient care.

2020 Highlight



JHA, MHA

Service Delivery

**Jersey Customs and Immigration Service – States of Jersey Police**

Both the Jersey Customs and Immigration Service and States of Jersey Police work to combat drug importation and dealing which have a detrimental impact on the health and well-being of Islanders. Operation Lion was one of the most complex drug-related investigations ever undertaken by Jersey law enforcement agencies and its success was built on mutual legal assistance from the UK and several other jurisdictions around the world.

Seven people were sentenced to between two and 14 years of imprisonment. The joint operation lasted almost 18 months with States of Jersey Police and Jersey Customs and Immigration Service working alongside colleagues from the National Crime Agency, UK Border Force and Australian Police. The operation uncovered direct correlation between the Jersey conspirators and other illegal drugs operations worldwide and involved the largest data communications trawl ever completed by local authorities.

The case involved examination of data from 136 mobile phones that produced 55,000 lines of data from 26,000 telephone calls and text messages. Over 100 physical exhibits were also seized and examined by officers.

The operation culminated in the seizure of MDMA, Cocaine and Cannabis resin totalling a street value of approximately £919,000, after they were imported by boat on 21 June 2019.

One further charge of money laundering has been made and is due in court early in 2021.



# We will create a sustainable, vibrant economy and skilled local workforce for the future

by delivering an economic framework to improve productivity, by nurturing and strengthening our financial services industry, by enhancing our international profile and promoting our Island identity, by delivering the best outcomes from Brexit, and by improving skills in the local workforce to reduce Jersey’s reliance on inward migration.

The following are highlights of our progress in supporting this priority in 2020, through activity to protect lives and livelihoods during Covid-19, service delivery and Government Plan programmes and projects.

2020 Highlight	OCE, MER	
<b>Brexit and the International Trade Unit (ITU)</b>		

The International Trade Unit (ITU) superseded the ‘Brexit Unit’ in early 2020. Acting as the main pathway for communication with the UK Government, the small team of officials within the ITU worked throughout 2020 on the basis of protecting Jersey’s best interests, amidst increasingly difficult and time-sensitive negotiations.

Internally, the ITU has managed key officer-led working groups, including the Brexit Clearing House (BCH) and Jersey-UK Partnership and Trade Group (JPTG), and escalating key policy decisions to the Government of Jersey’s Ministerial decision-making body: the Brexit Ministerial Group (BMG).

After the successful conclusion of UK-EU negotiations in late December 2020, and the decision of the States Assembly to participate in the UK-EU agreement, the ITU has – through close collaboration and effort with a number of other departments – resulted in an agreement that was acceptable to the Assembly.

 <div style="text-align: center;"> <h2>JERSEY READY</h2> <p>BEYOND BREXIT</p> </div>		
2020 Highlight	COO, CM	
<b>Brexit Ready</b>		

The Commercial Services team supported work to ensure the Island was Brexit Day-1-No-Deal ready, which included assuring an appropriate level of emergency inventory, including the review of warehousing, liaising with the retailers and wholesalers and representing the Government of Jersey during the UK Government Yellowhammer process, contributing from a procurement and supply chain perspective.



## Co-funded Payroll Scheme

2020 Highlight	T&E, CLS, OCE, MTR	
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### Co-funded payroll scheme

The Co-funded Payroll Scheme (CFPS) was introduced to maintain employment in industries severely affected by the public health restrictions introduced due to Covid-19. The scheme has seen three phases to date, each with different qualifying criteria and with payment being delivered by CLS.

The first phase was designed and deployed in an exceptionally short period of time during March 2020 to mitigate the impact of Covid-19 on businesses and employees.

Phase 2 of the scheme supported a larger range of eligible businesses and employees for at least the period of April 2020 to June 2020. The need has continued due to the enduring impact of the pandemic.

Phase 3+ has been introduced from November to follow on from the Phase 3 scheme and continues to offer financial support over a longer period and for a wider range of organisations.

During 2020, at its peak, the Co-Funded Payroll Scheme supported 17,000 jobs, or one-in-three private sector workers, at a monthly cost of £21m. Support was provided to nearly 3,500 businesses, which amounted to 51% of all businesses outside of financial services (which weren't in scope for the scheme).



## Spend local. Support our economy.

2020 Highlight	 CLS, MSS	Covid-19 Response 
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### Spend Local Card

One of the biggest projects undertaken was the now well-known Spend Local card. The multi-million-pound scheme was designed to give every adult and child in Jersey £100 and to encourage them to spend it at their favourite local businesses, with the only restriction that they could not spend it online.

The scheme was hailed as a success, with more than £10 million being injected into the local economy across a wide range of business sectors. The Spend Local scheme, a world first, also gained coverage on SKY News for its innovative methodology, as well as being discussed by the First Minister for Northern Ireland, Arlene Foster, in a parliamentary meeting. In late November, a voucher scheme for Northern Ireland was announced.

2020 Highlight



OCE, T&amp;E, MEDTSC

Covid-19 Response

**Visitor Accommodation Support Scheme (VASS)**

The Visitor Accommodation Support Scheme (VASS) was launched in November 2020, aiming to provide additional, timely support for the Island's Registered Accommodation Providers given the challenging and unpredictable trading environments created by necessary public health restrictions.

The scheme was introduced to complement a number of other government initiatives already in place - such as the Co-Funding Payroll Scheme and the Business Disruption Loan Guarantee Scheme – forming a comprehensive economic support package to help businesses throughout the Covid-19 pandemic.

Operationally, the scheme provides up to 80% of designated fixed costs, paid on a monthly basis in arrears, and is structured as a room subsidy. It will run until April 2021 and is continually reviewed to ensure it is meeting – as best is possible – the demands of the industry.

2020 Highlight



T&amp;E, OCE, MTR

Covid-19 Response

**Business Disruption Loan Guarantee Scheme**

The Business Disruption Loan Guarantee Scheme provided government backed lending (loans provided by major banks that are guaranteed by government) to local businesses which have been impacted by Covid-19 related measures. The Government agreed to underwrite 80% of loans to businesses that were considered viable if it were not for the Covid-19 pandemic up to the value of £50 million. In 2020:

- around 60 loans had been approved by lenders in Jersey
- the total amount of loans approved was £3,388,700
- the amount of these loans which have been drawn down was £3,358,700.

2020 Highlight

OCE, MER, MEDTSC

**US Ambassadorial Visit**

This was a high profile and significant event – the first visit to Jersey by a serving US Ambassador in two decades – reflecting the success of the Global Markets strategy in increasing Jersey's visibility and access to decision-makers in the important market of North America.

The Ambassador spent time with local business leaders, including representatives of Jersey Finance, Digital Jersey, Jersey Business and the Jersey Chamber of Commerce. The Ambassador met a selection of Island businesses who were doing business in, or with, the USA at the time. The Ambassador's team from the Commercial section of the US Embassy in London were in attendance to provide ideas, help and support to businesses in their US ambition.



2020 Highlight

OCE, MER



**Financial Crime Strategy and Jersey’s first National Risk Assessment of money laundering**

Significant investment has been made in a Financial Crime Strategy, to further develop policy and strategy around financial crime risk and prevention, in line with the increasingly changing international standards set by the Financial Action Task Force.

The team was fully recruited in 2020 and has developed and implemented a new multi-agency and industry engagement structure with clear top-level political direction for developing and implementing financial crime strategy and policy in Jersey.

Jersey’s first national risk assessment of money laundering was published in September 2020, which is a cornerstone to developing a broader understanding of money laundering risk that Jersey’s finance industry may be exposed to. This action furthers the longstanding commitment of Jersey and its finance industry to act as a responsible finance centre and to implement all relevant international standards in full and play our part in the global fight against financial crime.

2020 Highlight



CYPES, OCE, MEDU

Covid-19 Response



**China-Jersey Webinar**

In order to continue to develop educational links despite the impact of coronavirus, CYPES and Global Markets (External Relations) worked with the Chinese Embassy in London and the China Education Association for International Exchange (CEAIE) to organise a webinar in November 2020.

Headteachers from schools across the Island took part in a webinar, also attended by more than 100 principals from schools across China, to share experiences of education during the coronavirus pandemic and to discuss to how to strengthen co-operation.

This builds on the Memorandum of Understanding signed between CYPES and CEAIE on the Chief Minister’s visit to Beijing in 2019.



## Island Wide Cyber Security Risk Assessment

2020 Highlight

OCE, MEDTSC



### Cyber Security Strategy

An Island-wide Cyber Resilience Risk Assessment was conducted during 2020 with the aim of providing insight into the current cyber maturity of businesses on the Island.

The assessment included a range of actions, including a survey small, medium and large local businesses, across sectors, and an audit of Jersey’s Critical National Infrastructure providers.

Regular risk assessments will continue as a core commitment of Jersey’s Cyber Security Strategy.



## Fiscal Stimulus Fund

2020 Highlight

T&E, MTR



### Fiscal Stimulus Fund

Forming part of the Government’s £150m Fiscal Stimulus package in response to Covid-19, the Government’s £50 million Fiscal Stimulus Fund opened its first tranche of funding of £25m on 20 November 2020.

The Fund was launched to support Jersey’s economic recovery and is providing support on a timely, targeted and temporary basis. It’s aimed at smaller scale, agile projects of no more than £5 million per project, which are expected to be completed by December 2021.

Those applying for funding needed to ensure that their projects aimed to reduce the fall in employment and output in the short term and reduce the damage to the economy in the long term.

# We will reduce income inequality and improve the standard of living

by improving the quality and affordability of housing, improving social inclusion, and by removing barriers to and at work.



The following are highlights of our progress in supporting this priority in 2020, through activity to protect lives and livelihoods during Covid-19, service delivery and Government Plan programmes and projects.

2020 Highlight	SPPP, CLS, MSS	
<b>Family friendly rights and benefits</b>		

During 2020, improvements were made to both family friendly employment rights and parental benefits. At the end of June, workers' rights were extended to provide six weeks of paid parental leave to all parents, with a further 46 weeks of unpaid leave available. Breastfeeding rights were also introduced for the first time. These rights cover surrogate and adoptive parents as well as birth parents.

 <h2>Connect Me</h2>		
2020 Highlight	 CLS, T&E, SPPP, MSS	Covid-19 Response 
<b>Connect Me</b>		

In March 2020, with the support and oversight of the Community Task Force, the Connect Me service was re-designed and rapidly implemented to support individuals and organisations gain access to support in the community during the Covid-19 pandemic.

The support included access to food, emergency housing, financial support, mental health services and medical supplies, as well as supporting organisations and the parishes to access volunteers, guidance and practical support to be able to safely continue to offer support to their clients.

Through the creation of a simple online form, not only have individuals been able to directly access support at a time of great need, the team has also developed a data evaluation tool behind the form, that has been vital in identifying where the targeted support is most needed, by location, what the most common query types are and measuring customer demographics.

Through this work, more than 3,000 volunteers have been made available to voluntary and community sector organisations, more than 600 individuals have received direct support and a network of more than 300 organisations has been developed.

This network continues to share timely information and Public Health guidance to support Voluntary and Community Sector organisations and the parishes to continue offering their invaluable services, as well as developing a partnership approach to the development of accessible and inclusive public guidance and services.

Section 2 – 2020 Performance Highlights

2020 Highlight	T&E, IHE, MCH	
<b>Key Worker accommodation</b>		

Government continues to work closely with Andium Homes Limited to improve the housing offer for key workers. The major refurbishment of all 90 units of the Hue Court development was completed in 2020.

All units have been allocated to Health and Community Services as Keyworker accommodation.

2020 Highlight 	CLS, T&E, MCH	Covid-19 Response 
<b>Housing Protection during Covid-19</b>		

At the start of Covid-19, the Government of Jersey established an emergency housing team to provide advice and emergency accommodation to people facing housing difficulties. This service provided support to more than 200 households in the Island.

Other activities included temporary changes to tenancy law to freeze rents, protection for tenants against eviction for rent arrears linked to Covid-19 and giving tenants the option to extend their tenancy.

A one-off deferral of the annual rent increase for Andium Homes' tenants has also been agreed for 2021, and a rent deferral was offered to Government of Jersey tenanted businesses.

2020 Highlight	CLS, SPPP, MCH	
<b>Tenants' Rights</b>		

During 2020 a new Housing Advice Service was designed, and phased implementation began. As with many other 2020 projects, implementation was delayed as staff were co-opted onto Covid-19 related projects. The Housing Advice Service brings information on all types of housing query into one place with web content launched towards the end of 2020. The new Service will also include an online interactive checklist for housing information and specialist staff who will be recruited in early 2021. Significant progress was also made on the review of the eligibility criteria for social housing and plans were agreed to transfer the waiting list for affordable purchase to Andium Homes.

2020 Highlight	CLS, MSS	Covid-19 Response 
<b>CRESS Scheme</b>		

In April 2020, the Covid-19 Related Emergency Support Scheme (CRESS) was launched by the Minister for Social Security to provide weekly payments to support registered workers who had lost their employment but were unable to return home to their families due to travel restrictions. The scheme was developed very quickly by CLS, Treasury and SPPP. CLS were able to process claims in just a few days.

The scheme was set up to provide support towards basic living costs, with payment levels depending on the individual's relationship status and whether there were any children in their household.

### CRESS Scheme (continued)

For claimants who had worked in Jersey for at least six months, a single person could receive £150 a week, and a couple who had both lost their employment income could receive £250 a week. Those who had worked in Jersey for less than six months could claim a lesser amount of £70 per person, per week. In all cases a payment of £50 per child was also available.

As travel routes re-opened and the health controls were relaxed, the number of CRESS claims reduced as migrant workers found it possible to return home or to find new employment in Jersey. The scheme was extended for two months on 30th June in order to give workers time to make final plans. New applications were not accepted beyond the end of July and the scheme was wound up on 31st August 2020.

The scheme supported more than 330 households, providing financial assistance totalling £540,000.



**Closer to Home**

2020 Highlight

CLS, MSS



#### Closer to Home

Closer to Home (CtH) is a partnership approach to delivering services for customers in their communities between the Government of Jersey, the Voluntary and Community Sector (VCS) and parishes. Following a successful launch, as CtH became more embedded, more organisations saw the benefits of joining the programme. These organisations spanned the Government of Jersey, the VCS, parishes, private providers and included a wide variety of health, social care, children’s, sport and other organisations, such as parish support groups. This partnership approach continued to deliver a programme of regular services and events until restrictions were put in place in March 2020 due to Covid-19.



# We will protect and value our environment

by embracing environmental innovation and ambition, by protecting the natural environment through conservation, protection, sustainable resource use and demand management, and by improving the built environment, to retain the sense of place, culture and distinctive local identity.

The following are highlights of our progress in supporting this priority in 2020, through activity to protect lives and livelihoods during Covid-19, service delivery and Government Plan programmes and projects.

2020 Highlight	SPPP, MENV	
<b>Carbon Neutral Strategy</b>		

An ambitious Carbon Neutral Strategy was adopted by the States Assembly in February 2020, which could see Jersey become the first carbon neutral jurisdiction in the British Isles.

The strategy sets out a people-powered approach to exploring, shaping and implementing the significant policies that would be required to meet an enhanced target date for carbon neutrality.

Planning for key elements of the strategy, including Jersey’s first large-scale Citizens’ Assembly, continued throughout 2020 and will inform a long-term climate action plan to be lodged in the States Assembly in 2021.

2020 Highlight	IHE, MINF	
<b>Les Quennevais School</b>		

A state-of-the-art educational facility was constructed on a greenfield site in one of the largest educational capital projects in the Island’s history.

IHE led the design and provided project management and, notwithstanding the constraints to the Island’s construction industry caused by Covid-19, completed the school on time and allowed its occupation for the start of the 2020/21 educational year.

The building is an exemplar for sustainability, with solar panels and air source heat pumps and is also designed to be inclusive and accessible for a variety of different needs.

Section 2 – 2020 Performance Highlights



2020 Highlight

SPPP, IHE, MINF



**Sustainable Transport Policy**

A Sustainable Transport Policy framework was adopted by the States Assembly in March 2020, which aims to deliver a fully sustainable transport system in Jersey by 2030.

The policy set out key decision-making principles to inform and prioritise investment over coming decade and committed to a range of Strong Start initiatives for implementation throughout 2020. However, delivery was reviewed in light of the impact of Covid-19 and an update report was presented to the States Assembly in December, setting out the planned approach to delivery throughout 2021.

2020 Highlight

SPPP, IHE, MINF, MENV



**Renewable Diesel Trial**

In August 2020 the Government of Jersey commenced a six-month trial to investigate the feasibility of using renewable biodiesel as a replacement fuel for diesel in commercial vehicles.

Transport is the largest of Jersey's greenhouse gas emission sectors, with 32% currently coming from road transport alone. Diesel use in Jersey has been steadily increasing since the early 1990s due to an increase in heavy duty trucks and buses, and in 2018 made up 45% of road fuel used in the Island.

The Sustainable Transport Policy and Carbon Neutral Strategy both identify a need for further investigation into the use of renewable biodiesel in Jersey. Jersey Fleet Management, Driving Vehicle Standards and Strategic Policy, Planning & Performance therefore partnered to carry out a trial of renewable biodiesel across nine Government owned commercial vehicles.

The trial aimed to make clear:

- The practicalities of switching heavy commercial diesel vehicles to renewable biodiesel
- The greenhouse gas emission savings that could be achieved from using renewable biodiesel
- Any additional cost of switching to use renewable biodiesel.

The renewable biodiesel product RD100 was selected for this trial. RD100 is a second generation 100% biogenic HVO renewable biodiesel. A HVO (Hydrotreated Vegetable Oil) product was selected for the trial as it offered the greatest greenhouse gas emission savings. It has the same chemical composition as diesel making it a 'drop-in' replacement product meaning no mechanical changes had to be made to the trial vehicle engines before using it, and it could be blended with any leftover diesel in their fuel tanks.

Outputs from the trial will inform multiple workstreams, including the development of a Long-Term Climate Action Plan, as required by the Carbon Neutral Strategy.



2020 Highlight

SPPP, MENV



**Home Energy Audits**

The Government offers subsidies of up to £250, dependent on property size, towards Home Energy Audits. A Home Energy Audit is a survey to tell you how energy efficient your home is. An Energy Performance Certificate (EPC) is provided which gives a personalised list of suggested home improvements to save on both emissions and energy bills.

The scheme includes approval of applications, communications with applicants and assessors and gathering of key data from EPCs. It also supports training for local accredited assessors.

A total of 315 EPCs were lodged in 2020, with 215 of these receiving a subsidy from the Home Energy Audit scheme. As well as supporting homeowners to save money and reduce their carbon emissions, the scheme provides up to date intelligence about the energy efficiency of Jersey’s housing stock, which can help inform future policies to further reduce our greenhouse gas emissions.

2020 Highlight

IHE, MENV



**Blue Carbon Assessment**

The development of the Carbon Neutral Strategy has driven the need to better understand the role that Jersey’s marine habitats play in the generation, distribution and capture of organic (living material) and inorganic (shells, bones, etc.) carbon.

A recently completed systematic study by Marine Resources has created a digital model for the Island’s territorial seas, which has allowed the assessment of over 37,000 individual areas for their blue carbon resources. This project forms part of the Government’s commitment to the British-Irish Council’s Marine Environment Sub-Group.

The results, which are currently being peer-reviewed, map the probable distribution of carbon resources across Jersey’s marine environment. These suggest that the Island’s offshore reefs and sedimentary basins play an important role in the generation, residency and capture of carbon. Key organic carbon sources include kelp forests and maerl, while habitats such as seagrass and clam beds play an important role in the sequestration of carbon. During 2021 and 2022 it is planned to study some of these habitats through fieldwork and laboratory studies.

2020 Highlight

IHE, MENV

**Dolphin and Porpoise Behaviour**

Jersey is a signatory to ASCOBANS and other multilateral environmental agreements, which request the gathering of knowledge on local cetaceans. Since 2016 the Department for the Environment (in conjunction with the Société Jersiaise) has been deploying seabed hydrophones to record the echolocation clicks made by dolphins and porpoises. The hydrophone units also gather environmental data including temperature, sediment movement, sonar use and tidal movement.

The units have gathered more than 3,000 days of data within which 3,100 cetacean encounters have been recorded. Some of these encounters last a few seconds while others may continue for hours or even days at a time. The units can operate unattended for several months at a time and have been deployed all around Jersey's coastline.

Initial results from this project suggest that our local dolphin and porpoise species consistently use parts of our coast, including the offshore reefs, in very different ways. This includes differences in residency, seasonality and timing of visits. Aside from identifying cetacean hotspots in Jersey waters, this project is shedding light on the behaviour of individual species and the way in which they interact with each other and with other factors such as tides, weather and marine traffic. The first phase of the project will finish in 2021 with reported results expected to be published in 2022.



# Modernising Government

We will improve the way in which Government and the public service function, so they deliver modern, efficient, effective and value-for-money services and infrastructure, sound long-term strategic and financial planning, and encourage closer working and engagement among politicians and Islanders.

## 5

ongoing initiatives

- A States Assembly and Council of Ministers that work together for the common good
- A new, long term strategic framework that extends beyond the term of a Council of Ministers
- A modern, innovative public sector that meets the needs of Islanders effectively and efficiently
- A sustainable long-term fiscal framework and public finances that make better use of our public assets
- An electoral system which encourages voter turnout and meets international best practice

The following are highlights of our progress in supporting this priority in 2020, through activity to protect lives and livelihoods during Covid-19, service delivery and Government Plan programmes and projects.

2020 Highlight		T&E, MTR	Covid-19 Response
<b>Enhanced Liquidity through Revolving Credit Facility</b>			

Perhaps the most significant risk facing not only Government but all businesses and organisations as a result of the onset of the Covid-19 pandemic was the ability to fund day-to-day activities. Cashflow and liquidity became crucial to survival.

The mitigation measures put in place to respond to the threat had a severe and immediate impact on economic activity. The Government of Jersey responded with a range of financial support schemes. In the early stages of the pandemic, the potential health consequences to the Island’s finances were forecast to be severe and consequently the economic impacts close to catastrophic. Initial forecasts of the impacts upon Islanders common with modelling across the world, pointed to very considerable potential threats to the lives and accordingly livelihoods and the economy. Faced with these potentially catastrophic impacts it was essential that stability and certainty be provided to support the Government’s potential financing requirements and the local economy in the short to medium term the Minister for Treasury and Resources put in place a Revolving Credit Facility (“RCF”) of £500 million.

## Enhanced Liquidity through Revolving Credit Facility (continued)

The RCF provided the assurance to know that whatever the health outcomes, financing the delivery of the programme of the Government activity to support the health and community response and, financial support to business and the local economy to mitigate the impacts of Covid-19 could be paid for. In addition, the facility enabled the Government to provide fiscal stimulus to the economy over the short term.

A combined team from within Treasury, including colleagues from Strategic Finance, Performance and Reporting, Revenue Jersey and Treasury & Investment Management, worked with colleagues from the Office of the Chief Executive (OCE) to arrange the facility in a very short period. With input from debt advisors and local legal counsel, the team agreed a facility with five local banks each contributing £100 million to the RCF. The facility was approved by Ministerial Decision on 7 May 2020 only 44 days after discussions first started. This is almost unprecedented for a transaction of this size, nature and complexity. It is a real demonstration of colleagues' working together across Government and with key external stakeholders to contribute to Government's Covid-19 response and protect the lives and livelihoods of Islanders.

2020 Highlight



T&E, MTR

Covid-19 Response



## Emergency Expenditure Measures

In March 2020 the emergency expenditure measures defined in the Public Finances (Jersey) Law 2019 were used for the first time in response to Covid-19. These powers are only enacted in exceptional circumstances. On 27 March 2020, the Minister for Treasury and Resources signed MD-TR-2020-0029 declaring that, in her view, there existed an immediate threat to the health or safety of any of the inhabitants of Jersey and to the stability of the economy in Jersey.

On 24 March 2020 the States Assembly had approved P.28/2020 which agreed a range of additional powers for the Minister for a six-month period. The financial measures agreed as part of the response included:

- Enabling the Minister to transfer up to £400 million from the Strategic Reserve to the Stabilisation Fund
- Increasing from £10 million to £100 million the amount which may be appropriated from the Consolidated Fund without amending the Government Plan
- Increasing the limit on financing that the Minister may arrange in a financial year from £3 million to £500 million, and the limit on total outstanding financing from £20 million to £500 million
- Increasing the limit on loans that the Minister may make in a financial year from £3 million to £100 million, and the limit on total outstanding loans from £20 million to £100 million
- Increasing the limit on guarantees and indemnities that the Minister may provide in a financial year from £3 million to £100 million, and the limit on the total outstanding guarantees from £20 million to £100 million.

A range of measures were put in place to support the functioning of Government and the economy and these included:

- The Comptroller of Revenue agreeing to defer the receipt of GST payments from businesses
- The Minister approving:
  - the Jersey Disruption Loan Guarantee Scheme (up to £40 million of loan guarantees)
  - an additional £99.99 million of budget from the Consolidated Fund
  - a Revolving Credit Facility for up to £500 million
  - a loan of up to £10 million to Blue Islands to maintain vital services to the UK.

Importantly the Treasurer issued a letter to all Accountable Officers reminding them of their responsibilities under the Public Finances Law, reinforcing the need for proper stewardship and governance despite the challenges being faced because of Covid-19.



## Prior Year Basis Tax Reform Proposal

2020 Highlight



T&E, MTR

Covid-19 Response



### Prior Year Basis Tax Reform

Reforming the way two-thirds of Jersey’s taxpayers pay their tax had been discussed for a number of years but plans to make changes were accelerated in 2020 to help those who had suffered a loss or reduction in income due to the pandemic.

The Minister for Treasury and Resources proposed that Prior Year Basis (PYB) taxpayers (those who paid their tax a year in arrears) should be moved to Current Year Basis (paying tax on the money they earned that year) and their 2019 tax bill frozen for payment at a later date.

This proposition was approved by the States Assembly in November 2020 and under the new measures, PYB taxpayers were moved onto the Current Year Basis at the start of 2021. All of the tax payments they had made during 2020 to pay their 2019 tax bill were also transferred to pay their 2020 tax liability.

The Regulations outlining the options for former PYB taxpayers to pay their 2019 tax liability will be debated by the Assembly in March 2021.

The Regulations were refined following feedback from Islanders, Scrutiny and States Members and through focus groups and the options now include:

- paying the liability off in full
- paying the liability in monthly, quarterly or annual instalments over up to 20 years, from 2022, but with payments not having to start until 2025
- committing to pay the liability on retirement using a financial arrangement, such as the lump sum from a pension plan.

2020 Highlight



COO, CM

Covid-19 Response



### COO Covid-19 Response

Covid-19 had a significant impact on the Chief Operating Office in 2020. Although not a front-line Department, COO supports front-line Departments and has to react speedily and effectively to their changing requirements. Due to Covid-19, COO had to take on a number of unplanned activities and these included:

- Modernisation and Digital – The team enabled a significant number of staff to work remotely by issuing laptops, deploying a rapid rollout of Microsoft Teams and upgrading the remote access infrastructure for the large number of staff who needed to work from home at short notice. It also designed, built and deployed a new booking and testing system in record time to support border testing for people arriving to the Island by sea and air
- Commercial Services – The team provided a diverse and complex range of products and services to support the Island, while also addressing the complex challenges of a global supply chain. Achievements range from creating a bespoke contract assuring the airbridge for the Island and delivering PPE to support everyone from front line workers in primary and acute care to setting up testing arrangements with UK laboratories and procuring not only the building, but all of the internal equipment for the Nightingale Wing

### COO Covid-19 Response (continued)

- People and Corporate Services – The team co-ordinated Business Continuity across the Government and ensured that staff were provided with a safe working environment, both for those that needed to attend their place of work and those working from home. They also supported managers and staff to adapt to new ways of working; redeployed hundreds of staff to interim roles to support the pandemic response; and arranged temporary accommodation for employees that were unable to go home either because they had been diagnosed with Covid-19 or because someone in their household had.

2020 Highlight

COO, CM



### Integrated Technology Solution

An important part of modernising government involves replacing and upgrading old and outdated IT systems, so that the Government can deliver modern, efficient, effective and value-for-money services for Islanders. Due to years of underinvestment, the IT systems that support the organisation's finance, payroll, human resources, procurement and, asset and inventory management urgently need replacing. The Government's finance system, for example, is 15 years old and is coming to the end of its useful life.

The Integrated Technology Solution (ITS) was launched in early 2020 to enable the Government to use modern, cloud-based systems, and which will be bought 'off the shelf', like most other modern organisations do. It will deliver modern, digital IT solutions for finance, payroll, HR, procurement and, asset and inventory management, which are quicker, easier and more secure to use, and because they're standard products, they'll be updated regularly.

The ITS programme appointed its specialist procurement partner in early 2020, who during the year produced a detailed procurement strategy and has led the complex tender evaluation process to appoint the ITS suppliers. Departments and employees have been engaged with the project through the year, so that they are ready to work with the new suppliers when they come on board in early 2021.

We are Team Jersey

2020 Highlight

COO, CM



### Team Jersey

The Team Jersey programme, together with the values and behaviors framework, support the building of a culture where:

- employees feel valued and respected as individuals and for their contribution
- knowledge and expertise are shared, employees feel invested in and teams collaborate to ensure the best outcome for Islanders
- we focus on outcomes for the customer and we are passionate about making Jersey a better place and work effectively to deliver services.

Team Jersey face-to-face sessions were suspended from mid-March until September 2020 due to Covid-19 and Team Jersey resource was redeployed to support senior and frontline leaders and managers by providing coaching support. In total more than 141 one-to-one coaching sessions were delivered to 58 leaders. In addition, half of the team were redeployed to direct Covid-19 support. Despite this, the programme continued to deliver, building tips and guidance for managers working throughout the pandemic, including advice on how to manage remotely and actively worked with internal teams to support employee wellbeing over this period

### Team Jersey (continued)

Team Jersey sessions were restarted in September and during November all Leadership sessions went online to ensure their continued delivery throughout the winter. Over this limited period, the programme has delivered sessions to more than 700 colleagues and delivered more than 110 leaders’ sessions.



2020 Highlight

COO, CM



### Gender Pay Gap Report

The Government’s Gender Pay Gap report, was published for the first time in October 2019. It was delayed in 2020 due to the pandemic and was the second report published in the first quarter of 2021. It showed that:

- The Government’s mean gender pay gap (the difference in the average hourly wages between men and women in the workforce) was 15.2% for 2020, compared to 18.0% in 2019
- There are more men in senior roles than women
- New appointments, leavers and pay increases at the top tiers have contributed to the increase in the median pay gap. The median is the difference between the midpoints in the ranges of hourly pay of men and women
- Covid-19 has been a contributing factor in HCS, to increasing the number of female appointments at the lower tiers and increasing the number of male appointments at the higher tiers with the temporary direct appointments of Primary Care Physicians (GPs)

The Government of Jersey will look to improve the pay gap by introducing or continuing with a number of measures, including improving workplace flexibility and various schemes and programmes.

2020 Highlight

COO, CM



### People Strategy

A new People Strategy was agreed in November with the strategic intent that “we will be a forward-thinking organisation which offers high-quality public services, values our people and grows our talent for the future.” The strategy will deliver genuine benefits by embedding a OneGov mindset for people management strategy decisions.



## MyWelcome

2020 Highlight

COO, CM



### People development

The 'My Welcome' online corporate induction programme is now available for all employees to access through the Virtual College platform and was launched through a phased approach during the summer 2020.

My Welcome enables all new joiners to the Government to have a consistent introduction to the work of the Government, learn about our strategic priorities, the One Gov Vision, our Values, Team Jersey and importantly, essential statutory and mandatory training that needs to be completed in order for the employee to work safely.

The My Welcome corporate induction has been augmented through monthly corporate induction events that have been held virtually and which enable new joiners to hear first-hand from the Chief Executive Officer and other senior leaders, as well as starting to build their work networks with new colleagues from across the organisation in other departments.

2020 Highlight

COO, CM



### Board Apprentice Scheme

The 'I WILL' programme continues to thrive and launched an innovative first this year called the 'Board Apprentice Scheme', which aims to increase gender diversity on public sector boards in Jersey.

Applications to participate were announced in 2020 and by far exceeded the places available. The Board Apprentice pilot scheme will place up to ten Government of Jersey female employees on a public sector board as an apprentice for 12 months in 2021.

Section 2 – 2020 Performance Highlights



2020 Highlight

T&E, MTR



**Online tax filing**

January 2020 saw the launch of online filing for Jersey’s taxpayers - a significant move towards the Government modernising its services to be more accessible for Islanders and the first step in the journey towards a fully digital online service for personal income tax.

In its first year, around 19,000 taxpayers took up the offer and filed their return online, which is around 30% of total returns.

Filing online is quicker, easier and more convenient than using the paper form. For example, answers given automatically eliminate subsequent sections of the form that do not apply to that individual, removing the need to work out which sections need completing.

The online form could also be paused, saved and returned to later to complete. Once the form was submitted, instant confirmation of receipt by the department was sent, removing the possibility of paper forms becoming misplaced.

In addition, completing returns online meant reduced inputting and assessment time for Revenue Jersey staff.

Online filing combined with Revenue Jersey’s new computer system meant that all of the 2019 tax return assessments, aside from a few open cases, were completed by the end of 2020, some four months earlier than the previous year.

2020 Highlight

T&E, MTR



**ACCA Approved Employer**

In 2020, the Treasury had its Association of Chartered Certified Accountants Approved Employer status approved following an audit.

This demonstrates how the department supports qualified colleagues in their continued professional development, while also providing a supportive environment with the right experience for those studying towards qualifications.

The department also supported the upskilling of colleagues across government with bespoke training to ensure they understand and can complete finance-related activities.

# Section 3 – Delivering for Islanders

This section provides an overarching performance analysis for each government Department.

It also includes year-end service performance measures for key public facing departments. This additional analysis provides a detailed overview of the delivery of key services in areas including health, education, customer services and community safety and criminal justice.\*

More detail on the Government Plan 2020-23 Initiatives, Departmental Initiatives and Covid-19 Initiatives delivered by each Department during 2020 can be found in the [Departmental Annual Reports for 2020](#).

Information on what Departments will deliver and improve during 2021 can be found in the [Departmental Operational Business Plans for 2021](#).

\*The change measures shown in the infographics are either percentage changes between periods or absolute percentage point changes, based on departmental advice as to which measure is most meaningful.

# Children, Young People, Education and Skills

This year was one of unprecedented challenge and disruption for children, young people and their families in Jersey and for the Department of Children, Young People, Education and Skills (CYPES).

In March 2020, the Covid-19 pandemic led to the closure of our schools, nurseries, and colleges, yet remained open for the children of critical workers and vulnerable children, thanks to the extraordinary efforts from colleagues in Education and across the CYPES Department.

Many officers focused hard on protecting and supporting those most at risk, sustaining a loving family unit in our residential homes, and in other essential front-line services and hubs, providing online counselling, home-learning, skills and careers advice.

The pandemic tested pupils, parents, carers, schools and services across CYPES to find new ways of learning and delivering critical services.

While it will take time to fully understand, and respond to, the impact of the pandemic, a number of immediate impacts were clear.

## Children's Social Care Service

The number of referrals to Children's Social Care was significantly lower in 2020. The closure of schools inevitably impacted the number of safeguarding concerns being identified. Whilst children with known vulnerabilities were supported to attend school during lockdown, other children were less visible. The value of school settings in supporting children at risk and making appropriate referrals to Children's Social Care was a key consideration in discussions about how and when schools should open throughout the winter.

The reduction in referrals from schools also sits within the context of developments in Early Help, the implementation of the Children and Families Hub, and a new Assessment and Support Team in Children's Social Care. We are focused on consistently identifying and assessing need, providing Early Help, support, guidance and brief interventions where appropriate to do so. Using the Children and Families Hub, more families have benefited from timely support at the right level, allowing Social Workers to focus on those children that need their support the most.

In January, we reviewed all Child In Need cases and identified a large number which were suitable for closure, as their level of need had reduced and they no longer met the threshold for Social Work intervention. Throughout the pandemic, we have routinely reviewed the level of need for each child, and closed cases/stepped down to Early Help where appropriate. The number of children on Child Protection Plans also reduced at the start of the year and has remained stable since March.

In 2020, we formed a new team of five Personal Advisors to work with Care Leavers up to the age of 25. We are now supporting 58 Care Leavers, an increase from 34 at the start of the year.

## Section 3 – Delivering for Islanders

A greater proportion of the workforce are now permanent employees (72% of all Social Workers compared with 62% at the start of the year), and Children Looked After are experiencing fewer changes of Social Worker. Due to staffing challenges associated with Covid-19, the level of management oversight recorded on cases dipped in December. This measure is not reflective of performance across the year. We maintained our focus on regularly discussing and reviewing the level of need for each child and focusing resources appropriately.

The Department will continue to focus on practice improvement within Children's Social Care, which will become a trauma-informed, rights and strengths-based service. This year we launched a Quality Assurance Framework, which will support us in achieving the right outcomes for children and young people.

## Education, skills and engagement

By working closely with teachers, parents, carers and clinicians, the government was able to ensure the vast majority of children received the maximum possible access to school settings throughout the year, including in challenging contexts as cases rose through November and December. The initial lockdown affected 49 days of education per pupil, with some schools/year groups further impacted by other necessary public health measures later in the year.

Education outcomes are likely to remain significantly disrupted, with confirmation from UK awarding bodies that teacher assessment will be the primary means of assessment for a second year in 2021. CYPES has launched a Covid-19 Schools Catch-up Programme to support children in catching-up on their education so that they do not suffer long-term detriment.

Higher Education students achieved excellent results with a 97% pass rate of which 86% of students achieved a 'good' honours degree (1st or 2:1). Student Finance has seen an increase of 22% in applications in 2020.

Access to skills and careers advice services increased in 2020, perhaps reflecting uncertain employment opportunities anticipated by many young people. The Careers Guidance team delivered a 3% increase in advice offered in appointments, and skills coaches a 5% increase in sessions (both on 2019 baseline), despite schools being closed for significant periods. The annual Skills Show ran for a full week, online, and attracted 3,016 unique visitors to the platform and around 22,000 views. More than 750 students attended the live lunch-time sessions. The Trackers team also saw a 12% increase in new starters taking up apprenticeship programmes.

The Jersey Youth Service also succeeded in making a number of improvements despite the challenges of 2020. Projects, such as walk and talk, paddle and natter, and other outdoor learning opportunities, have extended the reach of the Youth Service.

Counselling appointments were increased by 561 appointments from 1,341 appointments to 1,902, and an increase of 31 appointments taken by females from 271 to 302. Colleagues worked hard to ensure the Youth Enquiry Service (YES) remained available to young people throughout the whole year, including through lockdown.

A reduced set of performance measures for the department are provided below. Several of the proposed measures are not available for 2020. For example, end of KS1

## Section 3 – Delivering for Islanders

and end of KS2 teacher assessments were due to take place in June but these did not occur due to school closures.

Some measures are taken from the Jersey Children and Young People's Survey which is run every two years (and due to be repeated in 2021).

Exam results are published online at <https://www.gov.je/Education/Schools/ChildLearning/Pages/ExamResults.aspx>. Further information about GCSE and A-level results is available in the spring term of each year, allowing for completion of the appeals process and detailed data analysis.

More detail on the Government Plan 2020-23 Initiatives, Departmental Initiatives and Covid-19 Initiatives delivered by CYPES during 2020 can be found in the [Departmental Annual Reports for 2020](#).

Information on what CYPES will deliver and improve during 2021, including the service performance measures we will use in 2021, can be found in the [Departmental Operational Business Plans for 2021](#).

Section 3 – Delivering for Islanders

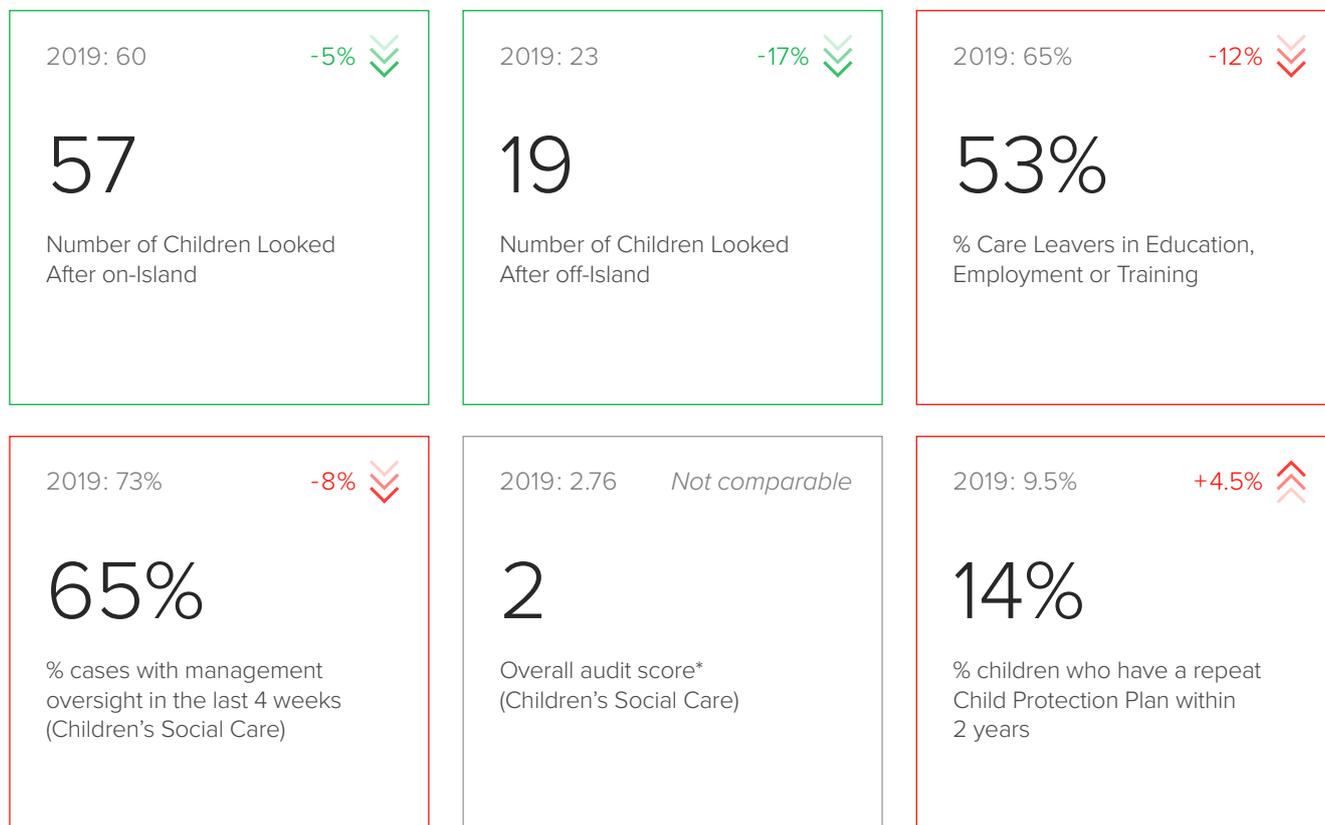
# Children, Young People, Education and Skills – Performance Measures



The data presented is the most recent available annual data value as at 31st December 2020. Some data is open to fluctuation as figures for 2020 are finalised in the first quarter of 2021. The symbols next to the data signify whether there has been a positive/negative/no significant change between the most recent data value and the prior annual data value.

Section 3 – Delivering for Islanders

# Children, Young People, Education and Skills – Performance Measures



\*Different scoring criteria were introduced in 2020, so the 2019 and 2020 measures are not comparable. 2019: 3 = Does not meet good. 2 = Good. 1 = Exceeds good; 2020: 3 = Inadequate. 2 = Requires improvement. 1 = Good

# Health and Community Services

Despite the challenges of coronavirus this year, the Health and Community Services (HCS) Department has delivered significant improvements across health and social care. These challenges were successfully overcome by adapting our operational procedures and policies, and thanks to the flexibility, hard work and commitment of our health and social care colleagues within Government and across all our partners, including primary care, social care, and the Voluntary, Community and Social Enterprise (VCSE) sector. The pandemic may have given us many operational challenges to overcome, but the ambition of Health and Community Services remains the same:

“To work in partnership with others to improve Islanders’ well-being and mental and physical health. We will do this by supporting Islanders to live healthier, active, longer lives, improving the quality of access to mental health services, and by putting patients, families and carers at the heart of Jersey’s health and care system.”

## Hospital Services

This year has seen a 20% year-on-year drop in non-attendances within the outpatient services, however it was recognised that for periods within the year outpatient services were reduced due to the impact of the Covid-19 pandemic.

Waiting times for both inpatient and outpatient services have also been impacted by the pandemic with a slight increase in the percentage waiting more than 90 days for an outpatient appointment at the end of the year. The percentage waiting more than 90 days for an elective admission has decreased 3% following a focus on this area as well as the impact of reduced outpatient attendances due to Covid-19, meaning fewer people are referred on to inpatient treatment.

There has also been a 24% year-on-year reduction in theatre utilisation but this has given the opportunity to improve the future utilisation of the theatres and it is anticipated that as the pandemic recedes the theatre utilisation will significantly improve.

## Mental Health and Community Services

Across the community services 2020 has seen a decrease in caseloads in Mental Health (down 3% year-on-year) and social care (down 14% year-on-year). This is primarily due to improvements in caseload management.

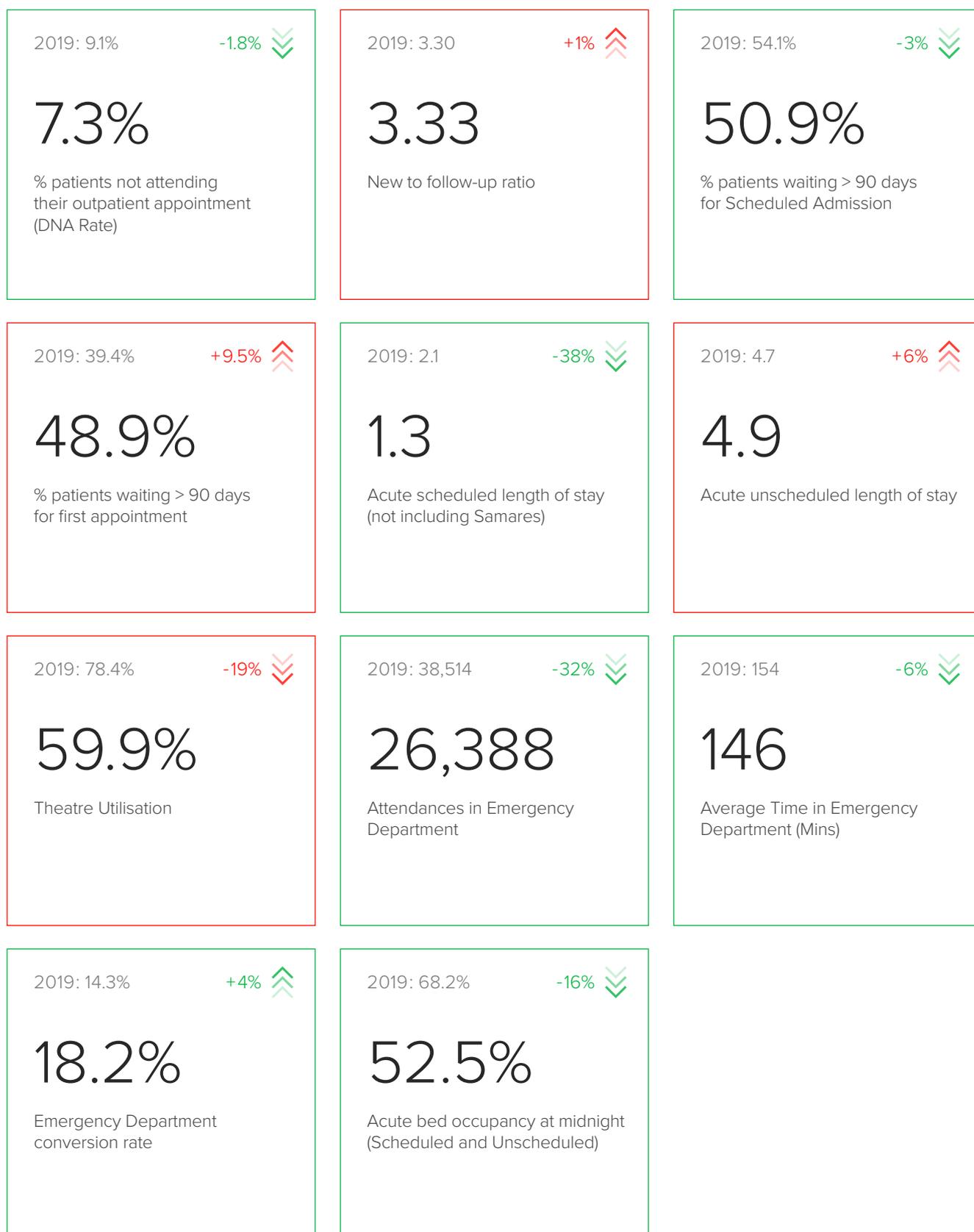
It is anticipated that across Health and Community Services all areas will return to baseline and there is likely to be a greater demand throughout 2021.

More detail on the Government Plan 2020-23 Initiatives, Departmental Initiatives and Covid-19 Initiatives delivered by HCS during 2020 can be found in the [Departmental Annual Reports for 2020](#).

Information on what HCS will deliver and improve during 2021, including the service performance measures we will use in 2021, can be found in the [Departmental Operational Business Plans for 2021](#).

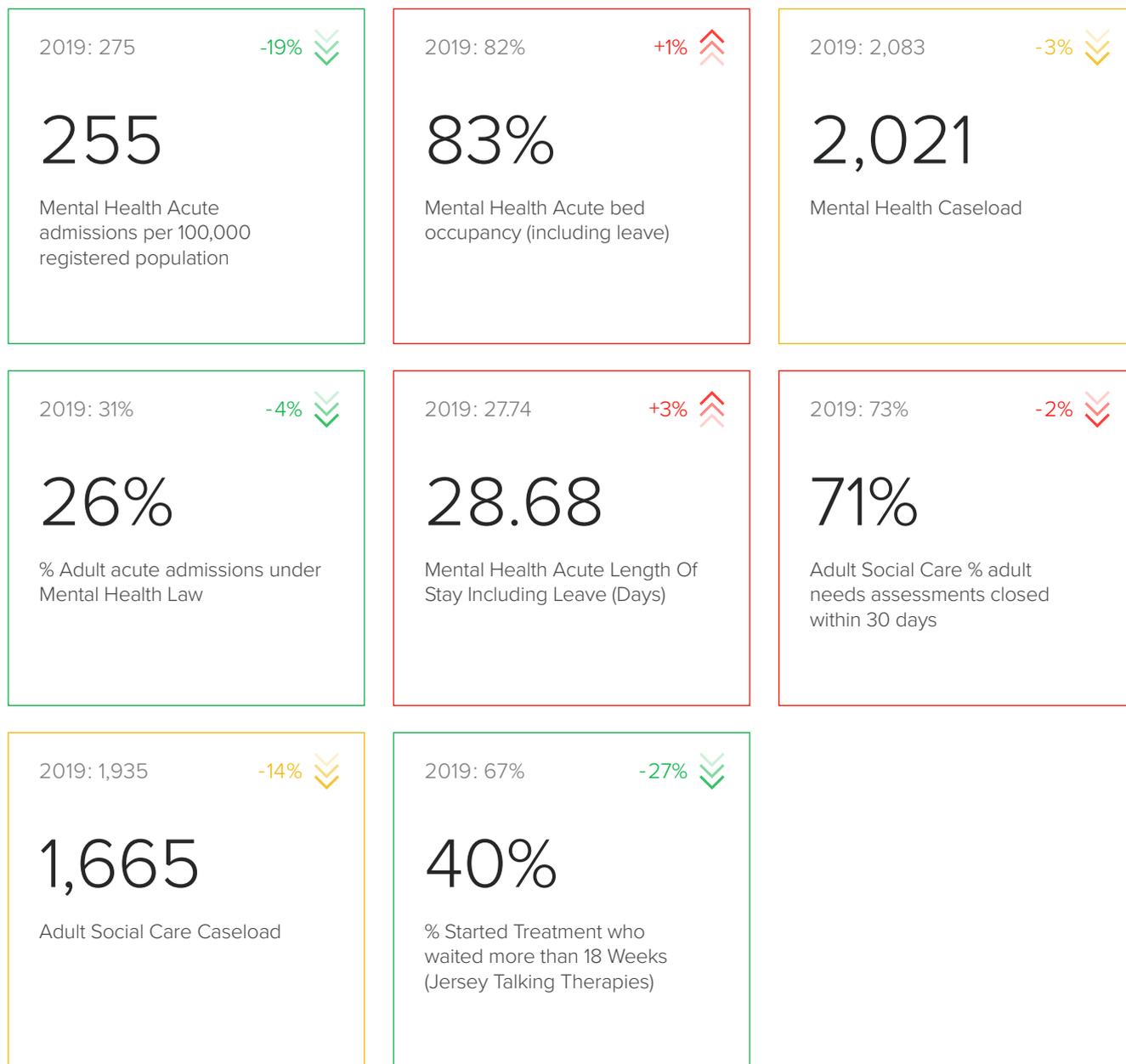
## Section 3 – Delivering for Islanders

## Health and Community Services – Performance Measures



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## Health and Community Services – Performance Measures



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## Customer and Local Services

This year has been unlike anything we have experienced before in Customer and Local Services and we have worked hard to adapt to provide new services and support while maintaining the delivery of essential services to those who need it most.

Several new services were launched throughout the year to help Islanders and businesses cope with the pandemic. The new services included operational elements of the economic support measures, such as co-funded payroll scheme aimed to assist employers and employees whose businesses and other selected organisations have suffered financial loss as a result of the Covid-19 pandemic and the circumstances brought about by it. This scheme made payments totalling £97.9 million in 2020 to support more than 16,000 jobs in 2020.

CRESS, the Covid-19 Related Emergency Support Scheme was another programme that ran from April with the aim of supporting Islanders who had been working in Jersey for fewer than five years and who had lost their full-time employment and were unable to return home because of the pandemic. The weekly payments were to cover basic costs depending on the individual's relationship status and whether they had any children. More than 330 households were supported by the scheme.

### Fiscal stimulus

We also facilitated a number of Fiscal Stimulus initiatives, including the £100 Spend Local Cards scheme, the 2% reduction of Social Security employee contributions, the contributions deferral and, of course, the Coronavirus Shielding benefit which aims to support those Islanders having to self-isolate.

Our Work and Family hub rapidly mobilised to support people displaced from their jobs during 2020, responding to a peak of 2,670 people who were actively seeking work, as well as ensuring that Income Support and other benefits remained easily accessible during lockdown.

Operationally, we carefully considered the safety of our staff and our customers in finding a solution as we divided ourselves in to smaller 'bubbles' with a number of our team migrating to a 'work from home' environment. Services have remained unaffected despite the changes and our staff and customers have adapted favourably to working online for many services and appointments.

Our ties with the local community have been extremely important this year and we have worked with local charity and voluntary organisations to continue our popular Closer to Home roadshows as well as our support network sign-posting service 'Connect Me'. Both of these have helped numerous Islanders with much-needed advice and support and the socially distanced events have been well supported by both the voluntary groups as well as Islanders in need of assistance.

Towards the end of the year, we recruited two new team members who will deliver and drive the Disability Strategy. Although it is early days yet, there is already some

## Section 3 – Delivering for Islanders

great work going on around accessibility and employment opportunities for disabled Islanders.

The Library continued to provide services throughout the pandemic and has provided a much-needed resource for adults and children alike. Visits to the Library have remained steady and the re-launch of the mobile library has helped to re-establish direct connections with Islanders across the community. The reading challenge saw a bumper number of children take part this year, with the 1,700 youngsters eagerly taking part while being supported by parents. Although it was a bit different this year, the reading challenge worked well at home and seemed to enjoy the scented stickers in the packs this year.

One area that has been quietly working in the background is the Office of the Superintendent Registrar (OSIR). The team have been diligently adapting to the pandemic with many areas affected including the registration of births, deaths and marriages. Another project the team have now begun is the modernisation and digitisation of the various OSIR records, which up to now have only been available in a physical format. The project, which will take several months to complete, will improve access to the documents and assist in the electronic preservation.

## Customer Strategy

Our Customer Strategy, built on customer feedback, is has also been a key part of our activity throughout the past 12 months. We have lots of customers who we connect with daily and we know how important it is to listen, act and improve the services we offer. Without this, we would never grow and develop, something we are keen to do on a continuous basis.

## CLS – Performance Measures

CLS's key performance indicators for 2020 reflect the multiple changes in priorities that the department accommodated during the year.

It's very rewarding to see that our absolute focus on customer service meant that we saw improvements in a number of key measures while handling a much greater quantity of cases than in the past. We ensured that:

- available to answer customers' calls promptly
- provide income support to those who are eligible
- support those who have lost their jobs.

We also saw a notable improvement in job sustainability following Back to Work placements, which was a significant achievement for the team – who also won the One Gov overall award.

Business licensing turnaround times increased slightly, although the change is not as significant as the data suggests. Due to reduced demand, we focussed our resources on other business support activities such as the Co-Funded Payroll and Spend Local Schemes, and have also changed the way we measure this Service Level Agreement from Q4 onwards, meaning a one off change in baseline to work from.

## Section 3 – Delivering for Islanders

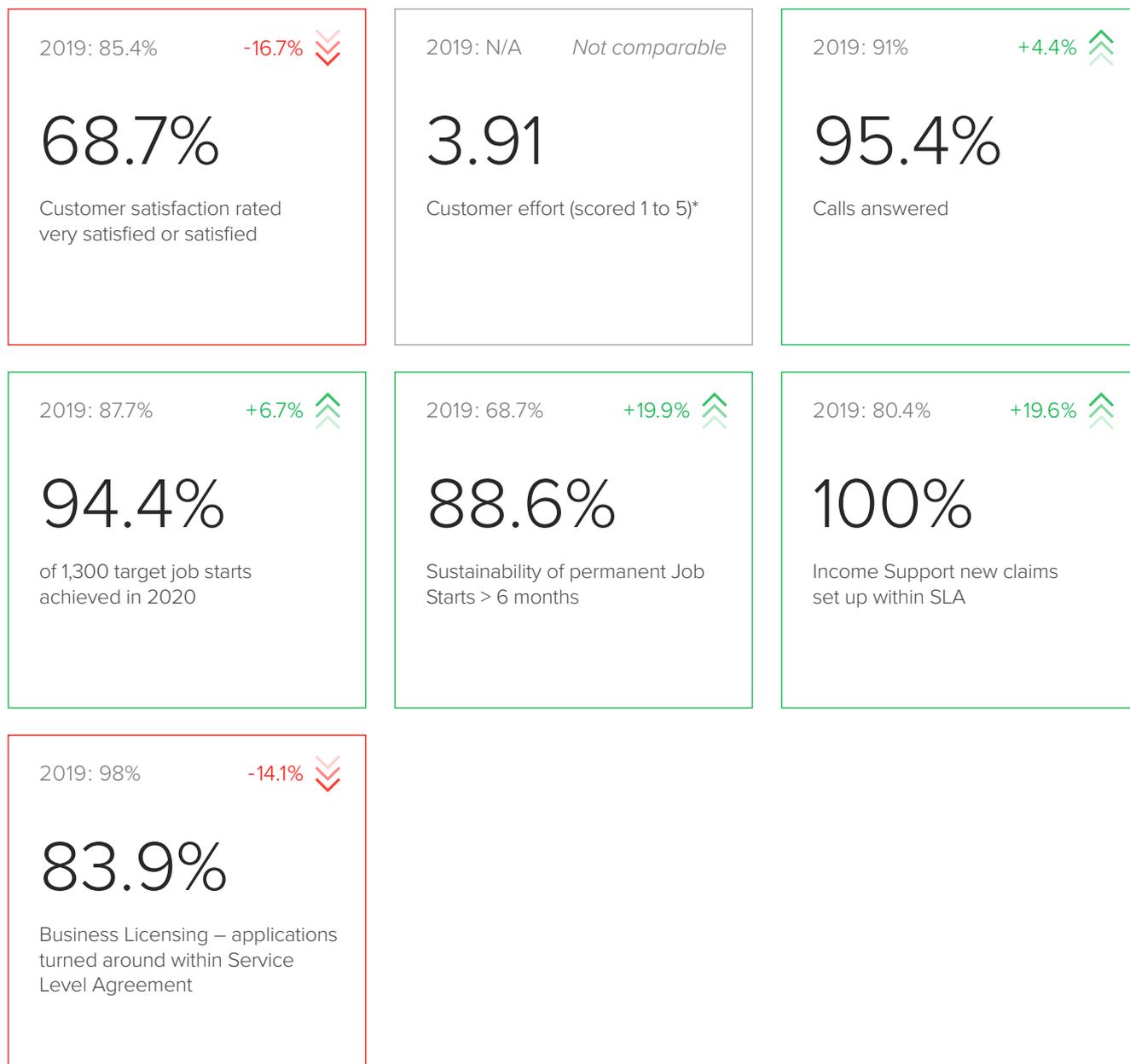
Additionally, there was a drop in our reported Customer Satisfaction performance. Prior to the pandemic, the majority of our customer satisfaction performance data was collected via exit interview of customers in our buildings. During Coronavirus, we switched our primary service to online or phone, but at the time there was not a means of collecting this same data after phone calls (although this is something we are looking to introduce in 2021). As a result, the volume of feedback we collected significantly dropped in 2020 (with it only being collected for email support) which means that a small number of low results can impact the data. We also introduced a more sophisticated means of compiling this measure to ensure it is robust and scalable to measure customer satisfaction across the Government. The level of service we provided did not drop, and we received significant amounts of positive feedback on the service provided throughout the year. This measure is a specific area of focus for the year ahead as part of the Customer Strategy.

More detail on the Government Plan 2020-23 Initiatives, Departmental Initiatives and Covid-19 Initiatives delivered by CLS during 2020 can be found in the [Departmental Annual Reports for 2020](#).

Information on what CLS will deliver and improve during 2021, including the service performance measures we will use in 2021, can be found in the [Departmental Operational Business Plans for 2021](#).

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## Customer and Local Services – Performance Measures (Q4 2019 vs Q4 2020)



\*Customer Effort Score measures how much effort a customer has to exert to get an issue resolved, a request fulfilled, or a question answered. It is calculated using a five-point scale with answers ranging from 'difficult' to 'easy'. The closer to five the better the Customer Effort Score.

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# Infrastructure, Housing and Environment

IHE provides the conditions, facilities and decisions for Islanders, the environment and business to flourish and prosper and the Department's vision is to prioritise people, places, and the safeguarding of the future of the Island's infrastructure while achieving that mission. All Islanders receive IHE services - from weather forecasting to liquid and solid waste management.

In 2020 we responded to a significant number of operational issues and provided a key role in leading the Island's response to Covid-19. Those included identifying areas of service which could be put on hold, or stood down, while ensuring that essential underpinning services to the Island were maintained safely and adequately to ensure the well-being of all residents.

## Response to Covid-19

At the start of the pandemic, we established a permit system to enable construction sites to re-open, provided that they complied with Public Health guidance, and also established other new services, including the Contact Tracing Team. The Environmental Health team, who were mandated to investigate infectious diseases, went from a couple of food borne cases per week to what has now become a critical response team, in excess of 130 staff. Officers with broadly similar skill sets were immediately redeployed to assist, initially from Trading Standards then IHE Regulation, then the whole of Government, to respond to the scale of events as they unfolded. They designed and delivered, with their third-party supplier, the critical Integrated Public Health Record Dynamics 365 platform in just 72 hours from initial request to go live. The team is now very well-established reporting through the Track and Trace Board under the leadership of JHA.

To Islanders, the Nightingale Hospital has come to symbolise Jersey's response to Covid-19. The Nightingale Hospital was built on time (26 days) and under-budget.

Business as usual was impacted by our efforts in supporting the response to Covid-19, with more than 10% of our workforce being redeployed to support the critical and essential services which helped guarantee the safety and health of Islanders.

## Impact on services

Services that were impacted due to Covid-19 included the number of passenger bus journeys being reduced by 48% due to a change in the level of service during the pandemic. However, work with Liberty Bus enabled services to be maintained throughout Covid-19 lockdown. We maintained a 100% track record in relation to the number of pollution incidents due to the efficacy of the pumping stations. There were 28% fewer visitor numbers to the Household Recycling and Reuse centre, which was due to the temporary closure of the facility, reduced opening hours and the social distancing restrictions required.

## Section 3 – Delivering for Islanders

The redeployment of Regulation to Contact Tracing staff impacted a number of services. In prioritising services, customer satisfaction surveys were unable to go out, however the public were still able to leave feedback through normal feedback channels. In addition, the Planning and Building services were adversely impacted due to the high numbers of staff that were redeployed from this area to support the contact tracing team and the Construction permitting scheme, and this resulted in significant back-logs that are still being addressed. Natural Environment's volunteer training scheme in biodiversity monitoring did, however, record an increase in the number of volunteers participating and this may be attributed to the community being more connected in nature during the pandemic.

A customer survey was not conducted in 2020 due to a reduced level of service from the Trading Standards team being redeployed to the Contact Tracing as a result of the Covid-19 pandemic. However, this will now be undertaken in 2021.

## Key priorities

Despite this important focus on Covid-19, important work did progress during 2020 on our key strategic priorities:

- The Regulation Directorate took a significant step towards becoming a more centralised and cohesive division, with all areas relocated to one office and work beginning to create a single team across divisions, which had previously operated separately
- Environmental Health developed minimum standards for rental properties and continued to provide support and advice on safe food preparation and sale to restaurants having to adapt to Covid-19
- Two major infrastructure projects continued despite the challenges posed by the pandemic. Les Quennevais School was completed in July 2020 and welcomed students to its state-of-the art learning facilities in September. Progress was made on the new Sewage Treatment Works project and will be completed in 2022. Work continued also on Clinique Pinel and the Prison capital projects
- The Natural Environment Directorate undertook important planning work for Brexit with respect to food, plants, animals, trade and movements and the strategy for addressing invasive species was developed
- All Government buildings were audited for accessibility for people with disabilities and work to address the challenges set out in the audits began
- Progress was made on the sports facilities vision and IHE is ready to start delivery of change in 2021
- Implementation of the of Government's Customer Strategy was prioritised, with high levels of staff being trained on the new system as well as ensuring teams are responding to customer feedback.

Despite the disruption last year, we are in a good position in 2021 to complete the areas of work that were postponed or delayed in 2020. This will include a significant number of capital projects, responding to the impact of Brexit, completing projects funded by the Climate Emergency fund and continuing work on the strategic reviews

## Section 3 – Delivering for Islanders

that are developing the most appropriate structures for managing the Government's property portfolio, sport operations, and our waste services.

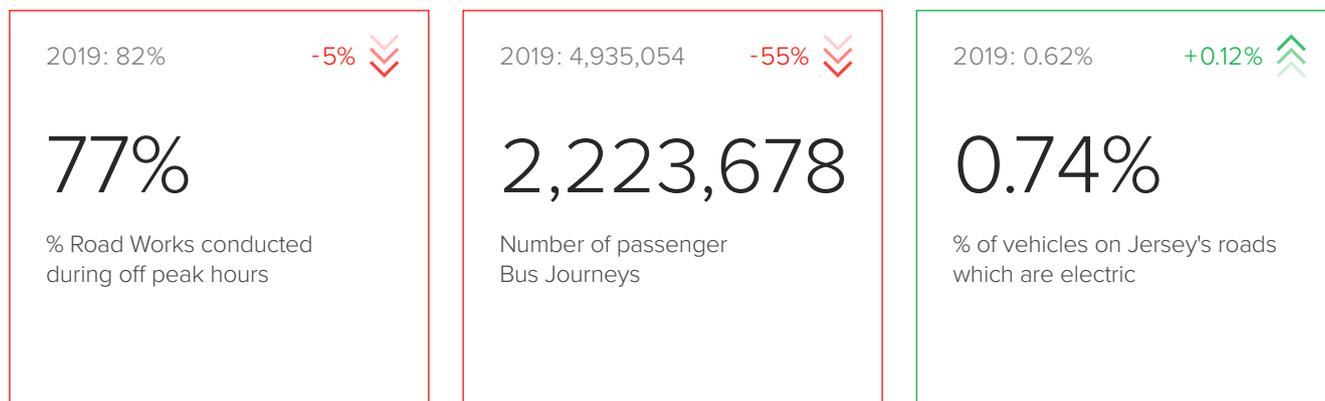
More detail on the Government Plan 2020-23 Initiatives, Departmental Initiatives and Covid-19 Initiatives delivered by IHE during 2020, can be found in the [Departmental Annual Reports for 2020](#).

Information on what IHE will deliver and improve during 2021, including the service performance measures we will use in 2021, can be found in the [Departmental Operational Business Plans for 2021](#).

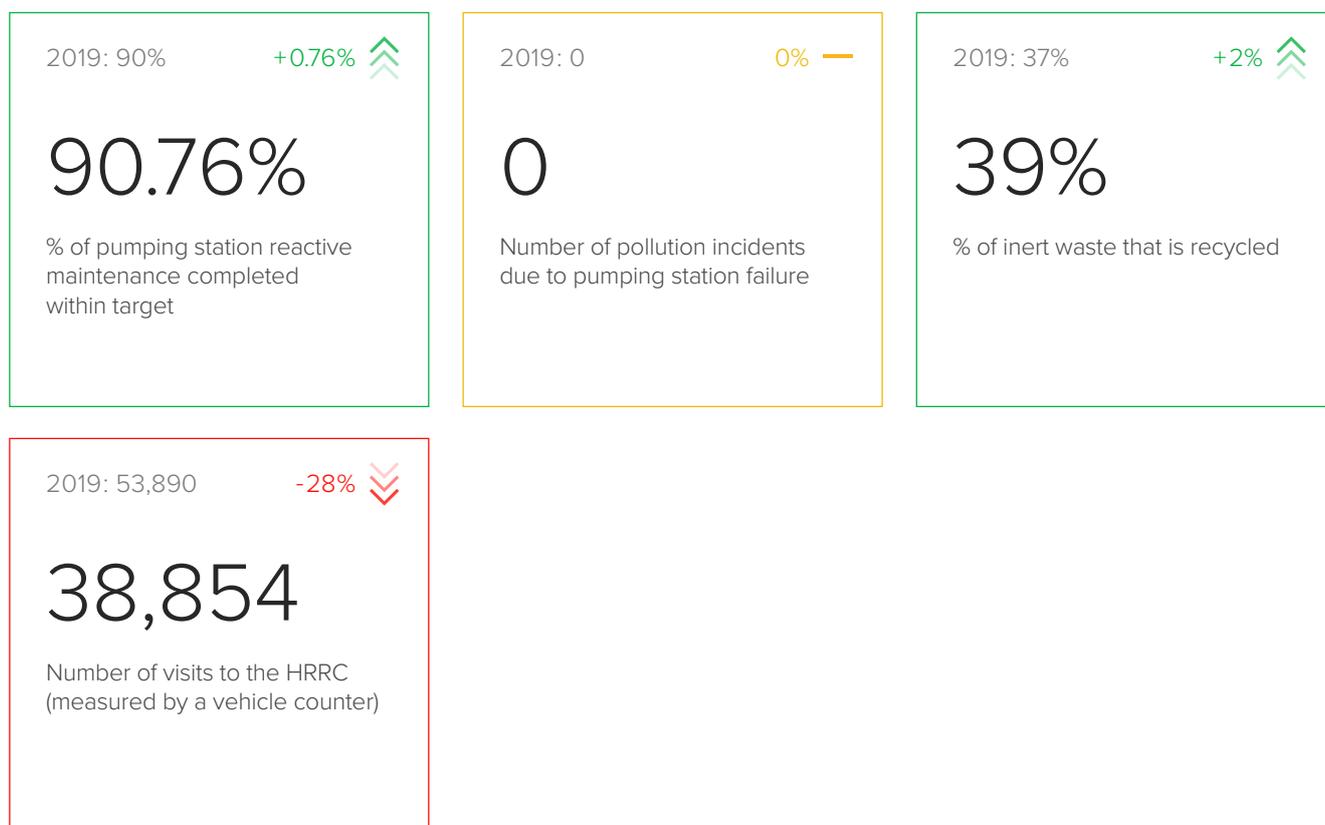
Section 3 – Delivering for Islanders

# Infrastructure, Housing and Environment – Performance Measures

## Transport



## Waste



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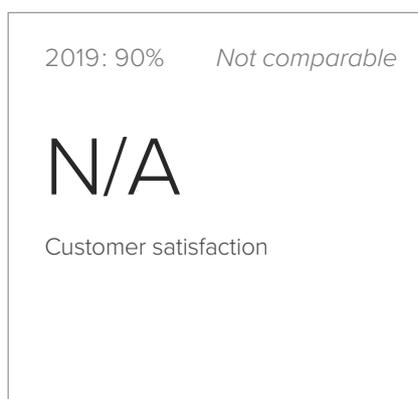
Section 3 – Delivering for Islanders

# Infrastructure, Housing and Environment – Performance Measures (continued)

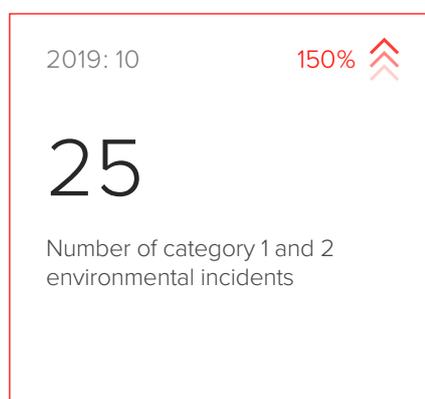
## Food Safety



## Trading Standards and Consumer Cases



## Environmental Protection



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## Section 3 – Delivering for Islanders

## Infrastructure, Housing and Environment – Performance Measures (continued)

### Development & Land

2019: 87.7%

-5.4% 

# 82.3%

% of Planning applications that  
have been approved

2019: 66%

-6% 

# 60%

% Planning applications  
completed within target

2019: 69.3%

-6.6% 

# 62.7%

% of satisfactory building  
control inspections

### Environment

2019: 133

+43% 

# 190

Measurement of how many  
volunteers are trained annually in  
biodiversity monitoring in line with  
connectedness for nature.

2019: 95%

+2% 

# 97%

% accuracy of forecasting for  
Public Weather Forecast (Today)

### Property & Capital Projects

2017: £904.5m

+6.8% 

# £966.8m

Total value of property portfolio

## Justice and Home Affairs

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Justice and Home Affairs has been at the forefront of preventing and containing the spread of Covid-19 through the Island's emergency response, establishing Jersey's testing and tracing programme, monitoring and enforcement of isolation, and supporting the 'safer travel' regime.

In the spring, our JHA Services quickly adapted to the emergence of Covid-19. Staff at the Ambulance Service faced significant disruption from an early stage to overcome the challenges posed to their normal operations and remain responsive and resilient.

Teams at Jersey Customs and Immigration Service worked throughout the pandemic to keep our borders safe and ensure that vital travel links were preserved, whilst at the same time dealing with the impacts of Brexit to the Island's immigration policies and vast increases in the importation of illegal substances into our Island through postal traffic. Our Customs team worked closely with colleagues in External Relations, the Law Officers' Department and Communications to ensure changes to customs rules upon the UK leaving Europe were implemented with the least amount of disruption to businesses and Islanders. This involved system and process changes, new legislation and raising awareness for customers to minimise disruption.

The States of Jersey Police enforced the Stay at Home restrictions whilst supporting our communities using their Engage, Explain, Encourage, Enforce approach, increases in anti-social behaviour and supporting the contract tracing team with enforcing Covid-19 restrictions.

We have also seen impressive joint working and collaboration with teams from the Health and Safety Inspectorate, the Fire and Rescue Service and the Field Squadron supporting cross government work on Emergency Planning, the Nightingale Hospital, PPE procurement and distribution, the testing programme and Covid-19 monitoring and enforcement of both businesses and individuals

The States of Jersey Police have benefited from an excellent working relationship with their colleagues in the Honorary Police and Environment Health, and the Ambulance Service have received invaluable support from their volunteer partners, St John Ambulance and Normandy Rescue.

In relation to the table below, several of our regular activities have been affected by Covid-19 restrictions. For example, we have been unable to complete the expected number of Safe and Well visits to elderly people, and there has been less learning and engagement activity at the Prison.

Further analysis will be carried out in order to understand the decrease in performance in response times for the States of Jersey Fire and Rescue Service. The Service's response standards are under review and officers will be making recommendations to the Minister for Home Affairs, in relation to revised metrics, to provide better and more transparent benchmarking, in the coming year.

More detail on the Government Plan 2020-23 Initiatives, Departmental Initiatives and

## Section 3 – Delivering for Islanders

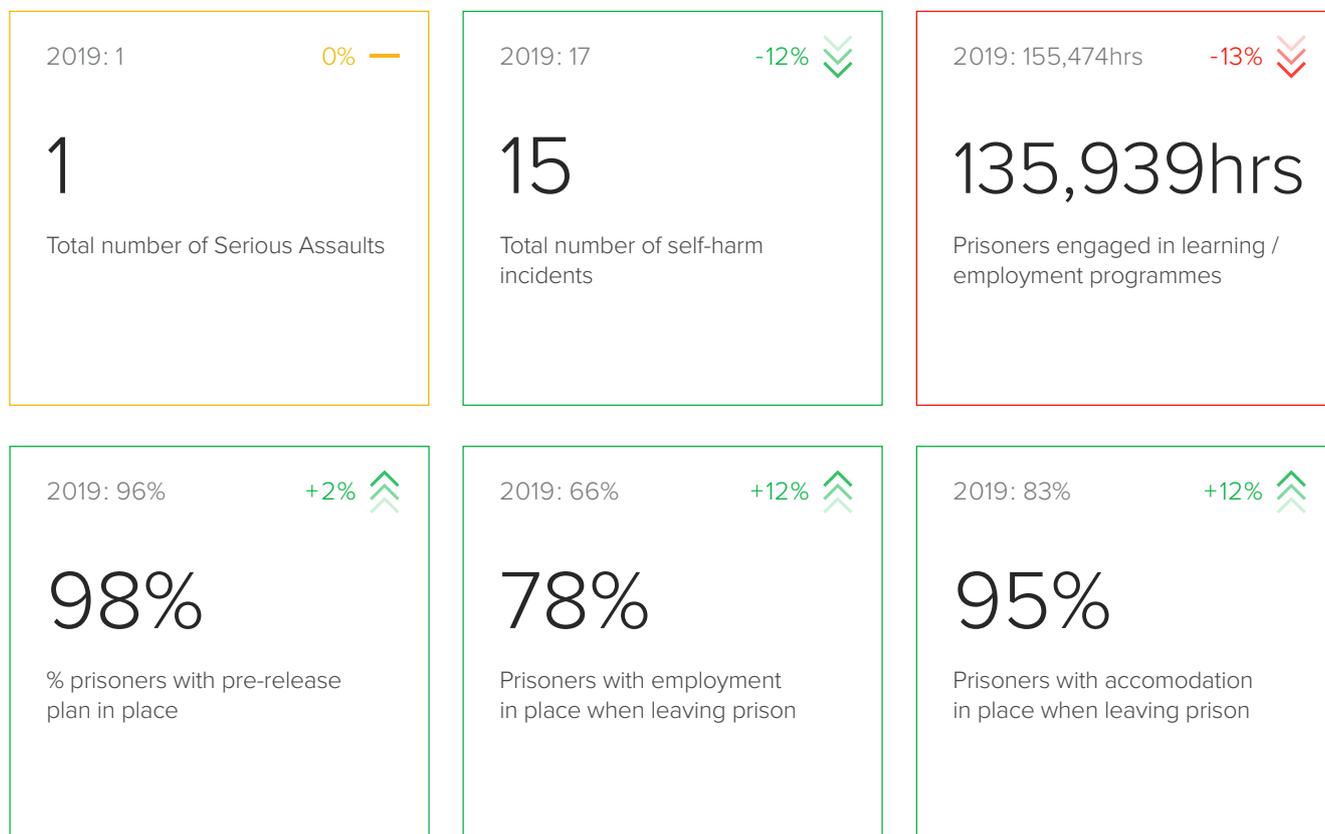
Covid-19 Initiatives delivered by JHA during 2020 can be found in the [Departmental Annual Reports for 2020](#).

Information on what JHA will deliver and improve during 2021, including the service performance measures we will use in 2021, can be found in the [Departmental Operational Business Plans for 2021](#).

Please also note that States of Jersey Police performance information is published separately.

# Justice and Home Affairs – Performance Measures

## Prison



## Fire & Rescue Service

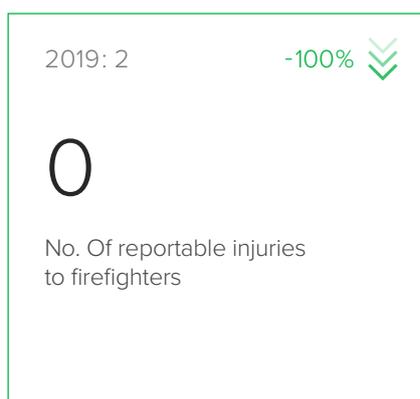
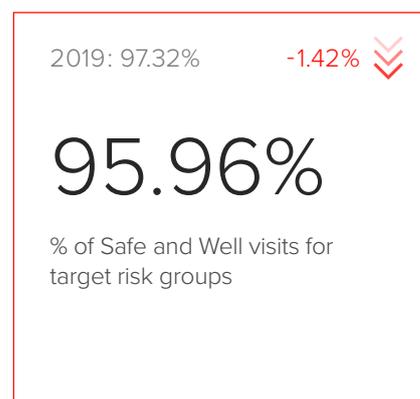
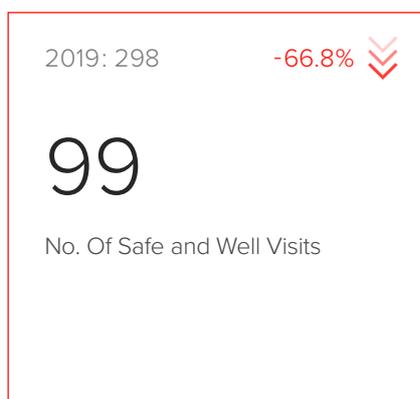


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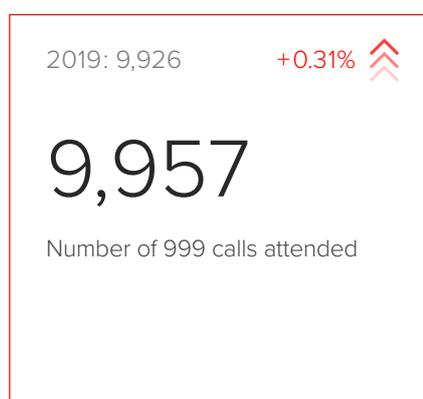
## Section 3 – Delivering for Islanders

## Justice and Home Affairs – Performance Measures (continued)

### Fire & Rescue Service (continued)

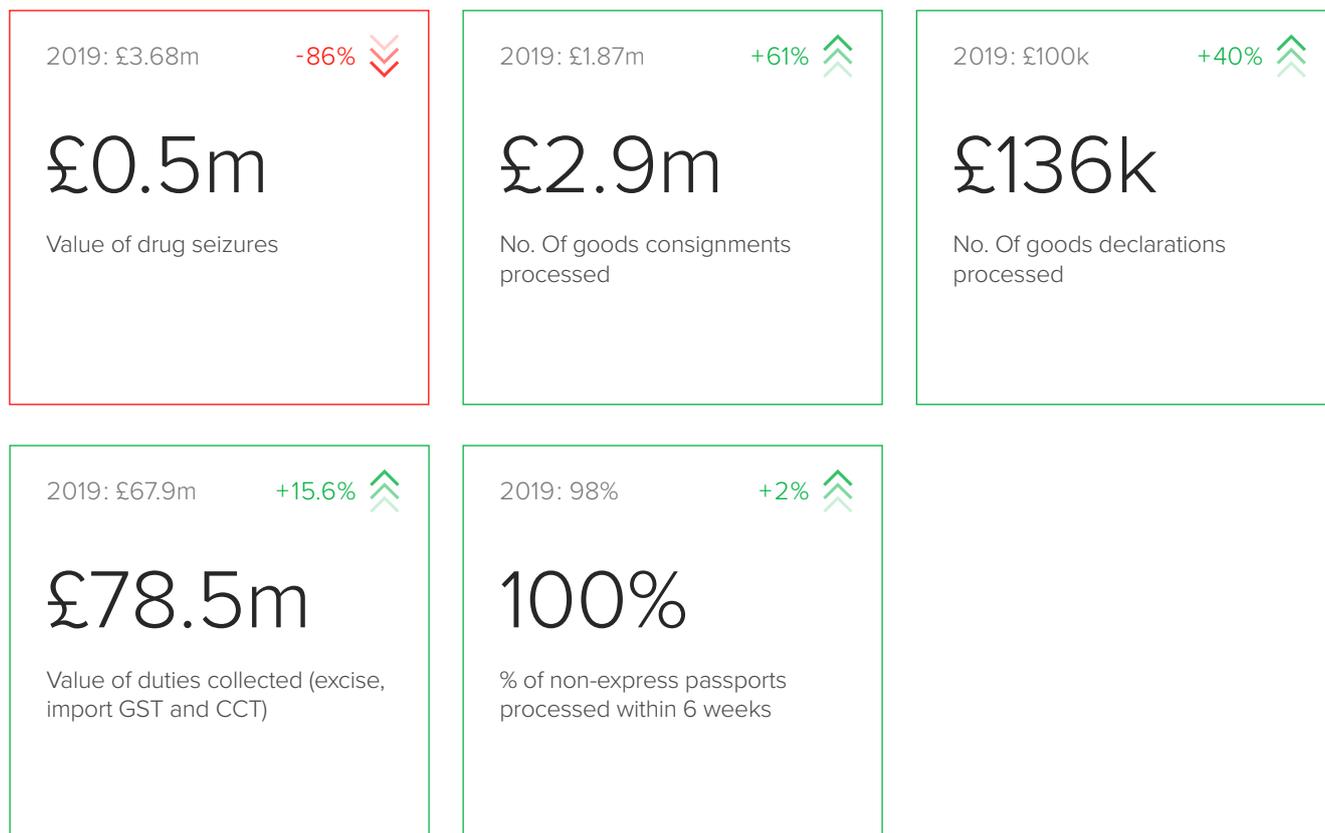


### Ambulance

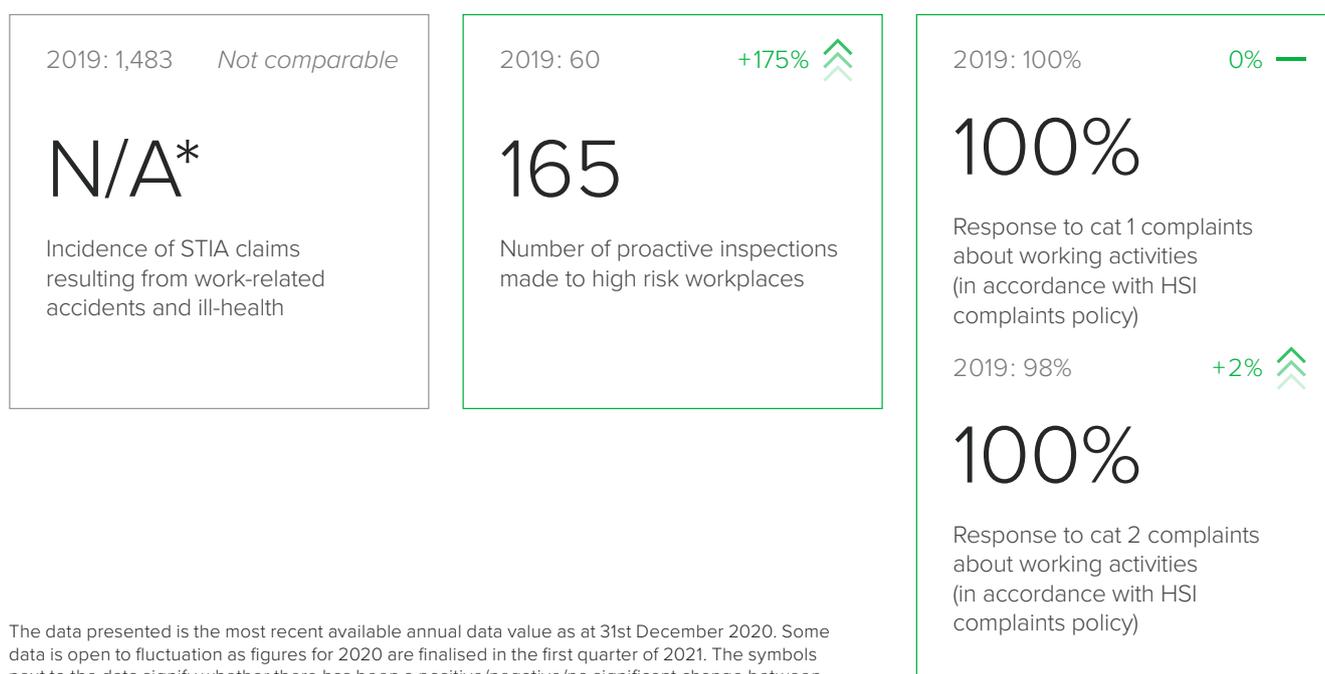


# Justice and Home Affairs – Performance Measures (continued)

## Customs & Immigration



## Health & Safety



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\*data not available until Q2 2021

## Office of the Chief Executive

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The Office of the Chief Executive (OCE) carries out a range of functions and activities that help support the co-ordination and delivery of government priorities, sustain and grow our economy, facilitate international trade, strong external relationships and inward investment and communicate within the Government of Jersey and the Island.

We have been at the heart of the response to the Covid-19 pandemic throughout 2020 and, in common with other Departments, colleagues faced increased workloads – while working remotely – to manage the unique and unprecedented challenges the situation brought with it.

### Delivering on clear priorities

We started the year with a range of clear priorities across the Department, set out in the Government Plan 2020-23 and Departmental Operational Business Plan for 2020. Despite the necessary focus on Covid-19, good progress has been made on many of these priorities.

Leading the cross-government response to Brexit, the International Trade Unit in External Relations was formed in early 2020 and, following the UK's formal departure from the European Union in January 2020, focused primarily on the UK-EU Future Relationship negotiations; ensuring Jersey's interests were understood and respected by both parties and feeding into key interlocutors as negotiations progressed. Strong outcomes were secured including tariff-free access for goods and management of Jersey's territorial waters, while maintaining opportunities to further develop Jersey's relationship with the EU, both directly and in together with our UK partners.

External Relations' overseas offices also continued to play a critical role in building and maintaining relationships with key stakeholders in the UK, Belgium and France, and extra resource was allocated to EU national government engagement, to support delivery of our priorities in a post-Brexit environment.

Good progress was also made in delivering the Global Markets Strategy and a range of related and wider programmes. The table below highlights the type and scale of reach and influence achieved through these activities, which included several high-profile in-bound visits achieved despite the challenges of Covid-19 and engagement with multilateral for a such as the Commonwealth Enterprise and Investment Council, the Africa Investment Summit, and the OECD.

## Section 3 – Delivering for Islanders

## OCE (External Relations) – Activity



325

Meaningful interactions with governments and external stakeholders



5

International agreements concluded



30

New business development opportunities



60

Invitations to UK run events demonstrating established, working relationships



59

Number of meetings with Government Ministers, Parliamentarians, and key contacts within the diplomatic community



88

Effective engagement with external stakeholders across key policy portfolios

## Section 3 – Delivering for Islanders

During 2020, colleagues successfully unified Economic Development services with existing OCE teams leading work on Financial and Digital Services. Alongside this, progress was made to recruit the Director of Jersey's first Computer Emergency Response Team, to progress the Economic Framework, to further develop key sector strategies including for culture, heritage and retail, and to deliver on-going support for the finance sector and wider economy including reform of regulatory authorities.

We also maintained and improved the organisational framework that supports the Council of Ministers, co-ordinates the development and delivery of public services, leads and provides critical challenge to the modernisation of the Government and major projects, such as the Our Hospital Project, and communicates its work with stakeholders, both internally and externally.

## Supporting our response to Covid-19

Throughout the emergency response, we provided critical support to Ministers and Departments as they addressed both the health and economic impacts of the pandemic.

This also led the economic stability and recovery measures to ensure Islanders remained in work and businesses were insulated from the worst financial impacts, as well as communicating critical public health messages and informing Islanders how they should protect themselves and their families.

Departments were supported in their engagement with the UK Government on matters critical to Jersey's Covid-19 response, while also supporting the management of Jersey's Essential Traveller regime, facilitating repatriation flights - which assisted more than 650 individuals in 49 countries return home - as travel restrictions were implemented around the world, and Jersey's own border was closed.

Several multi-faceted and multi-channel communications campaigns were designed and delivered, at pace, to ensure key public health advice and guidance was heard and understood, as well as to support progress across the full breadth of government activity.

## Sustained delivery

Given the significant focus and resource required to support the response to Covid-19, which is also detailed in a range of highlights elsewhere in the Annual Report and Accounts, there remain some priority areas where a focus on delivery must be sustained in the coming period in order to achieve the objectives that have been set.

Building on the enhanced systems developed in 2020, we will further embed the comprehensive tracking of recommendations from Parliamentary and other independent bodies. This will include investment in new systems to better visualise and share data with other parts of Government, along with on-going work to improve the understanding of external scrutiny which informs and supports a continuous learning culture within Government that is accepting and welcoming of informed critique.

## Section 3 – Delivering for Islanders

There will be significant on-going relationship building with the EU and key priority Global Markets, working both with UK but also progressing opportunities for direct relations. This will be supported by an enhanced programme of in-bound and overseas face to face engagement in support of Jersey's strategic objectives.

The structural redesign of Economy services will conclude and this enhanced and joined-up approach will help ensure progress on key priorities, including the development of our Economic Framework that will respond to the strategic economic challenges raised by the Economic Council in the recent report commissioned by ministers on the Economic Recovery Political Oversight Group.

More detail on the Government Plan 2020-23 Initiatives, Departmental Initiatives and Covid-19 Initiatives delivered by OCE during 2020 can be found in the [Departmental Annual Reports for 2020](#).

Information on what OCE will deliver and improve during 2021, including the service performance measures we will use in 2021, can be found in the [Departmental Operational Business Plans for 2021](#).

# Chief Operating Office

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The focus for 2020 within the Chief Operating Office has been on addressing the long-term underinvestment in the underlying functions. Funding for the new target operating models was provided under the Government Plan 2020-23 for both Modernisation and Digital, and People and Corporate Services, which completed their consultations and began to recruit to vacancies.

Key deliverables for 2020 were impacted by the Covid-19 response where we had to quickly respond to new demands covering all the service areas.

Covid-19 had a significant impact on the department in 2020. Although not a front-line department, we support all other front-line departments and must react speedily and effectively to their changing requirements. This means that due to Covid-19, we had to take on a number of unplanned activities. These include, but are not limited to:

## Modernisation and Digital

- Enabling home working including the laptops, systems, and infrastructure to support it
- Designing, building, and deploying a new booking and testing system which allowed the island to open its borders in the summer and then expand the testing programme and subsequently the vaccination programme.

## Commercial Services

- Creating a bespoke contract assuring the airbridge for the Island
- Delivering PPE to support everyone
- Setup testing arrangements with UK laboratories
- Supporting the development of the Nightingale Wing

## People and Corporate Services

- Co-ordinating Business Continuity across the Government
- Redeploying hundreds of staff to interim roles to support the pandemic response
- Arranging temporary accommodation for employees
- Redeploying Team Jersey resource to support senior and frontline leaders and managers through coaching support

Further information can be found in the highlights above.

Notwithstanding the huge demands of Covid-19 response, we continued to deliver key change programmes and day-to-day services, Microsoft Foundations, Integrated Technology Solution procurement, Cyber Programme and Team Jersey. Aspects of these programmes have been delayed but significant progress was made in each area during a very difficult year and overall delays are minimal.

## Section 3 – Delivering for Islanders

Our service areas have also delivered against their Government Plan objectives and our achievements during 2020 include the approval and launch of the People Strategy, an induction programme for all staff was created, a new Corporate Portfolio Management Office is now in effect, and Modernisation and Digital have merged IT teams across the Government into their function.

More detail on the Government Plan 2020-23 Initiatives, Departmental Initiatives and Covid-19 Initiatives we delivered during 2020 can be found in the [Departmental Annual Reports for 2020](#).

Information on what we will deliver and improve during 2021, including the service performance measures we will use in 2021, can be found in the [Departmental Operational Business Plans for 2021](#).

## Strategic Policy, Planning and Performance

The Department for Strategic Policy, Planning and Performance (SPPP) leads strategic policy, planning and performance across government.

We work in partnership with all government departments, to help improve our Island and the lives of people living here, for example by leading work on children's policy and legislation, progressing public health priorities and improving the way we plan services and report on progress and achievements. In our work we listen to, and work with Islanders; for instance asking for their views about changes to the Island Plan, supporting the creation of a new Public Services Ombudsman, and helping to ensure that children and young people have a voice.

Our Arm's Length Functions also have a major impact, whether that's through regulation, protecting vulnerable Islanders, safeguarding human and children's rights or providing essential statistics on which both strategic and operational decisions can be made.

We began the year with a new structure in place, and a full programme of work planned across all our key areas. In addition to supporting policy development across Government in key areas, such as children, education, justice, health, housing and migration, we intended to:

- further develop our policy community, to support and develop our staff and others across government and create long-term career paths for talented Islanders
- create a modern new analytics function that would effectively support and drive outcome focused decision-making across Government, through our analytics transformation programme and an analysts' network
- seek approval for, and then implement, ambitious plans to seek carbon neutrality and to improve the sustainability of our transport system
- progress the Island Plan Review and prepare for the 2021 Census
- further develop and embed our new Performance Framework to improve reporting on Government progress towards key outcomes.

When the Covid-19 pandemic hit the Island, we were at the forefront of the response, as the home of the public health policy team. Officers from across the Department were brought together to focus on the pandemic and advise on measures required to keep Islanders safe at every stage of the pandemic. This included developing new processes quickly to support the Medical Officer of Health and other clinicians, as well as establishing the Scientific and Technical Advisory Cell. We developed strategic plans and detailed guidance, including the safe exit framework to bring the Island out of lockdown, our suppress, contain and shield public health strategy and the safer travel policy and processes. The effort consumed around half of our department's resource (at times this was higher) throughout 2020; we are still diverting some key staff, even though we have now brought additional public health resource into the department.

## Covid-19 impact on services

The effect of concentrating our efforts in one vital area was to delay or defer some of the work we had planned to deliver over the year. Much of this has been refreshed in the Government Plan 2021-23 or is now in our Departmental Operational Business Plan for 2021. Without knowing when we will be able to resume full 'Business as Usual', it will be a challenge to deliver our ambitious programme but we intend to make every effort to succeed. Improving our core functions around analytics, performance and policy is a priority for our senior team, working with our colleagues across Government to lay the foundations for high quality reporting and policy development.

Despite this important focus on Covid-19 work, from the late summer onwards additional priority was given to making progress with a number of important long-term plans. With the Carbon Neutral Strategy approved in February, and a Sustainable Transport Policy framework approved by the States Assembly in March, work to re-design the delivery of these programmes completed by year end, giving States Members and Islanders a clear view of the progress we will see in 2021. Progress with the Island Plan Review was also prioritised, with an innovative 'bridging' Plan proposed as a response in the context of the pandemic, Brexit and other major areas of uncertainty.

In the midst of the pandemic we led, with Treasury and Exchequer, the development of the Government Plan 2021-24 to ensure public services remain on a sustainable financial footing with clear priorities and plans for delivery. We continued to support policy development boards, which produced key reports on migration, housing and early years' policy. We completed all necessary preparatory work for the 2021 Census, established a cross-government analysts' network and supported all departments to prepare business plans for 2021 and annual reports covering 2020.

No two pieces of work are ever the same in SPPP; each output - and the context in which it is created - is unique. This makes it very difficult to quantify the performance of our department. Nevertheless, we have begun work to explore where some quantitative indicators might be effective, and how qualitative assessment of the Department's work might support future performance appraisals, both annually and on an on-going basis. Like so much of our planned activity, this was disrupted by Covid-19, but it will be back on our agenda in 2021.

Above all, throughout 2020, the Department has continued to work in partnership, to listen to the views of Islanders and be transparent. While much of its work is done 'behind the scenes' because it doesn't directly deliver front line services, the policy, strategy and plans that it helps to develop have a positive impact on all our lives, and the performance measures it produces help Ministers, the States Assembly and Islanders to hold the Government to account.

More detail on the Government Plan 2020-23 Initiatives, Departmental Initiatives and Covid-19 Initiatives we delivered during 2020 can be found in the [Departmental Annual Reports for 2020](#).

Information on what we will deliver and improve during 2021, including the service performance measures we will use in 2021, can be found in the [Departmental Operational Business Plans for 2021](#).

## Treasury and Exchequer

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2020 was to be a year of building on the transformation foundations laid in 2019 for Treasury and Exchequer, and despite Covid-19, many of our 2020 objectives were met.

In the response to the pandemic, we played a pivotal role in providing a continued service to Islanders and devising and implementing new schemes and projects to respond to Covid-19.

This has included co-leading the development of financial measures to help businesses and the community, such as the Co-Funded Payroll Scheme, the Spend Local card and other economy schemes. In addition, swift changes to legislation were made to ensure our health services in particular were able to access the funds they needed.

Operationally, our colleagues in Revenue Jersey and Shared Services had to provide more support to help protect the most vulnerable Islanders facing immediate financial hardship. Therefore, as can be seen in the performance data, debt collection and enforcement activities were reduced, and resources reallocated to the payroll co-funding project. Invoice and Social Security (non-installment) debt increased during the year, as dealing with the impact of the pandemic and its economic effects were prioritised.

At the start of 2020, Revenue Jersey successfully launched online filing for personal taxpayers and around 30% of taxpayers filed their 2019 returns online. It also launched a new Online Corporate Income Tax Return, which is now used by all companies to support the introduction of new legislation on Economic Substance. Revenue Jersey is continuing with its transformation journey, although this has led, combined with Covid-19 pressures, to processing and service delays. It will be looking to make further improvements in 2021.

During 2020 and 2021 investments are being made in specialist resources to improve compliance activities within Revenue Jersey. This is reflected in the additional tax collected metric (provisional out-turn of £10 million for 2020).

Following approval by the States Assembly in November, Revenue Jersey is implementing the move of Prior Year Basis taxpayers to a Current Year Basis in 2021. This work was accelerated due to the pandemic to support those with reduced incomes in 2020 and possibly 2021 (see Section 2 - 2020 Highlights for more information regarding the Prior Year Basis Tax Reform).

The volatile market conditions created by Covid-19 have led to a short-term impact on the performance of some asset classes, a rolling average measure will be adopted in future to better reflect the long-term investment targets of our Funds.

During 2020 we made progress on our transformation journey, improving the amount of performance information collected by the department. In 2021, we will have a baseline for comparison on these new indicators.

## Section 3 – Delivering for Islanders

Our teams have worked closely with the Integrated Technology Solution programme to get the department ready for the new supplier coming onboard in 2021. This will be a vast step forward for the Government, which is set to replace old and outdated finance, payroll, people services, asset management and commercial systems with an integrated solution. This will enable us to modernise and make life easier not only for ourselves, but also for our customers and colleagues across government.

Our Financial Planning Team worked with colleagues in Strategic Policy, Planning and Performance to improve the level and quality of detail in the Government Plan 2021-2024 to enable the public to fully understand the Government's plans for the next four years, and also contributed to the Government Plan Six-Month Report, published in August.

In 2020, we had our ACCA Approved Employer status approved following an audit. This demonstrates how we support qualified colleagues in their continued professional development, while also providing a supportive environment with the right experience for those studying towards qualifications. We also supported the upskilling of colleagues across government with bespoke training to ensure they understand and can complete finance-related activities.

More detail on the Government Plan 2020-23 Initiatives, Departmental Initiatives and Covid-19 Initiatives we delivered during 2020 can be found in the [Departmental Annual Reports for 2020](#).

Information on what we will deliver and improve during 2021, including the service performance measures we will use in 2021, can be found in the [Departmental Operational Business Plans for 2021](#).

## Treasury and Exchequer – Performance Measures

### Finance Function

2019: N/A *Not comparable*

1.22p per  
£1 of NRE

cost of the Finance function by  
Net Revenue Expenditure (NRE)

2019: N/A *Not comparable*

59%

% of recommendations on financial  
management matters made by the  
Fiscal Policy Panel and the Comptroller  
and Auditor General and supported by  
Government are actioned

### Revenue Jersey

2019: £2m +500% 

£12m

Additional revenues assessed

2019: N/A *Not comparable*

0.7p

Cost to collect £1 of Revenue

2019: 63% +16% 

79%

% International Data Exchanges  
complete > 90 days

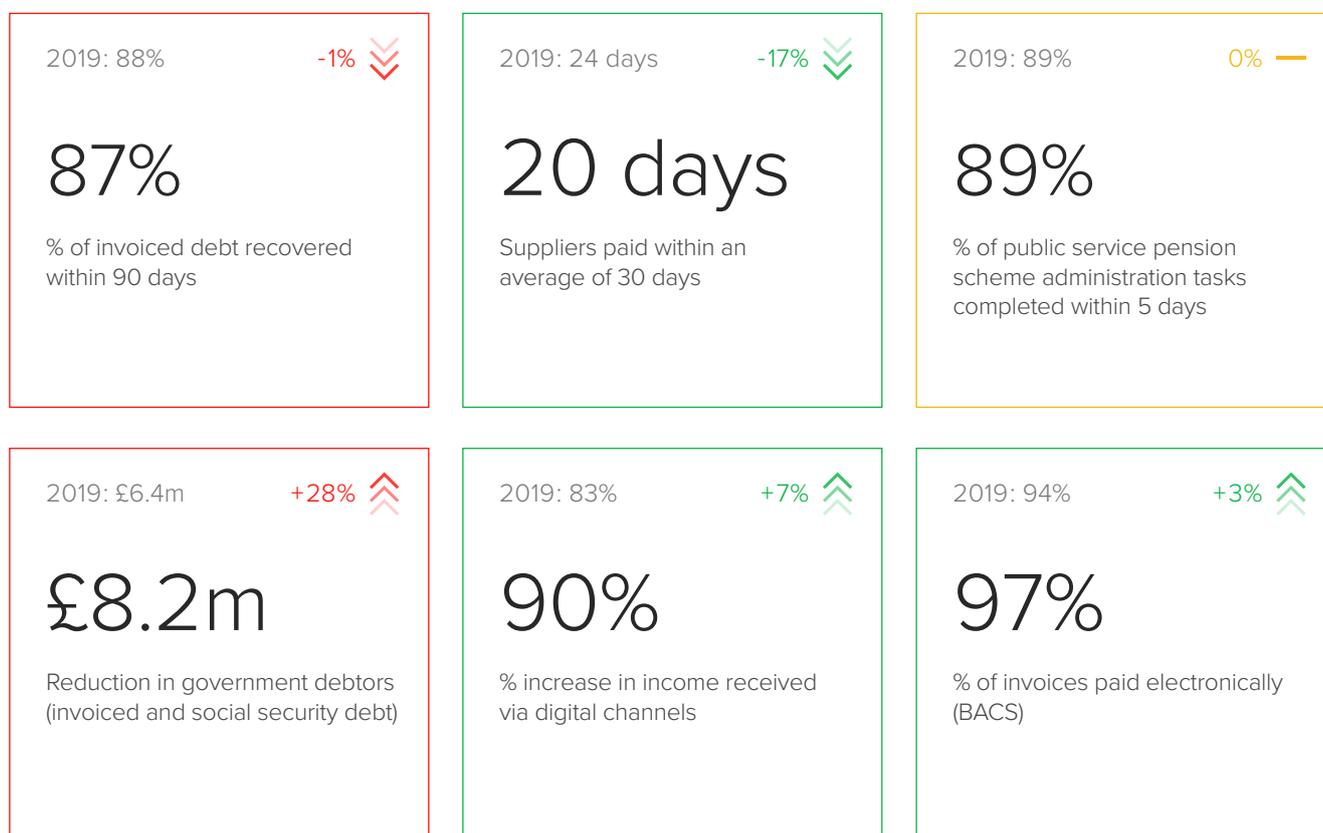
2019: N/A *Not comparable*

30%

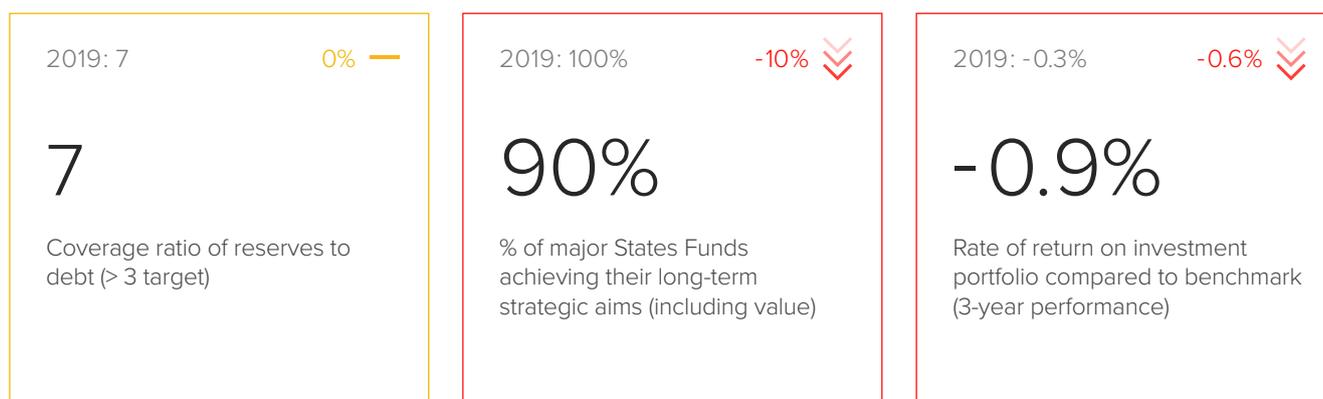
% of Personal Tax returns  
completed online

## Treasury and Exchequer – Performance Measures (continued)

### Shared Services Centre



### Treasury and Investment Management



# Treasury and Exchequer – Performance Measures (continued)

## Performance, Accounting and Reporting

2019: N/A *Not comparable*

# 100%

All stakeholders provided with routine financial reports within one month of the end of the previous month

2019: N/A *Not comparable*

# 100%

No material changes in figures from production of first draft of routine financial reports to issue of corporate financial report

## Risk and Audit

2019: 60% +40% 

# 100%

% quarterly update on progress and recommendations to Risk and Audit Committee on Internal Audit Plan

2019: N/A *Not comparable*

# 74%

% of audit recommendations agreed and completed by departments

2019: 100% -50% 

# 50%

% of updates complete for quarterly reporting of T&E Risk register at Senior Leadership Team and peer reviewed at Departmental Risk Group

The data presented is the most recent available annual data value as at 31st December 2020. Some data is open to fluctuation as figures for 2020 are finalised in the first quarter of 2021. The symbols next to the data signify whether there has been a positive/negative/no significant change between the most recent data value and the prior annual data value.

# Section 4 – Delivering the Efficiencies Plan for 2020

This report should be read in conjunction with the Government Plan 2020-23 6 Month Update Report. The financial performance, underlying drivers and impacts have changed little since this report and this shorter update reflects this, summarising the performance over 2020.

The original plan to deliver £100 million of efficiencies over the period 2020-23 has been increased by a further £20 million in 2024 as approved in the Government Plan debate in December 2020. During 2020 the focus on delivering efficiencies was incorporated into the broader challenge to rebalance Government finances.

The 2020 plan required the delivery of £40 million of efficiencies in 2020 and this objective has been fully met.

The delivery of £40 million is broken down into £25 million of recurring efficiencies and a further £15 million of one-off measures, typically, but not wholly a deferral of growth funds. These deferrals were, in large part, as a consequence of prioritising the Government's response to Covid-19 over some existing and new activities.

The value of one-off measures will be carried forward for delivery on a recurring basis in 2021. This ensures continued focus on building a more efficient public sector.

Development of the framework for impact assessment was paused with the shift of focus to public health activity. Consequently, it remains a focus for development with the next opportunity for the application of an improved process coming with the 2021 half year report in August 2021.

## Section 4 – Delivering the Efficiencies Plan for 2020

## Delivery of efficiencies by department

Department	Budget	Delivered	Variance
CLS	2,219,500	1,275,500	944,000
COO	1,523,400	897,200	626,200
CYPES	3,575,900	1,189,900	2,386,000
HCS	9,000,000	1,593,000	7,407,000
IHE	1,150,840	513,800	637,040
JHA	1,589,000	743,000	846,000
JHA:SoJP	200,000	200,000	-
OCE	674,700	166,200	508,500
SPPP	283,000	170,000	113,000
T&E	1,310,000	790,000	520,000
Central items	11,140,000	10,440,000	700,000
<b>Sub Total</b>	<b>32,666,340</b>	<b>17,978,600</b>	<b>14,687,740</b>
T&E – Revenue Jersey	7,350,000	10,000,000	-2,650,000
<b>Overall</b>	<b>40,016,340</b>	<b>27,978,600</b>	<b>12,037,740</b>

In this table, reporting a status of ‘delivered’ reflects delivery of the original efficiency and the variance reflects the delivery of the efficiency value through other measures, generally one-off deferrals of growth.

Efficiencies are presented as either cross cutting (Government wide) or departmental efficiencies. The cross cutting efficiencies cover multiple departments and are shown as consolidated totals in the following pages.

Central items include vacancy management, management of inflationary pressures and the extension to car parking hours.

### Rounding

Minor variations exist between totals by classification as a consequence of rounding.

## Cross cutting efficiencies

### Modern and efficient workforce

The planned efficiencies derived from a number of different Modern and efficient workforce activities including reductions in overtime, fixed term contracts (FTC) and agency staff became increasingly difficult to deliver as staff were redeployed to public health and other Covid-19 response activities.

These pressures included a difficulty in recruiting, the need to retain FTC and agency staff beyond their planned contract end dates and a demand for more overtime.

These pressures affected the delivery of efficiencies notwithstanding improvements in management activity and data in all of these activities. These improvements will benefit management of expenditure in 2021 and will be further strengthened by continued development and delivery of functional management training through our investment in People and Corporate Services.

### Heath and Community Services workforce efficiency schemes

Delivery against the nurse, medical and allied health professional workforce schemes were significantly impacted by Covid-19 in 2020. Growth was deferred to compensate for the non-recurrent delivery of these efficiencies.

Many budgets were reviewed through the start of a Zero-Based Budgeting (ZBB) process undertaken in quarter three 2020. This involved analysing anticipated activity and reviewing the workforce required to deliver this. The approach was successful in identifying recurrent savings for implementation in FY21 and will be refined and revisited throughout 2021 to identify further opportunities and complete a full ZBB.

With the support of the new HR Director and Finance Business Partner, the Medical Director is reviewing all long-term medical vacancies with a view to reducing the number of posts filled with short-term bank and agency posts. This is due for completion by Q2 FY21.

### Heath and Community Services

Budget (£m)	Delivered (£m)	Variance (£m)
2.8	0.1	2.7

### Government of Jersey - excluding Heath and Community Services

Budget (£m)	Delivered (£m)	Variance (£m)
1.7	1.0	0.7

## Section 4 – Delivering the Efficiencies Plan for 2020

## Vacancy management

The delivery of this efficiency has been made easier by the pressure on recruitment. Whether related to Government Plan investment or responding to normal staff turnover activity has been significantly constrained by Covid-19. Having initially been held centrally budgets have been updated in 2021 to reflect allocations by department.

All items in the Modern and efficient workforce category require ongoing management to ensure recurrence. Over and above the improvements in data and management practise described the implementation of the Integrated Technology Solution (ITS) in future years will provide more opportunity for improvement and delivery of efficiencies.

Budget (£m)	Delivered (£m)	Variance (£m)
5.58	5.58	0

Project	Commercial operations – Management of Inflationary Pressures
Delivery	Budget has been retained centrally as in previous years
Impact	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
Status	Delivered (Plan A)

Budget (£m)	Delivered (£m)	Variance (£m)
4.86	4.86	0

Project	Commercial operations – contract efficiency
Delivery	<p>Commercial services capacity remained extensively committed to the Government's Covid-19 response during 2020.</p> <p>Support to Government objectives in the first half of the year included significant programmes of work such as the Nightingale ward, sourcing PPE and maintaining travel links.</p> <p>Specific technology opportunities were assessed as lower priority than supporting the 'track and trace' and 'book and test' activities in the second half of the year and consequently deprioritised.</p> <p>The opportunity to deliver remains and several of the projects will be deferred to 2021.</p>
Impact	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
Status	Majority of delivery through Plan C

Budget (£m)	Delivered (£m)	Variance (£m)
1.4	0.1	1.3

## Section 4 – Delivering the Efficiencies Plan for 2020

Project	Commercial operations - health
Delivery	<p>Efficiency schemes were developed for this area however the full value of this programme could not be realised in 2020 due to the impact of Covid-19.</p> <p>Private Patient income opportunities were significantly impacted by the cessation and reduction in non-emergency activity for a large proportion of the year. It is anticipated that recurring efficiencies from this scheme will be realised as activity returns to normal over the next 12 months.</p> <p>Progress was made in delivering savings associated with pharmacy and drugs through the transition to biosimilars. This scheme is being reviewed again in the first quarter of 2021 to ensure that savings have been maximised. This approach is being incorporated into the planning cycle within HCS and will be repeated annually, with changes going through a rigorous clinical review process prior to implementation to ensure there are no adverse effects on patients or services. Transition is being monitored on a quarterly basis through the Care Group Performance reviews.</p>
Impact	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
Status	Partially delivered by Plan A, majority through Plan C

Budget (£m)	Delivered (£m)	Variance (£m)
2.5	0.7	1.8

Project	Efficient organisational structures – business support review
Delivery	<p>CLS and COO completed delivery of these efficiencies as part of the implementation of target operating models in the first half of 2020.</p> <p>CYPES – The efficiency was not delivered in 2020 however remains an opportunity and has been deferred to 2021.</p> <p>Work on the Business Support Review across CYPES (excluding schools) resumed in the second half of 2020 with the development of a high-level business support model.</p> <p>This model is now subject to final refinements which will be undertaken in Q1 2021 as further discussions are held with service heads. This will finalise the scope and agree how to implement more efficient ways of working.</p> <p>The revised value of the efficiency, potential impacts and implementation approach will be agreed by the end of Q1 for delivery in 2021.</p> <p>IHE – further target operating model development and delivery, as it relates to business support models, has been deferred to 2021 (detail expanded in departmental efficiencies).</p> <p>JHA – whilst good progress has been made developing new business support models the full financial benefit is not expected until 2021.</p> <p>OCE – whilst work has progressed on a Business Support model in 2020 delivery of the efficiency has been deferred to 2021.</p>
Impact	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
Status	Majority of delivery through Plan C

Budget (£m)	Delivered (£m)	Variance (£m)
1.3	0.1	1.2

## Section 4 – Delivering the Efficiencies Plan for 2020

<b>Project</b>	<b>Commercial operations: cost recovery – recharging to capital schemes</b>
<b>Delivery</b>	This efficiency recharges 'corporate overheads' across capital projects to reflect a more complete allocation of expenditure.  COO – the range of technology transformation programmes provided sufficient opportunity to apply this recharging in full.  IHE – the majority of recharging was achieved with a small balance being deferred to 2021.
<b>Impact</b>	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
<b>Status</b>	Majority delivered by plan A

Budget (£m)	Delivered (£m)	Variance (£m)
1.0	0.8	0.2

<b>Project</b>	<b>Commercial operations – reductions in benefit forecast (Customer and Local Services)</b>
<b>Delivery</b>	As set out in the half year report the spike in income support costs caused by Covid-19 prevented delivery of this efficiency.
<b>Impact</b>	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
<b>Status</b>	Funding provided through Covid-19 support

Budget (£m)	Delivered (£m)	Variance (£m)
0.94	0	0.94

<b>Project</b>	<b>Commercial operations: extension to car parking charging hours</b>
<b>Delivery</b>	Rejected by States Assembly
<b>Impact</b>	N/A
<b>Status</b>	Rejected

Budget (£m)	Delivered (£m)	Variance (£m)
0.7	0	0.7

## Section 4 – Delivering the Efficiencies Plan for 2020

<b>Project</b>	<b>Commercial operations: corporate services</b>
<b>Delivery</b>	SPPP – a reduction in commissioning budgets was delivered in the first half of 2020. OCE – efficiencies could not be met, and growth spending has been deferred typically through reduced travel costs and delayed recruitment.
<b>Impact</b>	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
<b>Status</b>	Partially delivered by Plan A

Budget (£m)	Delivered (£m)	Variance (£m)
0.8	0.3	0.5

<b>Project</b>	<b>Commercial operations: contract efficiency – tactical opportunities (day-to-day spend)</b>
<b>Delivery</b>	Some benefit from reduced travel, accommodation and related expenses offset by some unbudgeted increases in costs, both as a consequence of Covid-19.
<b>Impact</b>	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
<b>Status</b>	Delivered equally by Plan A and Plan C

Budget (£m)	Delivered (£m)	Variance (£m)
0.2	0.1	0.1

<b>Project</b>	<b>Commercial operations: re-profiling of capital expenditure plans</b>
<b>Delivery</b>	This has been achieved in 2020. Capital requirements have been below the organisational forecast and budgeted expenditure has been permanently removed from MS Foundations.
<b>Impact</b>	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
<b>Status</b>	Fully delivered by Plan A

Budget (£m)	Delivered (£m)	Variance (£m)
0.3	0.3	0

## Section 4 – Delivering the Efficiencies Plan for 2020

<b>Project</b>	<b>Commercial operations: cost recovery</b>
<b>Delivery</b>	<p>CYPES – It has not been possible to deliver this efficiency with the suspension of many activities during 2020.</p> <p>JHA – limited delivery possible in 2020.</p> <p>For these, and many areas of cost recovery, the implementation of the fees and charges framework, agreed in the Government Plan 2021-24, will help determine future opportunities.</p>
<b>Impact</b>	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
<b>Status</b>	Majority delivered through Plan C

Budget (£m)	Delivered (£m)	Variance (£m)
0.1	0.0	0.1

<b>Project</b>	<b>Efficient organisational structure: one customer location</b>
<b>Delivery</b>	New structures were implemented in the first half of 2020 delivering this efficiency in full.
<b>Impact</b>	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
<b>Status</b>	Fully delivered by Plan A

Budget (£m)	Delivered (£m)	Variance (£m)
0.04	0.04	0

## Section 4 – Delivering the Efficiencies Plan for 2020

## Departmental efficiencies

### Customer and Local Services

<b>Project</b>	<b>Operating model savings</b>
<b>Delivery</b>	New structures were implemented in the first half of 2020 and have remained operating within budget. Structures support the ongoing provision of high-quality customer service.
<b>Impact</b>	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
<b>Status</b>	Fully delivered by Plan A

Budget (£m)	Delivered (£m)	Variance (£m)
0.7	0.7	0

<b>Project</b>	<b>Reduction in non-staff spend</b>
<b>Delivery</b>	Fully delivered
<b>Impact</b>	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
<b>Status</b>	Fully delivered by Plan A

Budget (£m)	Delivered (£m)	Variance (£m)
0.3	0.3	0

### Children, Young People, Education and Skills

<b>Project</b>	<b>Cost recovery of Highlands College Courses</b>
<b>Delivery</b>	Significant interruption to the delivery of courses, including those which are fee earning, has prevented the delivery of this efficiency.  Whilst potential opportunity exists for greater cost recovery in the future this will be aligned with the implementation of the fees and charges framework agreed in the Government Plan 2021–24.
<b>Impact</b>	N/A
<b>Status</b>	Fully delivered by Plan C

Budget (£m)	Delivered (£m)	Variance (£m)
0.6	0.0	0.6

## Section 4 – Delivering the Efficiencies Plan for 2020

<b>Project</b>	<b>Reduction in off the Island placement costs</b>
<b>Delivery</b>	This efficiency was delivered through a reduction in demand. Service development work is underway which may further reduce the need to place off the Island in the future.
<b>Impact</b>	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
<b>Status</b>	Fully delivered by Plan A

Budget (£m)	Delivered (£m)	Variance (£m)
0.5	0.5	0

<b>Project</b>	<b>Changes to staff rotas in children's homes</b>
<b>Delivery</b>	This efficiency was delivered through a service restructure which released unfilled posts.
<b>Impact</b>	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
<b>Status</b>	Fully delivered by Plan A

Budget (£m)	Delivered (£m)	Variance (£m)
0.5	0.5	0

<b>Project</b>	<b>Accommodation rationalisation</b>
<b>Delivery</b>	There are no rent-free options available for Education staff. The department will continue to engage with the development of property strategies to identify any future opportunities.
<b>Impact</b>	N/A
<b>Status</b>	Fully delivered by Plan C

Budget (£m)	Delivered (£m)	Variance (£m)
0.13	0	0.13

## Section 4 – Delivering the Efficiencies Plan for 2020

## Infrastructure, Housing and Environment

Project	Operating model savings
Delivery	<p>A complete re-evaluation of IHE's organisation structure, focused on making constructive changes to the existing structures, including the Directorate structures, remains the objective. Target Operating Model reviews and rollout across IHE Directorates commenced in quarter three 2020 and will progress throughout 2021. Work streams include vacancy and absence management, a review of contract and commercial opportunities, avoidable overtime, voluntary redundancy and early retirement.</p> <p>In addition to this the new operating model will focus on cost recovery by ensuring that staff costs are fully recovered against capital budgets, the introduction of appropriate user-pays charges and that detailed service reviews are undertaken ensuring efficient delivery of services.</p> <p>Consequently, good progress in 2020 and continued implementation in 2021.</p>
Impact	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
Status	Partially delivered by Plan A

Budget (£m)	Delivered (£m)	Variance (£m)
0.3	0.2	0.1

## Health and Community Services

Project	Operational excellence
Delivery	<p>Productive theatres - The productive theatre programme sought to improve efficiencies across the theatre suite by improving utilisation (including start-times, turnaround times, patient throughput, pre-op process, Patient Tracking Lists, reduction in over-runs etc.) and modifications to the staffing model. It was not been possible to deliver these fully in year due to the impact of Covid-19. This scheme will continue into 2021.</p> <p>Delivery of savings associated with off-Island mental health placements was partly achieved. This again is being incorporated into the post-Covid-19 mental health operational recovery plan. It is anticipated that full benefits from this revised approach will be realised in 2021.</p> <p>Off-Island acute services - Some recurrent efficiencies have been delivered through scrutiny and review of contracts for services. Additional non-recurrent benefits were realised in year as a result of modifications made to pathways during the pandemic. These were used to support under-delivery of other efficiency schemes in 2020. Revised pathways are being reviewed from a quality, safety and patient experience perspective to determine what elements can be carried forward into 2021 and beyond.</p>
Impact	All schemes go through a Quality Impact Assessment gateway to ensure no adverse effects on patients or services.
Status	Partially delivered through Plan A, majority through Plan C

Budget (£m)	Delivered (£m)	Variance (£m)
3.7	0.8	2.9

## Section 4 – Delivering the Efficiencies Plan for 2020

## Justice and Home Affairs

<b>Project</b>	<b>Operating Model Phase 1</b>
<b>Delivery</b>	The first phase was delivered in the first half of 2020.
<b>Impact</b>	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
<b>Status</b>	Fully delivered through Plan A

Budget (£m)	Delivered (£m)	Variance (£m)
0.4	0.4	0

<b>Project</b>	<b>Operating Model Phase 2</b>
<b>Delivery</b>	Partial delivery as planned with majority of delivery through deferred expenditure and one-off non-staff budget reductions.
<b>Impact</b>	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
<b>Status</b>	Majority of delivery through Plan C

Budget (£m)	Delivered (£m)	Variance (£m)
0.4	0.1	0.3

<b>Project</b>	<b>Increased Passport and immigration fees</b>
<b>Delivery</b>	Increased travel constraints have resulted in a decrease in volumes of passport renewals preventing delivery of this efficiency. Opportunity remains for the future.
<b>Impact</b>	N/A
<b>Status</b>	Fully delivered by Plan C

Budget (£m)	Delivered (£m)	Variance (£m)
0.2	0	0.2

## Section 4 – Delivering the Efficiencies Plan for 2020

## Strategic Policy, Planning and Performance

<b>Project</b>	<b>Recovery of Policy Costs</b>
<b>Delivery</b>	Not possible in 2020 with decrease in fees arising from Control of Housing and Work Law due to Covid-19.
<b>Impact</b>	N/A
<b>Status</b>	Fully delivered by Plan C

Budget (£m)	Delivered (£m)	Variance (£m)
0.1	0	0.1

## Treasury and Exchequer - Revenue Jersey

<b>Project</b>	<b>Additional tax revenue</b>
<b>Delivery</b>	The "Additional Revenue Benefits" target for 2020 arising from Revenue Jersey's Domestic Compliance work was originally £7.35 million (subsequently adjusted to £6.35 million in response to the likelihood of reduced compliance activity during the Pandemic/Lockdown). Notwithstanding the adjustment the provisional outturn is £10 million against the original target of £7.35 million. This provisional over-achievement is partly accounted for by the degree of compliance work that could nonetheless be completed remotely during the lockdown (which exceeded expectations) but also, to some extent, from the way in which the settlement of some large and contentious cases was expedited earlier than expected.
<b>Impact</b>	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
<b>Status</b>	Exceeded through delivery of Plan A

Budget (£m)	Delivered (£m)	Variance (£m)
7.35	10.0	Positive 2.65

<b>Project</b>	<b>Reduction in costs arising from system transformation of finance function</b>
<b>Delivery</b>	TBC
<b>Impact</b>	N/A
<b>Status</b>	Fully delivered through Plan C

Budget (£m)	Delivered (£m)	Variance (£m)
0.2	0	0.2

## Section 4 – Delivering the Efficiencies Plan for 2020

<b>Project</b>	<b>Cost recovery of Treasury investments team costs</b>
<b>Delivery</b>	This has been fully met through general recharges to appropriate fund costs.
<b>Impact</b>	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
<b>Status</b>	Fully delivered by Plan A

Budget (£m)	Delivered (£m)	Variance (£m)
0.2	0.2	0

<b>Project</b>	<b>Reduction in non-staff spend</b>
<b>Delivery</b>	Management focus on non-staff spend in the first half of 2020 identified and has subsequently delivered this efficiency in full.
<b>Impact</b>	There has been no adverse impact on customers or staff and the activity is aligned with the CSP.
<b>Status</b>	Fully delivered by Plan A

Budget (£m)	Delivered (£m)	Variance (£m)
0.1	0.1	0

## 2021 efficiencies and re-balancing measures

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The proposed plan to deliver £20 million of measures in 2021 was approved by the States Assembly during the Government Plan debate in December 2020.

Performance monitoring will continue to be undertaken on a monthly basis through the budget monitor process led by the Treasury and Exchequer and this will focus on financial delivery. Supplementary performance monitoring for any projects required to deliver efficiencies and rebalancing measures will also be undertaken through the Corporate Portfolio Management Office.

Measures will no longer be reported using the Plan A, B, C terminology. To simplify reporting measures will be classified as either reductions in expenditure or increases in income and will be further described as having either a recurring or one-off budget impact.

The impact assessment framework will continue to be developed in 2021.

Performance reporting will continue the six-monthly cycle initiated for the 2020 plan with updates provided in August 2021 (first six months) and February 2022 (full year). This latter date may change as it is aligned with statutory obligations on the publication of the Annual Report and Accounts, which will include the full year performance report on efficiencies and rebalancing measures.

# Financial Review

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## Minister for Treasury and Resources foreword

I am very pleased to present the 2020 Annual Report and Accounts and I'd like to thank colleagues in Treasury and Exchequer and across Government Departments for their hard work in producing this document.



**Deputy Susie Pinel**  
Minister for Treasury and Resources

Our priorities for the year have been to ensure that we had the funding and liquidity in place to be able to do whatever it took to respond effectively to the challenges to lives, livelihoods and liberties presented by the pandemic and at the same time have our eye firmly on long term financial sustainability. The strength of the Island's balance sheet placed us in strong position as we met these challenges.

One of our guiding principles since the start of the pandemic has been to protect our Strategic Reserve in these most uncertain of times, and thereby ensure the Island has the financial resilience to deal with potential future shocks or after-shocks to the economy from the current global crisis. Our strong balance sheet, low debt levels and high credit rating ahead of the crisis have all made the option to borrow to help pay for our response to Covid-19 possible.

On the advice of the Fiscal Policy Panel the decision was taken not to put up taxes or make large cuts to spending, here and now, but to instead run deficits in the short term, maximising the opportunities for the economy to recover. At the end of 2020 the deficit stood at £113 million.

This was an unprecedented hit on our finances; however we are still in a strong position, the balances on our funds totalling £3.3 billion at the end of the year, actually increasing over the year.

In 2020, Group net assets increased by £95 million to £7.6 billion, which is made up of £4 billion of property, plant and equipment and £3.6 billion of investments, including States Owned Enterprises.

Despite the disruption caused by Covid-19 to Islanders' day-to-day lives and businesses, our income streams performed surprisingly well in 2020 and exceeded the Autumn forecasts from Income Forecasting Group. Net general revenue income increased marginally by £6.6 million against 2019. This was mainly due to increases in Impots Duties attributed to reduced Duty Free tobacco and alcohol imported due to the restrictions on travel. Stamp Duty increased as the housing market remained strong throughout the year and GST also outperformed forecasts. Taken together, these increases offset reductions in Income Tax and other income sources. The impact of

## Financial Review

Covid-19 on companies will be seen in 2021 as businesses file their tax returns for 2020.

Our 2020 investment performance has held up well through this most difficult of years and volatile markets around the world. We recorded gains of £253 million, compared to £402 million in 2019. The Common Investment Fund experienced excellent results, generating a net return of 8.5%, exceeding its market weighted benchmark by 1.2%.

Over the long term, the portfolio continues to perform well, with the Strategic Reserve having generated returns of 5.7% and 7.8% respectively over three and five years, which exceeds benchmarks by 0.3% over both periods.

At a Group level, our operating expenditure outstripped our income by £272 million. The largest costs related to the measures put in place to support Islanders and businesses, such as the Co-Funded Payroll Scheme.

On the advice of the Fiscal Policy Panel we used the Stabilisation Fund to support the economic recovery and transferred the complete value of the fund to the Consolidated Fund. The Stabilisation Fund was put in place to support the Island through major economic shocks and it was appropriate to use it in this way in 2020.

In responding to the need to provide timely, targeted and temporary support to the economy we launched a significant Fiscal Stimulus package last summer. This included, among other support measures, direct payments to low income households, £100 Spend Local cards for every Jersey resident and a reduction in Social Security contributions for six months.

This also included a Fiscal Stimulus Fund, in two tranches of £25 million each. The first tranche of funding had received 92 Expressions of Interest when it closed at the end of the year. Government departments, arms-length organisations, and not-for-profit organisations can apply for funding towards projects that aim to stimulate the economy, reduce the fall in employment and output in the short term, and reduce the damage to the economy in the long term. The first round of awards was made in March 2021.

In this year's Annual Report and Accounts, more information than previously is being provided about our subsidiaries.

**Ports of Jersey** – they have been significantly impacted by the effects of the pandemic on travel to and from the Island during 2020. Their income sources have been depleted, dropping 38% in 2020, and in October they announced plans to reshape their business and opened a consultation with their employees to explore new ways of working.

**Andium Homes** – their social housing plans continued in 2020, spending £60m on capital investment improving homes for Islanders.

**States of Jersey Development Company** – they opened a consultation on the development of the Southwest St Helier Waterfront area in October for Islanders to submit their views.

In 2020, Treasury and Exchequer continued to embed the changes made in 2019 to create a single finance department. Its transformation to modernise and improve the way we manage public finances also continued. The department was heavily involved in business readiness work for the Integrated Technology Solution, which will replace our outdated finance system and many of the processes they've been using for the last 25 years. At the end of 2020 the Risk and Audit team launched a new Risk Register site

## Financial Review

to help manage risks across government. It also supports the Government of Jersey Risk Strategy 2020, which departments are required to follow under the Public Finances Manual.

In 2020, Revenue Jersey recorded £677 million in tax revenues, including more than £10 million through compliance activity, such as collecting more unpaid tax debts.

Despite being faced with increased workloads during 2020 due to the pandemic, Revenue Jersey has continued to make good progress in modernising Jersey's tax system. Its move to a new computer system in 2019 meant it was able to offer online filing to Islanders for the first time in early 2020. Around 19,000 taxpayers, some 30% of the total taxpayer base, took the opportunity to use online filing to complete their 2019 tax return. This helped Revenue Jersey to issue tax assessments more quickly than in recent years, with the 2019 assessing cycle being largely completed by the end of the year, some four months earlier than the previous year. More than 40% of those who filed online also received their tax assessment, and revised ITIS rate if they were employed, within two weeks of submitting their tax return.

Last year the proposition to move Prior Year Basis taxpayers to Current Year Basis was approved by the States Assembly, with the 2019 tax bill for PYB taxpayers being frozen, although it does have to be paid in the future. While this change has been talked about for some time, work on it was accelerated due to COVID-19 to help those whose earnings were detrimentally affected in 2020 and possibly in 2021.

This change to our tax law, along with the proposed modernisation of so-called 'married-man's taxation' for the phased introduction of Independent Taxation from 2022, means that Jersey is facing the most significant reforms of its tax system since Income Tax was introduced in 1928.

2020 delivered unprecedented challenges and risks to Islanders health, wellbeing and livelihoods, and to business and the economy. We ensured that financing was in place to ensure that bold measures to protect and respond could be afforded. The Treasury Ministerial Team will ensure that this continues into 2021, and presents a plan to give the economy room to prosper, whilst a longer term plan to recover the finances is put in place.

While 2020 presented Treasury and Exchequer with many unforeseen challenges and demands, I am extremely proud of the way colleagues in the department, and across Government, have responded to them and provided vital support for both Islanders and businesses.

**Deputy Susie Pinel**

Minister for Treasury and Resources

Date: 14 May 2021

## Financial Review

This Financial Review section provides a summary analysis of the consolidated group, including all funds and subsidiary companies, as well as component entities. States Assembly performance refers to the general revenue income and department expenditure as it has been approved by the States Assembly in the Government Plan.

The Statement of Comprehensive Net Expenditure is split by 'Core' and 'Group' where 'Core' is all parts of the States of Jersey group apart from the consolidated subsidiaries and 'Group' includes those subsidiaries per the diagram on page 123 and the information in Note 4.26 on page 331.

## Impact of Covid-19 on Finances

The pandemic has brought substantial disruption to the work of Government, impacting on income and creating a significant increase in expenditure as steps were taken to meet the health, livelihoods, economic and fiscal challenges presented.

Departments have reported additional Covid-related costs and lost operational income of £190 million in 2020 including:

### Payroll Co-Funding Scheme

**£97.9m**



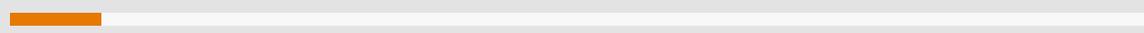
### Test and Trace phase 2 programme (July 2020 onwards)

**£16.2m**



### Economic Stimulus (primarily Spend Local Voucher and increased Income Support payments)

**£11.6m**



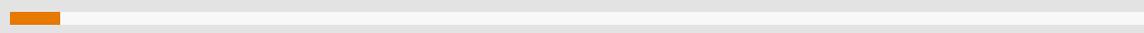
### Construction and fit out of the Nightingale Wing

**£9.6m**



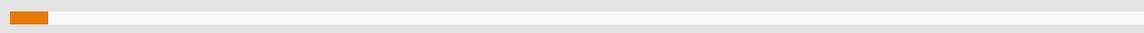
### Additional benefits costs including the Covid-19 Related Emergency Support Scheme ('CRESS')

**£6.1m**



### Redeploying GPs and associated infrastructure

**£5.1m**



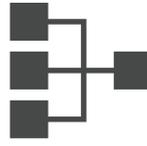
## Financial Review

To address these additional costs in 2020 and to enable greater flexibility should it have been needed, the Minister for Treasury and Resources approved the following additional funding:

Up to

**£100m**

from the Consolidated Fund  
(into General Reserves)



**£5.3m**

from the Health Insurance Fund  
(into General Reserves), approved  
by the States Assembly



**£65.3m**

cancelled Supplementation  
grant to Social Security Fund  
to fund COVID-19 pressures  
via General Reserves



**£78m**

from the Stabilisation Fund  
(into General Reserves), also  
approved by the States Assembly



**£8.1m**

of unspent capital  
(into General Reserves)



Of the £190 million costs identified in departments, £181 million was funded from General Reserves, financed from the above sources with the remaining £9 million managed from within existing approved budgets.

A full breakdown of the £190 million of Covid-19 costs is provided in the Financial Review Appendix of this section on page 146.

## Financial Review

It is important to recognise that the support provided during pandemic, was not limited to the above measures or amounts - some continue beyond the end of 2020 as identified in the [Government Plan 2021-24](#).

Additional impacts in 2020 include:

- The opportunity for all to defer Social Security contributions for the first two quarters of the year and the 4th quarter for those closed as a result of the Winter circuit breaker. There was an estimated £16 million of deferrals (cashflow)
- Similarly GST payment deferrals were available, and up to an estimated £20 million were accordingly deferred (cashflow)
- Reduced taxation income, including social security contributions
- A cut to employee social security contributions, for October 2020 to June 2021, the estimated impact of which was £8 million in 2020
- Business Disruption Loan guarantee scheme.

Further steps taken in [Government Plan 2021-24](#):

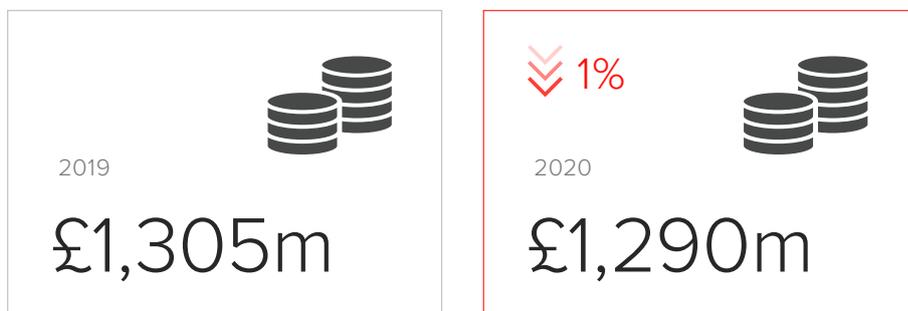
- Borrow up to a maximum of £336 million, to ensure sufficient liquidity arising from the above impacts and the associated additional spending allowed for in the Government Plan for 2021 to continue to respond to the pandemic.
- Fiscal Stimulus Fund of £50 million established to provide economic stimulus into the economy over the coming year to encourage as strong a recovery as possible.

More information can be found in Part 1 of the Government Plan 2021-24.

# Income

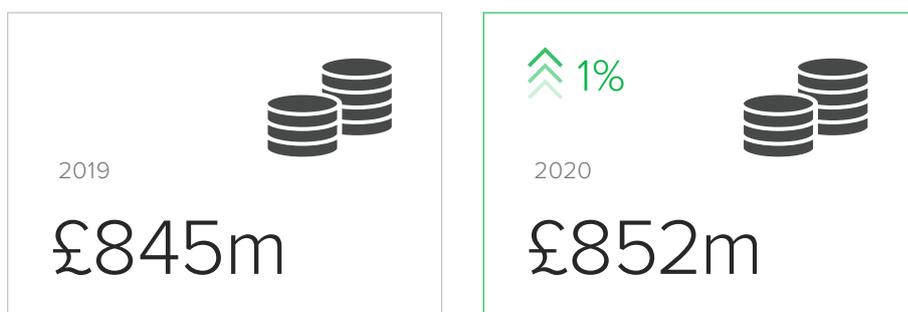
## Consolidated Group

Income, excluding gains/losses on the revaluation of investments, reduced by £15 million (1%) in 2020, compared to 2019. While there was a £20 million (8%) drop in operational income due to the impact of the pandemic in 2020, income from social security contributions and duties increased over those of 2019 and the reduction in taxation income was considerably less than was anticipated earlier in 2020 when the impacts of the pandemic were more uncertain. More detail is provided later in this section on page 126.



## States Assembly Approved

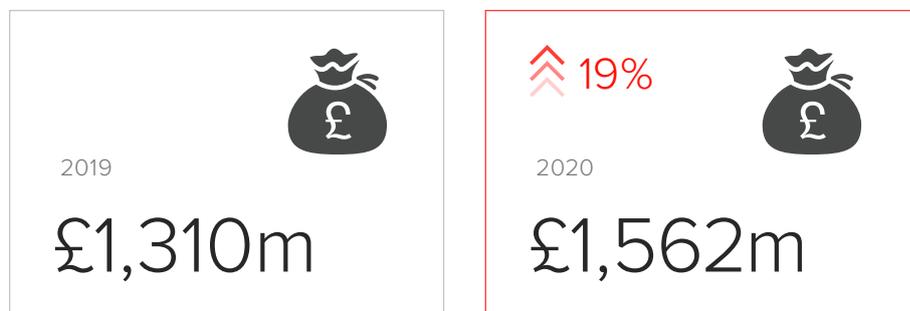
An increase in States Net General Revenues Income of £7 million (1%) from 2019 mainly arises from increases in Companies Tax, Impôts and GST revenue. This was more than was forecast in 2020, but less than that forecast before the pandemic. Whilst undoubtedly certain sectors of the economy were badly impacted by the pandemic, the taxation and duty estimates indicate that overall the reduction to the economy, to date, might not have been as severe as originally forecast. The impacts on business profits however will not be reflected in taxation receipts until 2021 at the earliest. More detail is provided later in this section on page 128.



# Expenditure

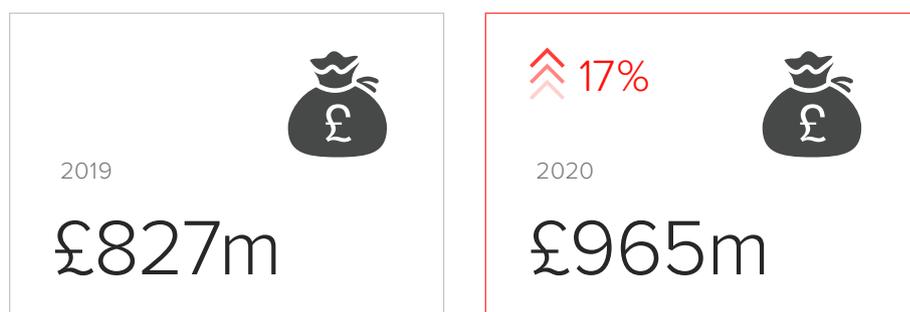
## Consolidated Group

Expenditure increased by £252 million (19%) from 2019 reflecting the additional costs associated with the response to the pandemic. The biggest single increase was in social benefits payments with an increase of £139m (33%) which included £104m of costs related to the Payroll Co-funding and Covid-19 Related Emergency Support Scheme ('CRESS') costs. Other operating costs and staff costs also increased by £48 million (16%) and £41 million (10%) respectively. More detail is provided later in this section on page 126.



## States Assembly Approved

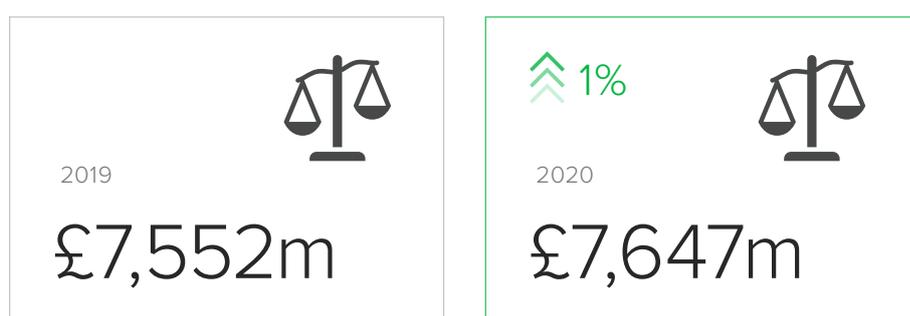
Departmental net expenditure, including depreciation, increased by £138 million (17%), which is primarily the impact of Covid-19 on increasing expenditure and reducing departmental income across departments, offset by the cancellation of the States Grant to the Social Security Fund (£65m). More detail is provided later in this section on page 131.



# Balance Sheet

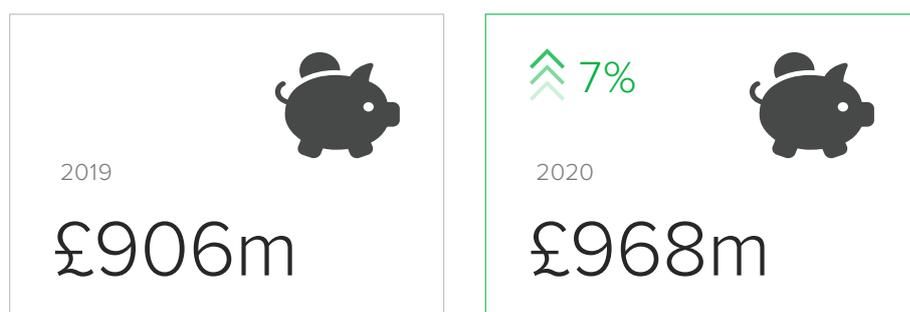
## Consolidated Group

Notwithstanding the considerable additional support to Islanders and business arising from the pandemic, a strong balance sheet is maintained with a net asset position of £7.6 billion. An increase in the net asset position of 1% is mainly attributable to the increase in the value of investments and the revaluation of infrastructure and property assets. More detail is provided later in this section on page 137.



## Strategic Reserve

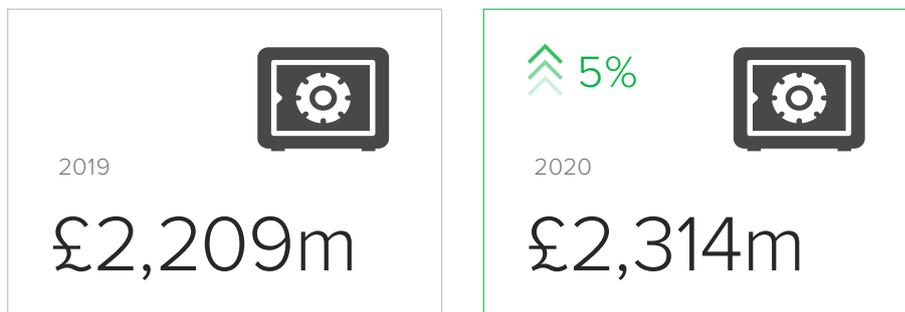
The Strategic Reserve remains in a strong position with a balance of £968 million following investment gains of £69 million, reflecting the overall investment performance as at the end of 2020 despite a year of extreme volatility in valuations.



## Social Security Funds

The Social Security Funds have increased in value by £105 million (5%) from 2019, despite a year in which the funds contributed significantly towards tackling the pandemic.

The largest of these funds, the Social Security (Reserve) Fund, recognised investment gains of £165 million in 2020. It remains well placed to manage movements in the market thanks to the investment strategy in place and the longer-term investment performance horizon. Five-year investment performance for the fund was 10.2%. A transfer was made from the Social Security (Reserve) Fund to the Social Security Fund in 2020 to offset the impact of cancelling the grant from States Treasury and Exchequer of £65.3 million which was re-directed towards funding the Covid-19 response in 2020.



# States of Jersey Group

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The 2020 Annual Report and Accounts presents the financial outturn for the States of Jersey Group, as well as the outturn for the income and expenditure approved by the States Assembly. This section of the report provides background information about the services and activities those figures represent, setting out what is and what is not included in the Group and States of Jersey's accounts.

## Government Activities

The Government collects taxes and other levies to fund the provision of a wide range of public services which it administers. These include health care, education, social security, the administration of justice, the provision and maintenance of infrastructure, the protection of the environment and support for the economy, agriculture, fisheries, arts, culture and sport. These functions are primarily carried out by Government and Non-Ministerial departments.

# The States of Jersey Accounting Boundary

The entities included within the States of Jersey Accounting Boundary are shown below. More information on specific entities is given below.

## Core Entities

The Government collects taxes and other levies to fund the provision of a wide range of public services which it administers. These include health care, education, social security, the administration of justice, the provision and maintenance of infrastructure, the protection of the environment and support for the economy, agriculture, fisheries, arts, culture and sport. These functions are primarily carried out by Government and Non-Ministerial departments.

### *Consolidated Fund – General Revenues and Department Expenditure*

The Consolidated Fund is governed by the Public Finances (Jersey) Law 2019 and is the fund through which the majority of the States' income and expenditure is managed, including Net General Revenue Income and departmental income and expenditure.

### *Trading Operations*

Under the Public Finances (Jersey) Law 2019, the States can designate any distinct area of operation as a States Trading Operation. Estimates for Trading Operations are approved in the Government Plan.

### *States Funds*

In addition to the Consolidated Fund, the Public Finances (Jersey) Law 2019 names three States Funds – the Strategic Reserve Fund, the Stabilisation Fund and the Insurance Fund.

These relate to the operation of the States of Jersey in general. The Public Finances (Jersey) Law 2019 also allows the States to establish special funds (also known as Separately Constituted Funds) for specific purposes.

These are usually established by legislation or a States Assembly decision. A full list of the funds, their purpose and the net asset values held is provided later in this section on page 141.

### *Social Security funds*

In 2013 the Accounting Boundary was expanded to include the Social Security Fund, Social Security (Reserve) Fund and Health Insurance Fund. The Jersey Dental Scheme and the Long-Term Care Fund, were also included in this category.

## States-controlled subsidiary entities

### *Andium Homes Limited*

The wholly owned social housing provider. It is Jersey's largest provider of affordable housing, managing more than 4,500 properties and providing homes for more than 10,000 Islanders.

### *Ports of Jersey Limited*

The wholly owned operator of the Island's Airport and Harbours, providing the strategic gateway infrastructure and associated services.

### *States of Jersey Development Company*

The wholly owned company responsible for the development and regeneration of States owned property no longer required for the delivery of public services.

The above subsidiaries are distinguished from the Strategic Investments in the utility companies shown below by way of the level of control exerted by the Government of Jersey. This judgement has been written in to the accounting boundary defined in the Jersey Financial Reporting Manual ('JFRoM') but it is anticipated it will be removed and these entities will also be consolidated within the States of Jersey accounting boundary in future years as part of the continual review of the JFRoM against International Financial Reporting Standards ('IFRS').

The relationship with the entities below is judged to be sufficiently different to consider them outside of the group boundary for accounting purposes.

# Public sector bodies outside of the Accounting Boundary

Some functions of government are carried out by public sector bodies that are outside of the Accounting Boundary (and so are not included in these accounts). These include:

## Parishes

The Parishes perform various government functions, including refuse collection, provision of some parks and gardens and the issuing of some licenses. Details of the functions of individual parishes can be found on the Parishes' websites.

[www.parish.gov.je](http://www.parish.gov.je)

## Trust and bequest funds

The States administers a number of trust and bequest funds. These funds commonly set defined purposes for the use of their assets, and so are not controlled by the States directly.

## Strategic investments

The Government owns controlling investments in the following utility companies:

- Jersey Electricity PLC
- The Jersey New Waterworks Company Limited
- JT Group Limited
- Jersey Post International Limited

In accordance with the interpretation of direct control applied in the JFReM based on the States, Council of Ministers or a Minister exercising in year control over operating practices, these entities are not consolidated in these accounts and are held as strategic investments.

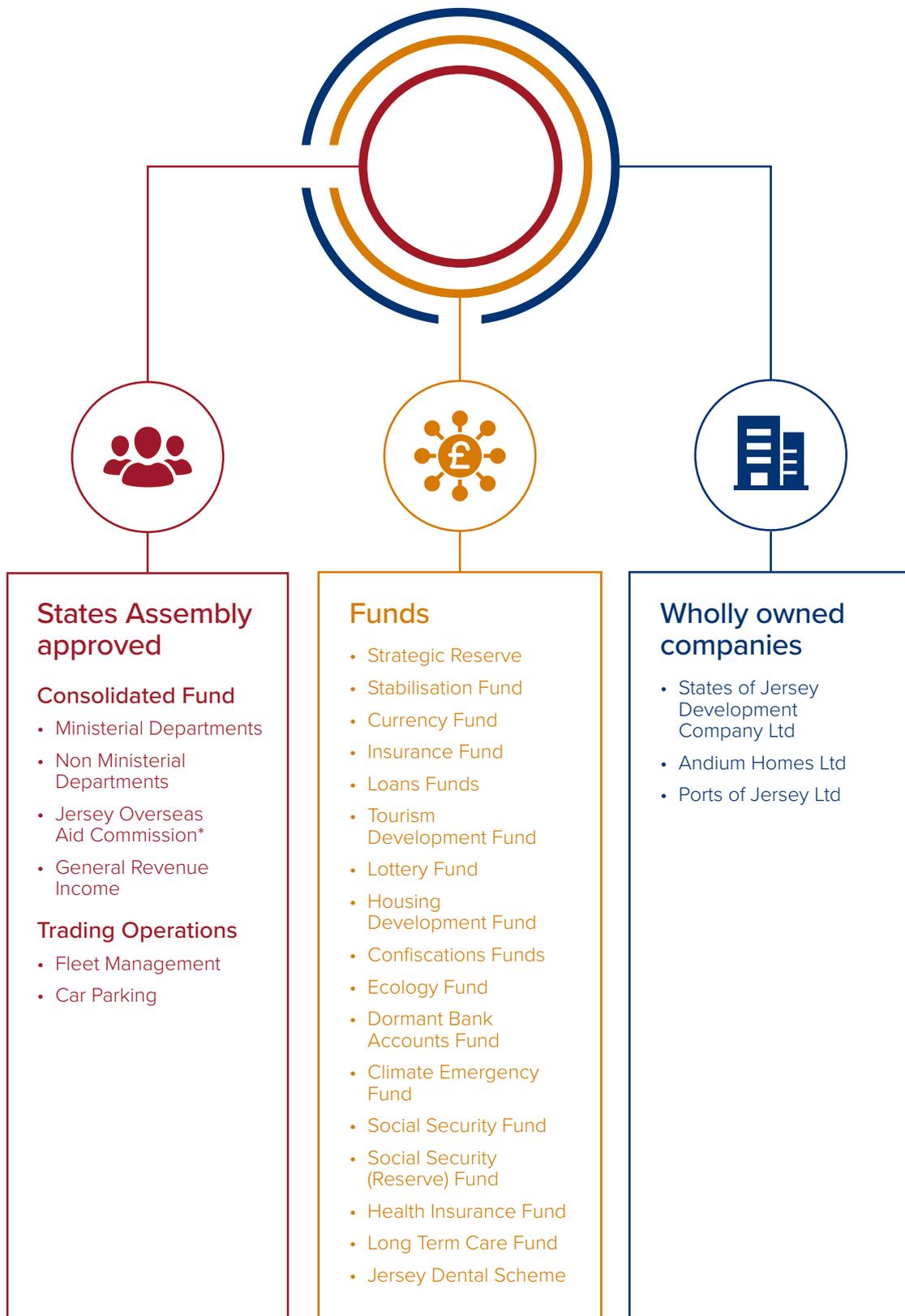
This judgement has been written in to the accounting boundary defined in the Jersey Financial Reporting Manual ('JFReM') but it is anticipated it will be removed and these entities will also be consolidated within the States of Jersey accounting boundary in future years as part of the continual review of the JFReM against International Financial Reporting Standards ('IFRS').

More information about the valuation of these companies is given in Note 4.11.

## Independent bodies

Independent bodies, including the Jersey Competition Regulatory Authority and the Jersey Financial Services Commission, for example, mainly provide supervisory and regulatory functions, and are established by legislation to be independent of the States of Jersey.

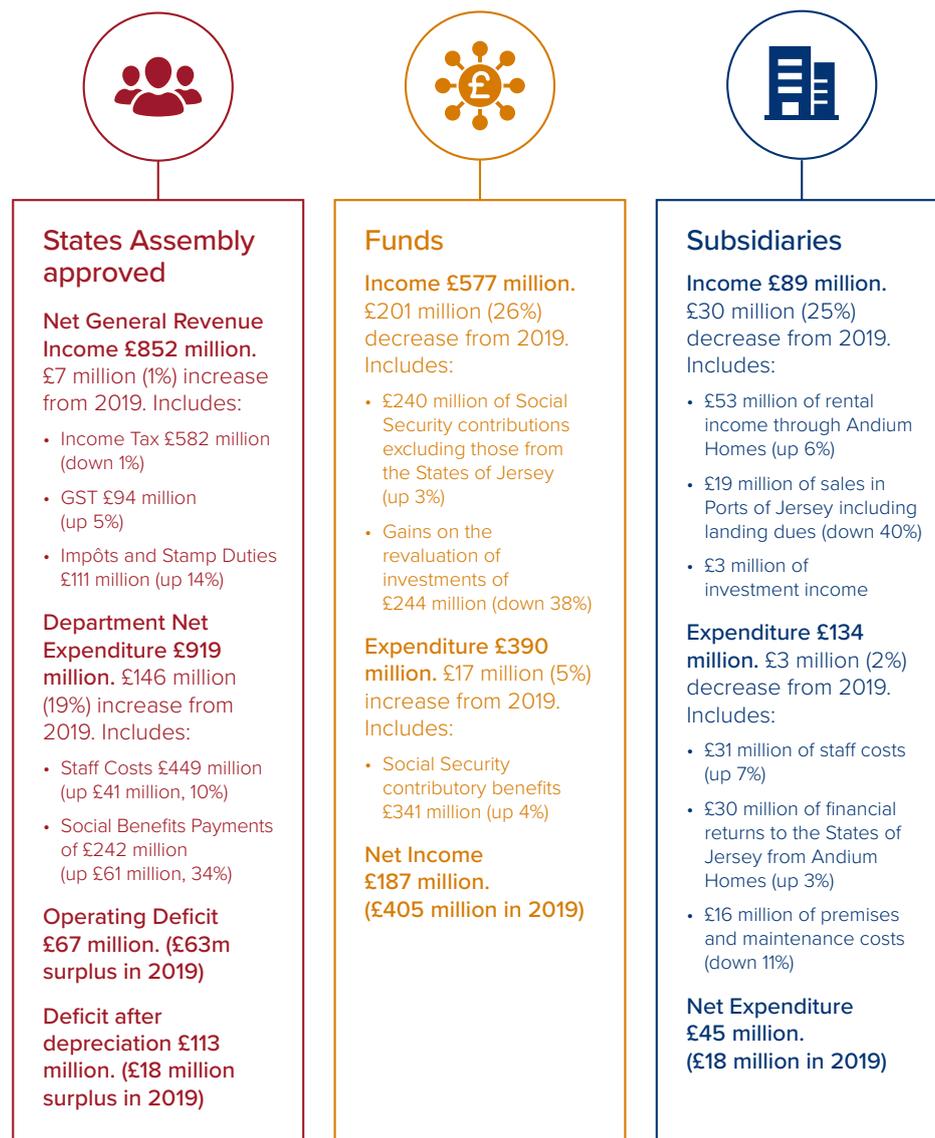
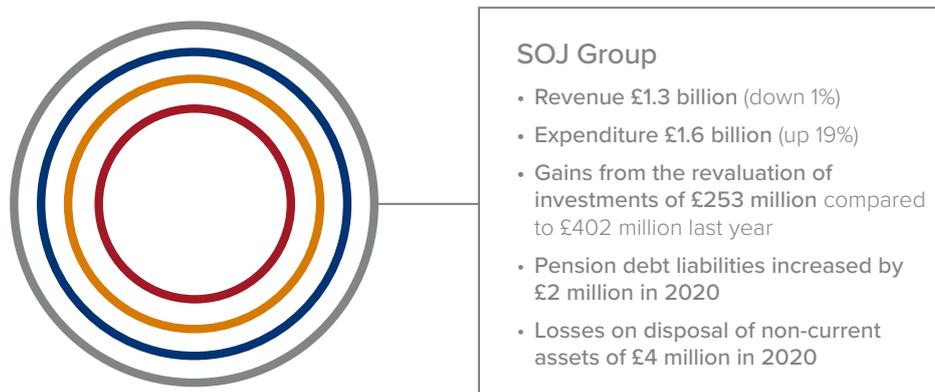
# States of Jersey Group (SOJ Group)



\*The Jersey Overseas Aid Commission, known publicly as 'Jersey Overseas Aid' has been designated as a Specified Organisation in the Public Finances Law. It is a separate entity funded by a grant from the States Assembly but is included in this group for reporting purposes as it includes Commissioners who are States Members.

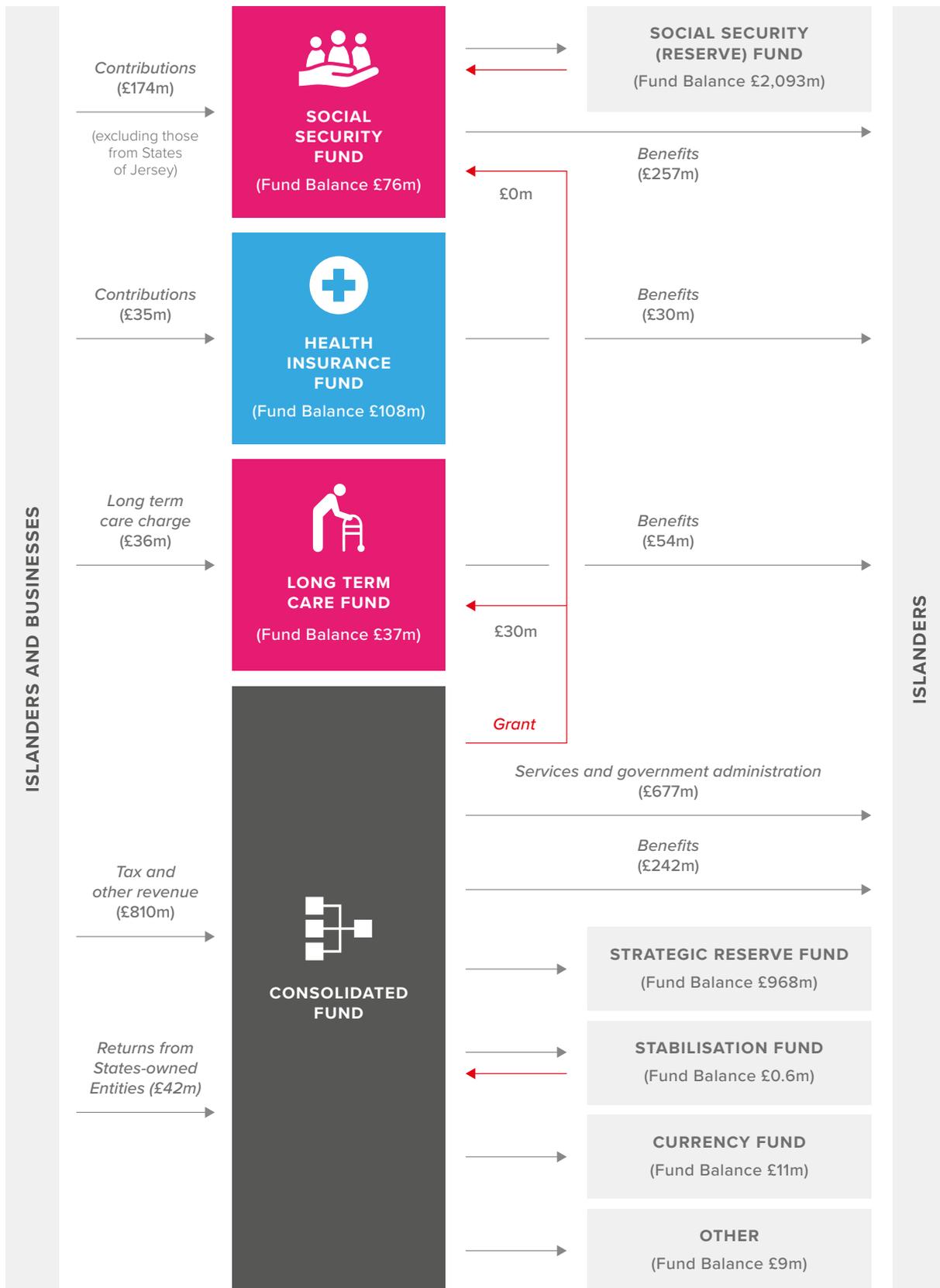
# SOJ Group – Financial Performance

The highlights for the States of Jersey Group and for the States Assembly Approved financial results:



(Rounding applied)

# How Islanders' Money Is Used



# Financial Summary 2020

## States of Jersey Group

### Revenue



### Expenditure



### Overall

**£24m deficit**

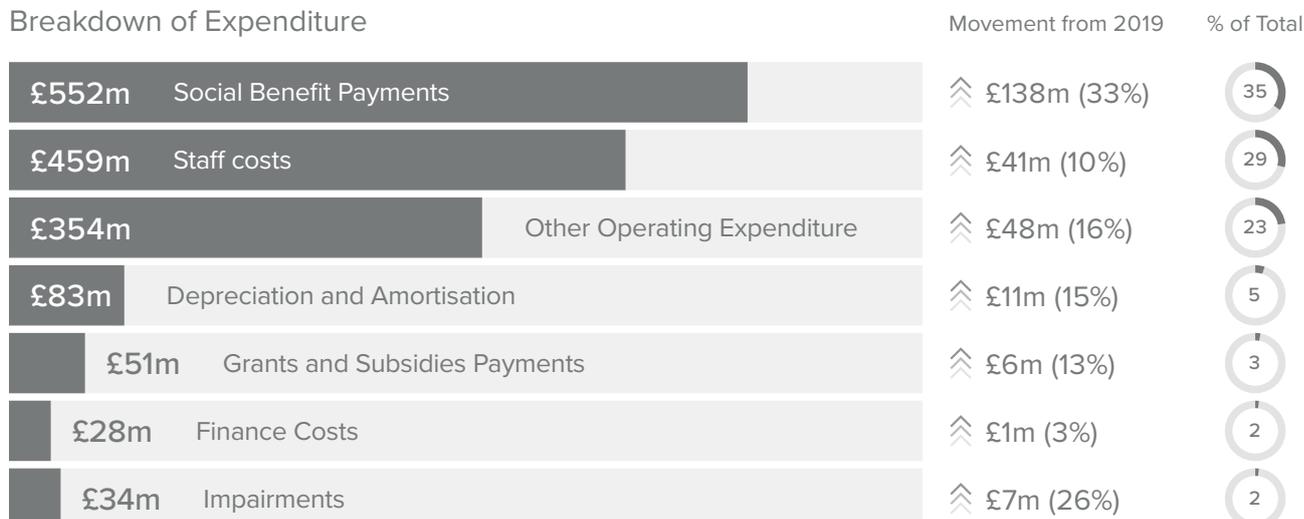
(including investment gains and movements in pension past service liabilities)

### Breakdown of Revenue\*



\*Investment gains and losses and the movement in the pension debt liability have been excluded from the revenue and expenditure lines to make year on year comparison of underlying performance more understandable.

### Breakdown of Expenditure



(Rounding applied)

## Financial Review

Excluding gains on the revaluation of investments and the movement in the pension liabilities, expenditure exceeded income by £271.7 million in 2020, compared with £5.4 million in 2019. (See the 'Operating Net Revenue Expenditure/(Income)' line in the Statement of Comprehensive Net Expenditure on page 248)

2020 was a year of reduced revenue and increased expenditure reflecting the economic and operational impacts of Covid-19 across the Island and government.

Income from social security contributions and duties increased by £6.4 million (3%) and £13.8 million (12%) respectively in 2020 with those increases offset by reductions in all other revenue streams. This was offset by an increase in expenditure of £251.6 million (19%) including a 33% increase in social benefits costs and 15% increase in operating expenditure largely attributable to the pandemic response.

**Spotlight on: Social Security Income (excluding States of Jersey contributions)**

Social Security Contribution rates were changed for 2020 with a view to raising additional income to fund new paternity benefits. Specifically, the contribution rate above the Standard Earnings Limit and Upper Earnings Limit for employers increased from 2% to 2.5%. The Upper Earnings Limit was also increased from £176k to £250k.

As it transpired, the economic impacts of the pandemic contracting earnings and the decision to temporarily reduce employee contributions by 2% from October 2020 as part of the package of measures to support Islanders and businesses through the pandemic resulted in a reduction in Social Security Fund (down £5.3 million/3%) and Health Insurance Fund (£2.6 million/8%) contributions compared to 2019. This was offset by an increase in Long Term Care contributions of £14.3 million (67%) following the increase in the maximum contribution from 1% to 1.5% from 1 January 2020.

## Non-Operating Gains/Losses

The Common Investment Fund performed robustly in 2020 generating a net return of 8.1% against a market benchmark of 7.3%. While this resulted in gains in 2020 they were lower than 2019; £253 million compared to £402 million. This reflected the rapid recovery seen in global markets following the significant fall seen in the 4 months of the year, at the start of the pandemic.

Investments are subject to volatility when reviewed over a period as short as a single year and are best viewed over a long term investment horizon. The annualised return of the CIF over 3 and 5 years respectively was 6.0% and 8.7%, this return represented an outperformance of the market weighted benchmark by 0.4% and 0.3%.

The movement in the pension debt liabilities was £2 million compared to £29 million in 2019 and there were losses of £4 million on disposal of assets in 2020. These items have been separated in the financial statements as they are non-operational and subject to greater volatility. Isolating them makes it easier to understand the underlying financial performance of the organisation.

Including all of the above, there was a deficit of £24 million in 2020 compared to a surplus of £368 million in 2019.

(See the 'Operating Net Revenue Expenditure/(Income)' line in the Statement of Comprehensive Net Expenditure on page 248).

## States Assembly Approved

### Net General Revenue Income

£845m	2019
£852m	2020

### Expenditure (including depreciation)

£817m	2019
£965m	2020

### Overall

**£113m  
deficit**

(after depreciation)

### Breakdown of Net General Revenue Income

	Movement from 2019	% of Total
£582m Net Income Tax	⚡ £4m (1%)	68
£94m Goods and Services Tax (GST)	⬆️ £4m (5%)	11
£74m Impôts Duty	⬆️ £11m (18%)	9
£37m Stamp Duty	⬆️ £2m (6%)	4
£13m Island Rate	⚡ £0.6m (4%)	2
£11m Other Income (Dividends)	⚡ £3m (21%)	1
£9m Other Income (Non Dividends)	⚡ £4m (31%)	1
£31m Other Income (Return from Housing Associations)	⬆️ £1m (3%)	4

(Rounding applied)

Expenditure including depreciation was £113 million more than income compared to income exceeding expenditure by £28 million in 2019.

Net General Revenue Income for 2020 was £852.0 million compared to £845.4 million for 2019 largely as a result of:



## Net Income Tax

Net income tax was £4m (1%) lower than 2019 and comprised Personal Income Tax of £462.8 million and Companies Income Tax of £119.6 million.

Personal income tax for 2020 is £12.2 million (3%) lower than reported in 2019. This is £41.2 million lower than the estimate in the Government Plan 2020 but it has not fallen to the extent expected in the most recent forecast included in the Government Plan 2021-24. The income recognised is still based on an estimate with an element of uncertainty around how earnings have been affected by the pandemic that will not be fully known until taxpayers complete their final assessments.

Companies Tax increased by £5.0 million (4%) from 2019 which was £4.6 million higher than estimated in the Government Plan 2020 and in-line with the latest forecast used in the Government Plan 2021-24. The impact of the pandemic will not be seen in receipts until 2021 as Company Income Tax is recognised a year in arrears once returns are submitted.



## GST

Increased by £4.2 million (4%) compared to 2019. The outturn was £2.8 million lower than the estimate in the Government Plan 2020 but £15.7 million higher than the forecast included in the Government Plan 2021-24 which was developed based on a number of uncertain assumptions around the impact of the Covid-19 pandemic on economic conditions and the performance of various market sectors.

£4.1 million of income recognised in 2020 related to 2019 as the final returns were higher than the estimated amounts recognised in 2019. Adjusting for this would flip the year on year movement to a decrease of £4.0 million (4%) from 2019.

While there is an element of estimation in this outturn, the analysis does suggest that some sectors were not affected to the extent forecast.

Scenarios of reduced economic activity in key sectors, particularly construction; hospitality; and retail were prepared in advance of the innovation that was subsequently demonstrated by those sectors. For example, most construction kept going through lockdown; house sales prevailed, albeit with a short period of disruption; the hospitality sector was particularly innovative in developing new business models for take-away and home-delivery services; as were local retailers who grew their online presence.

Overall, indications are that the spend that would normally have been taken off-island through Islanders travelling for holidays has been replaced with spend locally which has more than offset the GST impact of the lost tourism trade and potentially boosted revenue in certain sectors.



## Impôts Duties

Increased by £11.4 million (18%) from 2019 which is £6.0 million higher than estimate in the Government Plan 2020 and £6.5 million higher than the forecast included in the Government Plan 2021-24.

This was primarily due to an increase in tobacco duties attributed to the lack of Duty-Free imports with restricted travel in 2020. Alcohol duties also increased with indications that reduced Duty Free and consumption shifting from hospitality venues to homes, thus maintaining imports. Again, impôts receipts have been boosted by Islanders not being able to travel for holidays and other reasons.



## Stamp Duty

Despite weeks of lockdown in the first half of the year, receipts increased by £2.2 million (6%) from 2019 which is £1.7 million higher than estimate in the Government Plan 2020 and £8.1 million higher than the forecast included in the Government Plan 2021-24. Again, the impact of the pandemic on housing sales was uncertain at the point the last forecast was developed. While volumes were stable, the overall value of transactions increased in 2020 with seven out of twelve months exceeding the 2019 Stamp Duty receipts.

There was an increase in the number of high value properties purchased during 2020 and it was in these market segments where the increase in Stamp Duty receipts over 2019 was recorded.



## Other Income Sources

Across other income lines there was a £6.9 million decrease from 2019, predominantly due to a reduction in investment income compared to 2019. £2.0 million of this reduction results from a dividend received from SoJDC in 2019 where no equivalent dividend was paid in 2020.

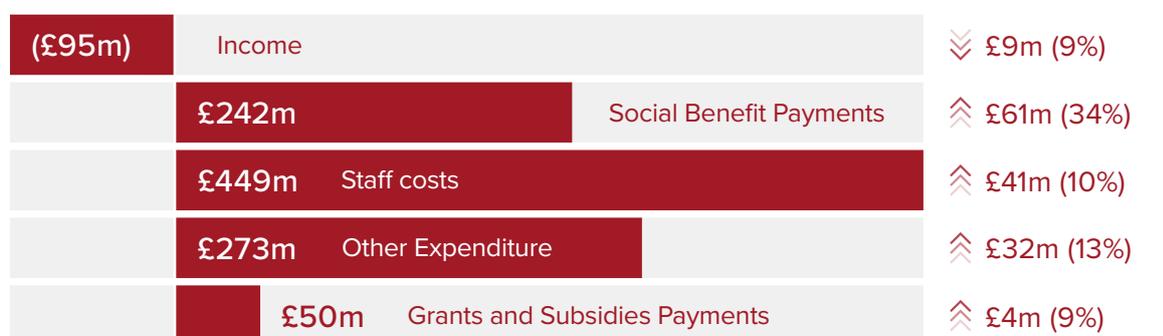
## Financial Review

## Breakdown of Net Revenue Expenditure By Department



(Rounding applied)

## Breakdown of Net Revenue Expenditure By Type



(Rounding applied)

In 2020, Near Cash Net Revenue Expenditure for departments was £919 million (2019: £772 million excluding project spend now mapped to projects). This included departmental income of £95 million (2019: £104 million), giving gross expenditure of £1,014 million (2019: £876 million).

The £148 million (19%) increase in departmental net expenditure was largely driven by the response and management of the Covid-19 pandemic and is net of the cancellation in the Grant to the Social Security fund (£65.3 million).

## Customer and Local Services

Increased by £122.6 million (146%) from 2019. This position includes £112.1 million of additional income support spend on the Covid-19 response including £97.9 million on the Payroll Co-Funding scheme which was funded from the additional Covid-19 funds provided through the General Reserves.

## Treasury and Exchequer

Reduced by £57.5 million (46%) from 2019. This was primarily due to the decision to cancel the £65.3 million grant to the Social Security Fund in 2020 to re-direct that funding towards the Covid-19 response.

## Health and Community Services

Increased by £31.0 million (15%) from 2019 with £23.6 million of Covid-19 costs and reduced income included in 2020 which was funded from the additional Covid-19 funds provided through the General Reserves.

Staff costs make up the majority of the Department's costs; there was an increase in staff costs in 2020 as demand increased to manage the pandemic. The Department also received £10.6 million of additional funding for pay awards in 2020. (See Staff Report for more details).

## Children, Young People, Education and Skills

Increased by £11.0 (8%) from 2019. 2020 includes £3.5 million of net Covid-19 costs.

2020 has been dominated by the pandemic which has impacted on all areas of the Department, broadly in proportion to budgets. Specific Covid-19 funding was approved and allocated to a small number of stand-alone projects.

Overspends in Education arose due to the additional staff required to manage the growing number of students and, particularly, the increasing number of students with additional needs. These overspends were offset against underspends in all other areas of the Department which were largely caused by the pandemic restricting recruitment and the implementation of investment initiatives.

## Justice and Home Affairs

Increased by £19.0 million (36%) from 2019. 2020 includes £16.5 million of Covid-19 costs; primarily the cost of the Test and Trace programme which was led by the Department.

## Infrastructure, Housing and Environment

Increased by £8.3 million (15%) from 2019. 2020 included £18.3 million of Covid-19 costs including £9.6 million on the construction and fit out of the Nightingale Wing. The

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**Financial Review**

Department also suffered from significantly reduced income in 2020 as the pandemic and the measures put in place to manage it affected operations. A total of £4.4 million of lost income was attributed to Covid-19 due to closed sports centres, reduced planning and building control activity and reduced tipping of solid waste.

**Spotlight on: Staff Costs**

Increased by £41 million (10%) from 2019. This increase was driven by the pay awards across pay groups in 2020 as identified in the Staff Report on page 198 as well as: £4 million for redeploying GP's via the Health and Community Services Department as part of the Covid-19 response, £7 million on Covid-19 related staffing including the Test and Trace Programme and £3 million on revised operating models in departments and new posts funded from Growth.

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## Funds

During 2020, the funds saw income exceed expenditure by £186.4 million compared to a net income of £405.0 million in 2019. The biggest impact in 2020 was the performance of investments which provided revaluation gains of £243.7 million in 2020 compared to £390.2 million in 2019 before group consolidation adjustments. These returns still enabled the fund net asset values to grow despite the draw on the Social Security Funds as part of the response to the pandemic.

A more detailed look at investment performance in 2020 can be found on page 138.

The Social Security Fund was also impacted in 2020 by the approval of the States Assembly to cancel the £65.3 million grant paid by the States Treasury and Exchequer from taxation income to supplement Social Security Contributions. The Fund managed that lost income in 2020 through a transfer from the Social Security (Reserve) Fund.

The Fund balances can be found later in this section on page 141.



## Subsidiary Companies

These accounts consolidate the activities of three wholly-owned subsidiary companies: the States of Jersey Development Company, Andium Homes Limited and Ports of Jersey.

The headline performance of each is shown below including investment gains/ losses and payments made to or from the States of Jersey which are adjusted out in the group Accounts.

### Jersey Development Company Net Income

£5.2m	2019
£0.2m	2020

Jersey Development Company's operational performance remained stable with property rental and car parking income offsetting staff and operational expenses.

Net income reduced in 2020 due to gains from the sale of developments received in 2019 offset by a dividend to the States. There were no development gains in 2020 and a dividend of £0.3m was paid.

Developments continue to be funded from retained earnings and financing.



## Financial Review

## Andium Homes Net Expenditure

2019	(£25.8m)
2020	(£15.6m)

Andium's performance remained stable in 2020 with a £2.2 million increase in operational income which is predominantly property rental.

The decrease in net expenditure in 2020 from £25.8 million in 2019 to £15.6 million in 2020 follows an increase in income and reduced impairment expenses in 2020.

## Ports of Jersey Net Income/(Expenditure)

2019	£2.3m
2020	(£30.2m)

While the States of Jersey Development Company and Andium Homes were not significantly impacted by the pandemic during 2020, Ports of Jersey suffered significant financial impacts through the loss of travel through the airport and, to a lesser but still significant extent, the harbour.

Ports of Jersey income fell £18.5 million (38%) to £30.6 million in 2020. The biggest impact was seen at the Airport where the significant drop in passenger numbers with restricted travel had a direct effect on reducing income from:

- Passenger Landing Charges – down £9.6 million (76%) to £3.1 million
- Concessions – down £3.8 million (70%) to £1.6 million
- Aircraft charges – down £2.8 million (58%) to £2.0 million

Overall, Ports of Jersey went from net income of £2.3 million in 2019 to net expenditure of £30.2 million in 2020.

The financial performance reported above for the subsidiary companies may vary from those reported directly by the entities due to adjustments made to conform with the accounting framework applied by the States of Jersey in the JFRoM.

More information can be found in the Annual Report and Accounts for each entity which will be published through their respective websites below.

[Andium Homes Limited](#)

[Ports of Jersey Limited](#)

[States of Jersey Development Company Limited](#)

## Capital Expenditure

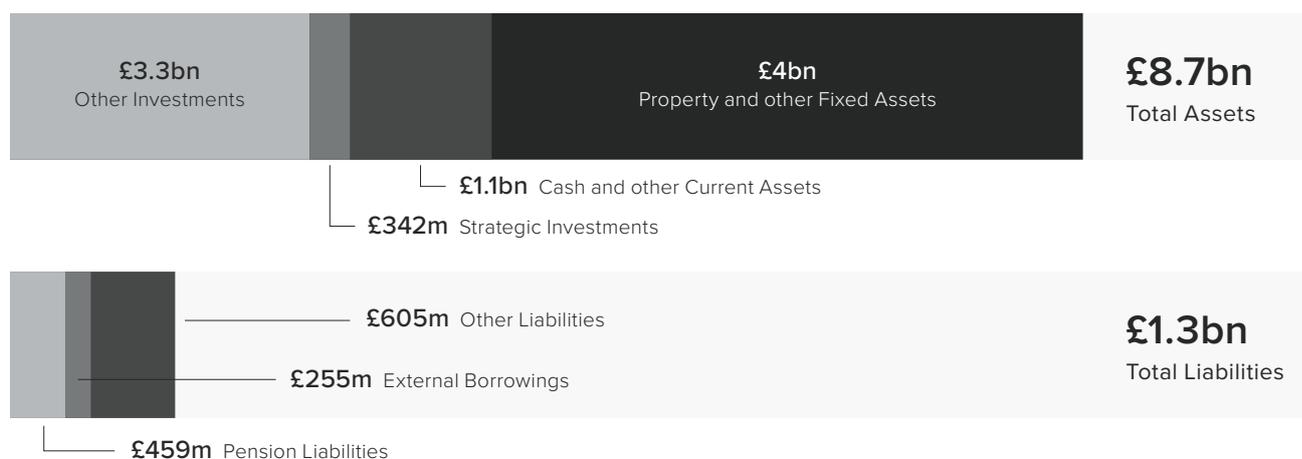
Notwithstanding the pandemic, 2020 saw significant capital and project expenditure. A total of £173 million - equivalent to 4% of the total value of property, plant and equipment - was spent on capital projects across the States of Jersey Group, comprising:

£173 million	<p><b>£92m</b></p> <p>by Departments including:</p>	<p><b>£20.8m</b> on the Liquid Waste Strategy</p> <p><b>£10.7m</b> on roads, drainage and sea defence infrastructure projects</p> <p><b>£10.6m</b> on Our Hospital</p>	
	<p><b>£4m</b></p> <p>by Trading Operations including:</p>	<p><b>£2.0m</b> on vehicle and plant replacement</p> <p><b>£1.5m</b> on Ann Court Car Park</p>	
	<p><b>£60m</b></p> <p>by Andium Homes including:</p>	<p><b>£14.5m</b> on Le Squez Phase 4</p> <p><b>£9.5m</b> on La Collette Low Rise</p> <p><b>£7.7m</b> on Hue Court</p>	
	<p><b>£7m</b></p> <p>by Ports of Jersey including:</p>	<p><b>£2.4m</b> on HBS Upgrade</p> <p><b>£2.2m</b> on the Airport Integrated Terminal</p> <p><b>£1.1m</b> on AHTS Vessel</p>	
	<p><b>£10m</b></p> <p>by States of Jersey Development Company on:</p>	<p><b>£8.9m</b> on the Horizon Development</p> <p><b>£0.6m</b> on the International Finance Centre</p>	

## SOJ Group – Balance Sheet

The States net asset position of £7.6 billion is illustrated by the chart below. The States has total assets of £8.7 billion compared to total liabilities of £1.1 billion. This is an increase in the net asset position of £95 million from £7.6 billion in 2019.

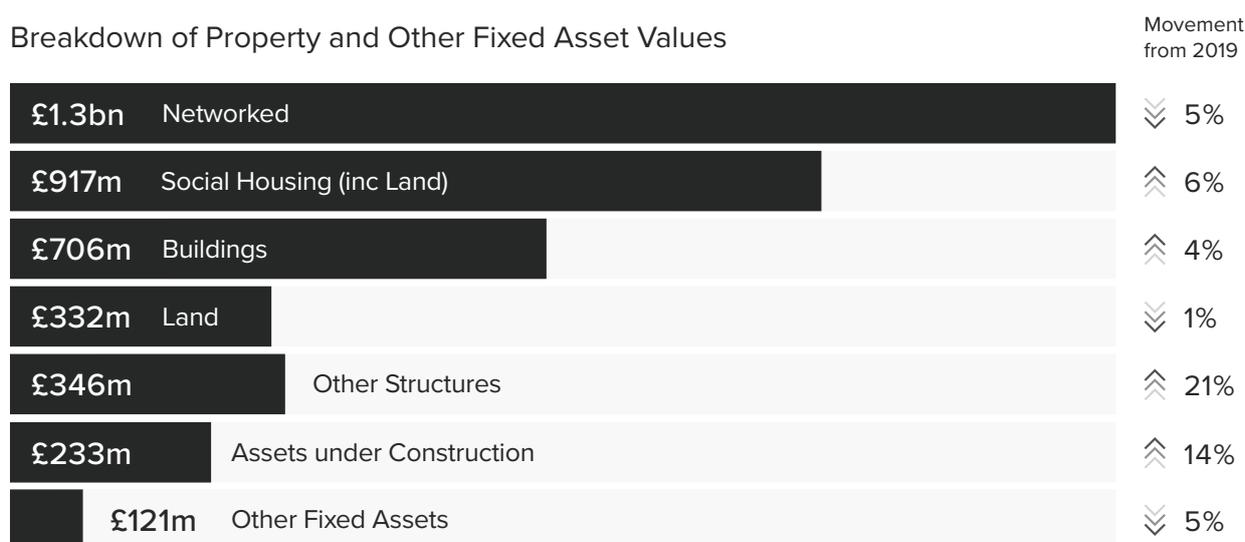
### Breakdown of Assets and Liabilities



(Rounding applied)

The majority of the States assets comprise property, plant and equipment of £4.0 billion, which includes the Island's infrastructure assets, States land and buildings and the social housing stock administered by Andium Homes Limited.

### Breakdown of Property and Other Fixed Asset Values



(Rounded to £'000)

The second biggest group of assets totalling £3.9 billion comprises the cumulative investment holdings and includes the funds of the Strategic Reserve and Social

Security Funds. The largest distinct liabilities held by the States relate to the pension debt liabilities totalling £447 million and the external borrowing £254 million which is almost entirely the bond taken out in 2014 to fund the development of social housing

## Movements in Assets and Liabilities

The value of fixed assets such as land and buildings increased by £121 million (3.1%) in 2020. This follows external professional valuations of infrastructure, social housing assets and land and buildings.

Cash balances reduced by £192 million in 2020. There were some reductions in operational cash but the biggest single movement related to a cash deposit held in the Civil Asset Confiscation Fund in respect of the Abacha case which was repatriated to the USA and Nigeria in 2020. A corresponding payable was recognised at the end of 2019 in respect of the payment to be made in 2020 so the payables balance has also decreased in 2020 as that payment has now been made.

Tax receivables have increased by £165 million in 2020. This is a combination of: the move from Prior Year Basis (PYB) to Current Year Basis (CYB) Personal Tax payers delaying payments on account from the end of 2020 to apply them in 2021 as part of the transition; delays in receiving ITIS returns and payments from companies in respect of employee personal income tax deductions and deferrals of GST payments as part of the measures to support businesses through the pandemic.

As the removal of PYB Personal Income Taxpayers takes effect from January 2021, a whole year of tax debt in respect of 2019 Year Of Assessment for PYB taxpayers will be 'frozen' with payment to be deferred as agreed by the States Assembly in accordance with a repayment plan to be confirmed. This does not affect the 2020 Accounts but will result in a long-term receivable of over £300 million in 2021.

Pensions liabilities relating to past service have increased by £7.7 million, as set out in Note 4.20. The PECSRS pre-87 debt increased by £3.3 million and the provision for JTSF pre 2006 debt increased by £4.4 million. The value of both liabilities is calculated by the scheme actuaries and details of the assumptions are given in Note 4.20. The biggest single change in the assumptions driving the increase in the valuation is the movement in the discount rate reflecting the actuary's assessment of long-term investment returns specific to these arrangements.

## Performance of States Investments

The States operates its investments through the Common Investment Fund (CIF), a pooling arrangement designed to capture economies of scale and enable the effective risk management of the portfolios of Funds administered by the States. Some Funds which participate in the CIF are outside the direct control of the States and therefore not consolidated in these accounts – most notably the Jersey Teachers Superannuation Fund.

2020 saw significant disruption to the world economy caused by the COVID-19 pandemic, which caused considerable market volatility. The long-term impact of the COVID-19 pandemic remains undetermined and the consequences on businesses and

## Financial Review

the wider socioeconomic landscape has yet to be fully understood. Short term returns have however been good, although future returns are subject to increased uncertainty in the immediate future and likely to be subject to ongoing volatility.

During 2020, the Common Investment Fund (“CIF”) as a whole generated a total return of 8.1%, exceeding its market weighted benchmark by 0.8%. The largest invested States Fund within the CIF is the Social Security Reserve Fund, valued at £2.1bn at the year-end which generated a return of 8.7%, outstripping the market weighted benchmark by 0.6% and long-term performance target of Jersey RPI + 3% by 4.8%. The second largest States fund in the CIF, the Strategic Reserve, which follows a more conservative strategy, generated a return of 7.4%, outstripping the market weighted benchmark by 0.5% and long-term performance target of Jersey RPI + 2% by 4.5%.

The three largest asset classes in order of size were Equity, Absolute Return and Absolute Return Bonds, the year-end value of each of these classes was £2.2 billion, £0.6 billion and £0.4 billion respectively. All three classes generated strong absolute performance during 2020 with Equity returning 12.3%, Absolute Return 12.1% and Absolute Return Bonds 3.9%. In relative terms, Equity underperformed its market benchmark by 1%, while both Absolute Return and Absolute Return Bonds outperformed their market neutral benchmarks by 11.4% and 3.3% respectively.

Of the remaining asset classes, noteworthy performance included UK property, of which £0.2bn was held at year end and generated a surprisingly resilient performance given market conditions posting a marginal loss of 1%, and the Alternative Risk Premia class, of which a modest holding of £0.1bn was held at the year end generated a disappointing return of -12.2%.

Although in combination, the above returns represent a positive year for the Fund, the investment returns mask significant in-year volatility. At the end of the first quarter the MSCI World (an index reflecting the world equity market) had fallen by over 30%, before sharply recovering. Equity is a significant driver of returns for the portfolio but invested Funds follow diversified strategies with a wide range of assets intended to provide protection in times of market stress. During the year’s market turbulence, it was pleasing to note that asset classes designed to offer downside protection operate as intended and protect the assets from the worst of the falls.

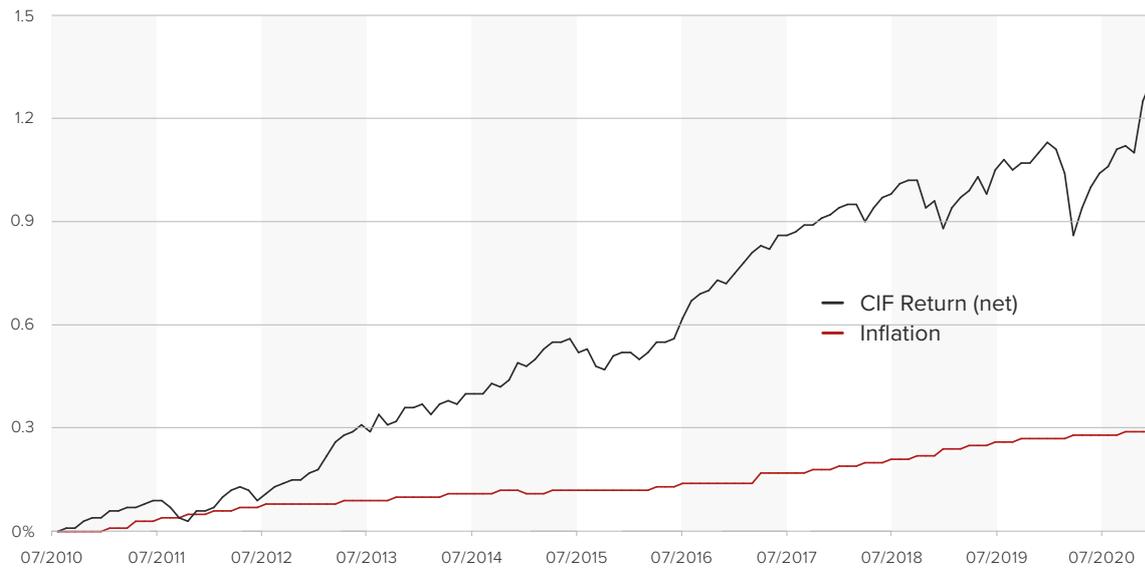
It is important to note that in generating returns the portfolio cannot be fully insulated from short term losses which are expected to be incurred from time to time. The Treasury Advisory Panel will continue to monitor the CIF’s long-term strategic aims and individual managers closely in view of the on-going nature of the Corona virus COVID-19 pandemic. Reassuringly, our experience of 2020 has proven that the portfolio is resilient and well positioned to weather the likely difficult conditions expected to continue in the short-term future as the world economy recovers.

Although it is inevitable that commentary will focus on the 2020’s performance, the Government of Jersey invests over a long-term investment horizon, this allows it to hold positions through bouts of volatility to secure superior returns over a full market cycle. In line with our time horizon performance is best reviewed over the long term. Over 3 and 5 years the Social Security Reserve has delivered an annualised return of 6.6% and 10.2% respectively, exceeding market benchmark by 0.4% over both periods but exceeding the Fund’s target return by 1.3% and 4.5%. For the same time periods the Strategic Reserve has delivered 5.6% and 7.8%, exceeding market benchmark

Financial Review

by 0.3% and 0.2% respectively and exceeding the Fund’s target return by 1.3% and 3.3%. Periods of underperformance or losses are expected and strategies may underperform across multiple time periods however through a systematic strategic approach to allocation, we have a high degree of confidence that we are well placed to meet our long-term investment objectives for the public of the island.

### Cumulative Net Performance vs Jersey RPI

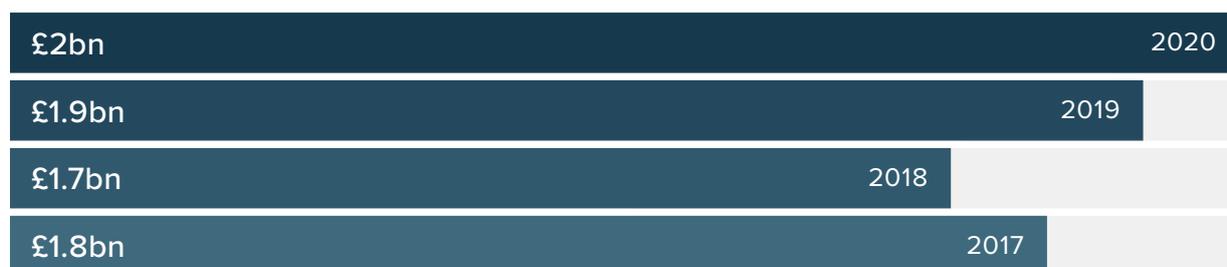


## Summary of Key Funds

### Strategic Reserve Fund



### Social Security (Reserve) Fund



### Special Funds Named In The Law

Special Fund	2020	2019	Function
	£000	£000	
Strategic Reserve Fund	968,124	906,481	<p>Established under the Public Finances (Jersey) Law 2005 and continued in the 2019 Law with the same name, this is 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.</p> <p>The States subsequently approved P.84/2009 which proposed that this policy be varied to enable the Strategic Reserve to be used, if necessary, for the purposes of providing funding up to £100 million for a Bank Depositors Compensation Scheme and P.122/2013 which agreed to the drawdown of approximately £297 million to fund the new hospital services over a period of years.</p> <p>During 2017, P.107/2017 was adopted which amended the purpose of the Strategic Reserve with respect to the funding of the future hospital project. Up to £466 million (deducting £23.6 million already allocated) was then authorised to be drawn, as required, to fund the project. This decision was subsequently rescinded by the States Assembly in agreeing P.5/2019 Future Hospital: rescindment of Gloucester Street as preferred site.</p>

## Financial Review

## Special Funds Named In The Law (continued)

Special Fund	2020	2019	Function
	£000	£000	
Stabilisation Fund	632	49,964	<p>Established under the Public Finances (Jersey) Law 2019, 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.</p> <p>The Fund receives cash allocations in more buoyant economic conditions and makes payments at times of anticipated economic downturn.</p>
Insurance Fund	7,420	7,431	Established under the Public Finances (Jersey) Law 2019 (as amended under P.73/2013), the fund facilitates the provision of mutual insurance arrangements for States funded bodies and other participating bodies.
<b>Total of Funds named in Law</b>	<b>976,176</b>	<b>963,876</b>	

## Financial Review

## Special Funds For Specific Purposes

Special Fund	2020	2019	Function
	£000	£000	
Dwelling Houses Loans Fund	5,226	5,131	Established under the Building Loans (Jersey) Law 1950, to establish a building loans scheme to enable residentially qualified first-time buyers, who have never owned residential freehold property in Jersey, to purchase their first home. No new loans were made in 2019.
Assisted House Purchase Scheme	2,273	2,263	Established in 1977, the purpose of this fund was to aid the recruitment of staff from the UK, by facilitating the purchase of suitable properties by the States on behalf of the employee. It is no longer making new loans.
99 Year Leaseholders Fund	830	830	Established by the former Housing Committee under the general powers of the Building Loans (Jersey) Law 1950, this fund allowed the Committee to lend to individuals offering leasehold property as security (at a time when there was no share transfer or flying freehold legislation). It is no longer making new loans.
Agricultural Loans Fund	568	557	Established under the Agriculture (Loans and Guarantees) (Jersey) Regulations 1974, the fund makes loans to individuals engaged in work of an agricultural nature in Jersey for the purpose of furthering their agricultural business. Approval of new loans to farmers has been suspended.
Tourism Development Fund	17	17	Established under P.170/2001 to replace the Tourism Investment Fund, this fund makes grants to the tourism industry in order to improve Jersey's competitiveness and sustain the industry as an important pillar of the economy.
Channel Islands Lottery (Jersey) Fund	2,124	1,862	Established by the Gambling (Channel Islands Lottery) (Jersey) Regulations 1975, the fund promotes and conducts public lotteries, the draws for which may be held in Jersey or Guernsey. The money held is distributed to charities.
Jersey Innovation Fund	3,880	3,882	Established under P.124/2012, the fund was set up to make investments in private and public sector projects to drive greater innovation in Jersey and improve competitive advantage.
Housing Development Fund	(15,713)	(16,034)	Established under P.74/99 and P.84/99, the fund assists in meeting the requirements for the development of social rented and first-time buyer homes by providing development and interest subsidies.
Criminal Offences Confiscation Fund	8,481	2,435	These funds are established under the Proceeds of Crime (Jersey) Law 1999 and Civil Asset Recovery (International Co-operation) (Jersey) Law 2007 respectively. These funds hold amounts confiscated under law. Funds are then distributed in accordance with the relevant legislation.
Civil Asset Recovery Fund	4,241	4,202	
Ecology Fund	518	485	Established in 1991, the purpose of this fund was to support local environmental projects.
Dormant Bank Accounts	887	323	<p>Established under the Dormant Bank Accounts (Jersey) Law 2017. The Fund serves to receive the balances of dormant Jersey bank accounts transferred in accordance with the law.</p> <p>Money from Jersey bank accounts meeting dormancy conditions, as outlined in the Law and accepted by the Chief Minister, are to be transferred into the Fund annually. Banks may reclaim from the Fund amounts paid out to customers in relation to those dormant accounts, up to a maximum equal to the amount paid in. The Chief Minister having consulted the Minister for Treasury and Resources, may determine to make distributions from the Fund for the purposes outlined below:</p> <ul style="list-style-type: none"> <li>to defray the cost of the remuneration or other payment for the services of the Commissioner due under the terms of his or her appointment and the cost of providing staff, accommodation or equipment that are required for the proper and effective discharge of the Commissioner's functions; and</li> <li>charitable purposes in accordance with the Law.</li> </ul>

## Financial Review

## Special Funds For Specific Purposes (continued)

Special Fund	2020	2019	Function
	£000	£000	
Currency Fund	10,593	8,388	Established under the Public Finances (Jersey) Law 2019, 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.
Hospital Construction Fund	(301)	9,658	Established to manage the funding and construction costs of the new hospital as part of the Future Hospital project. On the 13th February 2019 the States Assembly adopted P.5/2019 'Future Hospital: rescindment of Gloucester Street as preferred site'. Following that decision and in the absence of an alternative site, it was agreed to close the fund. The last of the costs and associated funding from the Strategic Reserve associated with the Future Hospital project will be dealt with at the start of 2020.
Climate Emergency Fund	4,686	0	The Climate Emergency Fund (CEF) was established in the Government Plan 2020-2023. It provides an initial route of income and source of expenditure for projects tackling the climate emergency.
<b>Total of Funds for Specific Purposes</b>	<b>12,445</b>	<b>5,630</b>	

## Financial Review

## Social Security Funds

Special Fund	2020	2019	Function
	£000	£000	
Social Security Fund	76,245	92,212	Established under the Social Security (Jersey) Law 1974, the fund receives all contributions payable under the Law, and pays out benefits such as the old age pension and incapacity benefit and expenditure related to the administration of these benefits.
Social Security (Reserve) Fund	2,092,889	1,983,258	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.
Health Insurance Fund	107,898	107,657	Established under the Health Insurance (Jersey) Law 1967, the fund receives allocations from Social Security Contributions for the purpose of paying claims for medical benefits and pharmaceutical benefit as defined in the law.
Long-Term Care Fund	36,557	26,011	Established under the Long Term Care (Jersey) Law 2013, the fund receives allocations under the Social Security Law, for the purpose of paying out benefits and expenditure relating to long term care.
Jersey Dental Scheme	27	14	The Jersey Dental Benefit Scheme was established under the Jersey Dental Care Subsidy Scheme Act of June 1991 with the objective of providing a professional service of regular dental care to maintain the dental fitness of the members of the Scheme and to maintain a system of peer review of dental services provided to members under the scheme.
<b>Total of Social Security Funds</b>	<b>2,313,616</b>	<b>2,209,152</b>	
<b>Total of All Funds</b>	<b>3,302,237</b>	<b>3,178,658</b>	

Financial Review

# Financial Review Appendix

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## Financial Review Appendix

## Breakdown of 2020 Covid-19 Costs/Lost Income

Dept.	Description	2020 Actuals (£)
CLS	Payroll Co-Funding	97,949,599
	Economic Stimulus (£100 Spend Local and Benefits Stimulus)	11,637,800
	Additional Benefits costs, particularly Income Support	6,053,300
	New line: CRESS Scheme	470,535
	New line: Accommodation Providers Subsidy	2,116,260
	New line: Flu vaccine programme	190,592
	Helpline and other staffing / covid costs funded by CLS	466,807
<b>CLS Total</b>		<b>118,884,893</b>
COO	IT equipment, software solutions and support (Testing and Tracing Programme Phase 2)	947,230
	Additional capacity in People and Commercial Services to support Government departments	224,900
	Laptop Purchase/ software	1,100,000
	Systems and People Link software	779,161
	Cyber, Emergency Resourcing and Service Desk	187,095
<b>COO Total</b>		<b>3,238,386</b>
CYPES	Staffing schools for children of critical workers/vulnerable children, IT & learning at home, support for open nurseries & students	1,990,800
	School fee hardship grants	39,000
	Loss of income from Highlands courses, school fees, nursery fees and miscellaneous sales	666,400
	CAMHS inpatient beds. Conversion of part of the Greenfields Children's secure unit for tier 4 cases in order to release children's inpatient beds at the hospital (Robin Ward)	287,000
	Net costs of reimbursing parents for cancelled school trips.	108,000
	New line: Schools Coronavirus 'Catch up' package and student accommodation	199,333
	New line: Wellbeing and recovery	214,000
<b>CYPES Total</b>		<b>3,504,533</b>
IHE	Construction and fit out costs of the Nightingale Wing	9,554,538
	Reduced income across the Department including solid waste tipping, sports centres and Planning and Building.	4,445,200
	LibertyBus operating subsidy to maintain core bus network during period of significant income loss	1,021,300
	Contact Tracing staff costs	1,122,388
	Contact Tracing software costs	577,428
	New line: Contact Tracing non-staff costs	210,729
	Increased operational costs including additional PPE, sanitising and increased shipping costs.	1,188,550
	Serco (Jersey) Ltd support for Waterfront Pool during closure / restricted operation.	130,000
<b>IHE Total</b>		<b>18,250,133</b>
HCS	Nightingale Wing - operational costs (subject to required use)	644,888
	Reduced income across the Department, mainly Private Patients	3,541,788
	COVID-19 vaccine provision	192,304
	PPE supplies	3,316,390
	Primary Care - redeployment of GPs and associated infrastructure	5,097,056
	Test and Trace - PCR testing, serology testing and equipment	541,082
	Provision of Urgent Treatment Centre during COVID-19 period	825,646
	Intensive Therapy Unit - additional staffing costs	581,536
	Primary Care - Funding of a free consultation with a GP for all Islanders over 80 and all of those with specified chronic disease	918,180
	Key Worker Accommodation - Hotel accommodation for essential staffing	460,558
	Nightingale Wing beds - provision and set up of 180 beds for the field hospital	557,820
	HCS Digital projects and costs relating to Covid related demand	24,206
	CAMHS - Movement of Paediatric CAHMS patients	341,645
	Staff accommodation (Hue Court) - to fully furnish remaining 30 units and utilise for HCS staff	267,936
	Pulse Oximeter Monitors - Covid is a respiratory illness therefore pulse oximetry is required to quickly measure the levels of oxygenation within the blood	780
	Jersey Post prescription delivery service - Collection of prescriptions from pharmacies by Jersey Post for delivery to islanders	71,673
	Purchase additional residential and nursing home capacity	201,128
Cumulative operational costs not captured above and the preparation for the second wave	5,999,127	
<b>HCS Total</b>		<b>23,583,744</b>
JHA	Testing and Tracing Programme Phase 2 - Test to Travel	13,227,139
	Testing and Tracing Programme Phase 2 - Isolation and Enforcement	667,501
	Testing and Tracing Programme Phase 2 - Programme Support Costs	416,563
	Testing and Tracing Programme Phase 2 - On-island testing capacity	719,100
	Testing and Tracing Programme Phase 2 - Contact tracing digital app	180,638
	Customs and Immigration - Loss of income - passport fees and legalisation of documents fees	350,400
	Ambulance Service - PPE and operational costs	146,849
	Fire and Rescue - Loss of income - fire certification, course income, dry riser testing etc.	146,674
	Other operational costs associated with the OneGov command teams	272,073
	Jersey Field Squadron - Military assistance, IT equipment and sundry costs	113,742
	Prison Service - PPE and operational costs	70,238

## Breakdown of 2020 Covid-19 Costs/Lost Income (continued)

Dept.	Description	2020 Actuals (£)
	Police	235,953
<b>JHA Total</b>		<b>16,546,869</b>
Non-Mins	Additional equipment, PPE, operational costs and reduced income. (cost distribution revised at full year)	149,133
<b>Non-Mins Total</b>		<b>149,133</b>
OCE	Support for Jersey Heritage	1,100,000
	Jersey Business - support to businesses by sign-posting advice regarding finance, HR and employment law matters	438,500
	Air travel capacity - Ensure air travel links to the UK. Procure airline capacity to essential workers, patients and medical supplies	180,786
	Support to local fishermen - fixed costs of operating boats/ fleets while restrictions were in place. Value of support corresponds to vessel size/ capacity and capped.	252,600
	Due Diligence related to Blue Island (airline)	25,000
	Communications	254,978
<b>OCE Total</b>		<b>2,251,864</b>
SA	Audio visual Costs for live streaming of the States Assembly from Fort Regent	10,000
<b>SA Total</b>		<b>10,000</b>
SPPP	Healgen testing kits	720,291
	Mass Serology testing	628,507
	Test and Trace - programme management, project management, communications, minor staff IT costs and other administration costs for the Test and Trace programme	192,396
	Additional staffing costs (Public Health Officers) to help respond to the pandemic	25,014
	Arm's Length Functions - Safeguarding marketing (SPB) and incidentals	12,000
<b>SPPP Total</b>		<b>1,578,207</b>
T&E	Credit facility - set up fees and interest	1,545,000
<b>T&amp;E Total</b>		<b>1,545,000</b>
<b>Grand Total</b>		<b>189,542,763</b>

# Environmental Sustainability Report

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The Government of Jersey recognises its environmental responsibilities and the impacts of its many and varied operations upon the environment.

This section forms the Sustainability Report is the eighth to be included in the Annual Report and Accounts in line with the Government of Jersey Financial Reporting Manual (JFReM). The JFReM is based on the UK version of the same document (with a one-year delay), which is prepared by HM Treasury and is subject to scrutiny by an independent board, the Financial Reporting and Advisory Board.

The Report includes information on key areas of environmental performance, such as emissions and finite resource consumption. The Government of Jersey will continue to develop and enhance this information in future years.

This report focuses on government departments where data collection is better established. Wherever the data allows, the performance of the wider States of Jersey group, including the subsidiary companies, has been included. The report identifies where that is the case.

# Introduction

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The Government of Jersey is committed to managing its environmental performance and resource use to help deliver efficiency savings. We remain committed to reducing the environmental impacts caused by the day to day operations of our services and activities. We will work to reduce the negative environmental impact of departments by:

- complying with the requirements of environmental legislation and approved codes of practice
- improving environmental performance
- reducing pollution, emissions and waste arising from our activities
- reducing the use of all raw materials, energy and supplies
- raising awareness, encouraging participation and training employees in environmental matters
- encouraging similar environmental standards from all suppliers and contractors
- assisting customers and clients to use products and services in an environmentally-sensitive way
- liaising with the local community
- participating in discussions about environmental issues.

## Highlights in 2020 include:

During 2020, a light touch programme of staff engagement and awareness took place due to the impact of the Covid-19 global pandemic on the organisation with staff members re-deployed and others working in a very different way throughout the year. Many of our planned actions for 2020 were consequentially put on hold, delivered in the latter part of the year or changed as a result of the impacts of Covid-19. Our plan to develop a new mobility strategy for the Government of Jersey has changed as a result of the pandemic; with so many employees facing different ways of working, including large numbers working from home, the previously considered mobility strategy work has been encompassed within a wider project on agile / flexible working culture.

Work in the Commercial Redesign Programme began in 2020 and the importance of sustainability and environmental impacts are reflected in this project. This is vital in our ambition to improve our overall environmental performance but also to encourage similar environmental standards for all suppliers and contractors.

# Climate Emergency

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In 2019, the States Assembly declared a climate emergency and in doing so recognised that climate change could have profound effects in Jersey. The Carbon Neutral Strategy was developed as a result and was unanimously agreed by the States Assembly in February 2020.

The Carbon Neutral Strategy identifies four areas of challenge and opportunity for decarbonising Government:

- 1. Our people:** supporting people to travel more sustainably and volunteer in support of carbon neutral projects
- 2. Our buildings:** putting carbon reductions at the heart of our new Public Estate Strategy
- 3. Our services:** ensuring emissions reductions in our partners and suppliers and delivering services that support the reduction of emissions across the Island
- 4. Our vehicles:** trialling biodiesel as a transition fuel, acquiring electric fleet where available and providing sustainable transport solutions to reduce mileage

# Greenhouse gas emissions

Jersey has lower carbon emissions per capita than other jurisdictions because the Island has little manufacturing or on-Island power generation. Most of the Island's emissions come from local transport, with this sector accounting for 44% of emissions in 2018. Significant emissions are also generated by space heating and cooling of residential, commercial and institutional premises.

Jersey is a signatory to the Kyoto protocol through the UK and the Doha amendment. Pathway 2050: An Energy Plan for Jersey set out a series of 27 actions to reduce on-Island greenhouse gas emissions in line with the 80% reduction target by 2050 against a 1990 baseline as set out in the Kyoto protocol.

The Carbon Neutral Strategy was developed as a result of the declaration of a climate emergency, building on progress made as a result of Pathway 2050: An Energy Plan for Jersey. A long-term climate action plan will be developed by the end of 2021 laying out Jersey's path to carbon neutrality. This long-term plan will set out the actions and improvements required to further decarbonise Government.

## Reducing emissions from transport

In March 2020, the States Assembly approved a new Sustainable Transport Policy<sup>16</sup> which sets out an ambitious vision to be delivered over the next 10 years. The disruption of Covid-19 led to delays in delivering some elements of the Sustainable Transport Policy; an update was published as a result in November 2020 .

Both the Carbon Neutral Strategy and Sustainable Transport Policy make clear the need to decarbonise Government fleet. In August 2020 a six-month trial commenced to evaluate if biodiesel could serve as a viable transition fuel away from diesel use in Jersey. A wider review of Government fleet also began at the end of 2020 to assess alternative low carbon transport solutions that may be suitable.

The Government of Jersey vehicle fleet is made up of low emission lease hire pool cars which include a small number of electric vehicles, together with a fleet of owned vehicles. The owned vehicle fleet, internally leased to Departments by Jersey Fleet Management (JFM), are subject to a fleet replacement policy that ensures ongoing compliance with European emission standards as they develop as well as being in line with the vehicle's planned economic life. In line with the Government of Jersey's commitment to the environment, the owned fleet includes a growing number of electric/hybrid vehicles, currently 7%. This figure is expected to rise exponentially as vehicle availability increases and costs decrease.

During 2020 overall States fleet fuel usage has continued to fall compared with 2019 despite fleet numbers growing slightly. JFM's policy of timely fleet replacement provides the Government of Jersey fleet with the ability to maximise the environmental benefits of new technology in a planned manner as it comes on-line by the manufacturers.

## Environmental Sustainability Report

Since 2015, all off-Island travel has been booked through a travel provider, managed through the corporate procurement service. Emissions from air travel have been estimated using UK government emissions factors for business travel by air. Only flights booked through this service are included, this includes all Government departments and non-Ministerial departments.

Covid-19 restrictions significantly reduced our travel activity in 2020 and thus the Government's carbon footprint for this activity. Our air travel in 2020 totalled 2.1 million kilometres which was a third of usual annual activity. As a consequence, our travel expenditure reduced and resulted in just 0.5 kt CO<sub>2</sub>e in GHG emissions.

	2018	2019	2020
Total distance travelled by air (km)	7.2m	6.6m	2.1m
GHG emissions (kt CO <sub>2</sub> e)	2.9	2.6	0.5

This table represents the energy consumption and emissions from all Government of Jersey departments within the Government of Jersey Accounting Boundary.

		2018	2019	2020
Energy consumption	Electricity (millions of kWh)	40.1	38.4	39.5
	Heating oil (millions of litres)	3.6	3.4	3.3
	Fleet vehicle fuel (millions of litres)	0.6	0.5	0.5
	Gas (millions of kWh)	4.9	4.5	5.3
Equivalent emissions <sup>17</sup>	Electricity (ktCO <sub>2</sub> e)	4.1	3.9	4.0
	Heating oil (ktCO <sub>2</sub> e)	10.8	10.3	10.5
	Fleet vehicle fuel (ktCO <sub>2</sub> e)	1.5	1.4	1.6
	Gas (ktCO <sub>2</sub> e)	1.5	1.1	1.3
	<b>TOTAL emissions (ktCO<sub>2</sub>e)</b>	<b>17.9</b>	<b>16.7</b>	<b>17.4</b>
Financial indicators	Total energy expenditure (electricity, gas, heating oil and vehicle fuel) (£m)	£10.8m	£8.7m	£9.3m

<sup>17</sup>Technical Guidance Document 11.1B

## Reducing emissions from heating and energy use in buildings

With big projects like Our Hospital, the One Gov Office project, the mental health estate refurbishment and an education review on the horizon, the Property Team are taking the opportunity to test the commercial aspects of moving to a more sustainable approach to energy use. There are a number of small-scale solar projects for schools in particular whereby JEC pay a license fee to the Government for rights to mount equipment on the site. Whilst this doesn't currently cover the cost of energy used it proves the principle and it is the intention that all government premises when being refurbished, redeveloped or procured will include the facility for generation of renewable energy to be used to offset running costs and charge electric vehicles.

Electrical sub stations and infrastructure is planned to accommodate capital projects and cost analysis of the existing fossil fuel heating systems to enable change to grid electricity (low carbon as it is French generated and predominantly nuclear or hydroelectric) and heat pumps. This is over and above any required consequential improvements and should future proof the sites energy requirements.

Renewable technology is included in the design of major capital projects with the introduction of heat pumps and Photovoltaic Panels (PV). The construction of the new Les Quennevais secondary school completed in September 2020 and includes 200 solar panels, air source heat pumps and LED lighting.

The office estate has seen recent high-level changes in use which has resulted in increased energy consumption in a number of more densely occupied premises and a concomitant reduction in others. Electrical tariffs have been reviewed with some sites being changed to an economy 7 (E7) to produce cost savings. The tariffs are spot reviewed on a 6 monthly basis to check these savings are still available to match any building change of use.

# Finite resource consumption – Water

## Water Use

The total amount of water purchased by the Government of Jersey includes all public toilets, showers and schools, plus the airport, hospital and all other Government of Jersey activities. This means that it is difficult to compare overall performance against recognised good practice benchmarks not all water usage is directly controllable (e.g. water use will increase if there are more visitors using public facilities).

By 2017, 100% of properties had water meters in place enabling more accurate reporting of water consumption. Water metering also makes it much easier to identify leaks and take corrective action more quickly to avoid waste. In reducing water consumption, there is potential for significant cost savings, as well as a reduction in energy that is used to collect, process, clean and transport potable water to the workplace.

		2018	2019	2020
Non-financial indicators	Metered water consumption (millions of litres)	793	781	807
	Metered water costs as % of total Water supply costs	100%	100%	100%
Financial indicators	Water supply costs (£m)	2.0	2.0	2.2

## Water protection

The Regulation Directorate within the Department for Infrastructure, Housing and Environment respond to approximately 100 water pollution incidents per year. Oil incidents make up approximately a third of the incidents, although other types of pollution include sewage, chemical, construction, agricultural and contaminated land. The Government of Jersey are responsible for a very small proportion of these incidents each year, as set out in the table below. The Regulation Directorate run ongoing pollution prevention campaigns and public engagement activities to raise awareness and to reduce incidents.

	2018	2019	2020
Total incidents	95	110	129
Government incidents	4	11	7
Government % of all incidents	4	10	5

## Finite resource consumption – Paper

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In 2020 we continued to follow the Corporate Management Board endorsed policy of using recycled white A4 paper and this type of paper remains our major paper stock purchased within the Government.

The Government of Jersey continues to use a managed print service for the majority of its office print volumes. Use of printing configuration controls, such as Pull printing where users must intentionally pull their printing from machines rather than printing automatically and default double sided mono printing results in more control and less waste. In 2020, a total of 367,000 A4 sheets were not printed as a result of the pull print function that equates to saving of 4.5 trees and 1,653kgs CO<sub>2</sub>.

## Waste

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The internationally recognised Waste Hierarchy has been applied by the Department of Infrastructure, Housing and Environment since Jersey's Waste Strategy was adopted in 2005. This model prioritises different waste management strategies with the greatest focus given to waste minimisation; followed by reuse; then recycling, recovery and disposal.

The Department has continued to share this approach and encourage businesses, organisations and individuals to apply this model to their own waste management. This information has been shared through formal talks and meetings and online through the Department's social media channels during 2020.

Due to the changing circumstances presented by the Covid-19 pandemic this year, the Department focused on maintaining core services for the Island by changing operating procedures to ensure its waste management facilities remained open and disruption to non-essential household recycling facilities was kept to a minimum.

Other areas of strategic focus prevented any development of the new Island Waste Strategy but States Assembly support of a proposition calling for the Island to ban single use carrier bags and set a minimum charge for bags for life provided an opportunity for the Department to enable behaviour change around single use. Legislation will be presented in 2021 and consultation contributing to the policy development identified strong support for future action to remove other avoidable single use items such as disposable drink cups and takeaway food containers from Jersey's supply chain.

Research and development work have continued to explore further opportunities to recycle Jersey's Inert Waste. Investigation and trials by the Department's engineers using waste glass and tarmac achieved the successful development and integration of these processed materials as a recycled subbase grade aggregate. The subbase product utilises Highways Specifications as an engineering standard, conforms to the

WRAP protocol and is a new process to the Island. This is a key achievement as it has created a new outlet for the waste materials, provided a market opportunity and is reducing the demand on primary aggregates.

## Biodiversity and the natural environment

Jersey has international responsibilities through the Convention on Biological Diversity to protect habitats and wildlife, and to engage the public in these conservation efforts. In order to move towards fulfilling these obligations the Biodiversity Strategy and the Conservation of Wildlife (Jersey) Law 2000 were introduced, which identify local habitats and species in need of protection, and ways to do this. Jersey also has responsibilities under other Multi-lateral Environmental Agreements (MEA's) on biodiversity which are implemented through local legislation, policies, active conservation management activities, and education/awareness raising programmes.

Full details of the Biodiversity Strategy and international commitments are available on [www.gov.je](http://www.gov.je).

During 2020 further progress was made in the production of new wildlife legislation to replace the existing Conservation of Wildlife (Jersey) Law 2000. The draft Wildlife (Jersey) Law 202- and associated Schedules of protected species were approved by the States Assembly and put to the Environment, Housing and Infrastructure Scrutiny Panel for review.

Other activities include:

- In partnership with the CI Pollinator Project creating a pan Channel Island online tool for recording pollinator friendly areas. The projects aim is to encourage members of the public and landowners to set aside at least 10% of their gardens and/or land for pollinators. The tool has been designed to record areas in the Channel Islands that have been allowed to grow wild or areas that have been sowed using an insect pollinator friendly seed mix. This tool demonstrates how a joined-up approach can help conserve our native insect pollinators by creating a network of flower-rich pathways across our Islands; linking together the best of our existing wildlife areas to benefit pollinators, other wildlife and people.
- Established the Jersey Tree and Hedgerow forum, a group of local partners and individuals focussing on the protection, health, maintenance and strategic planting of woodlands, trees and hedges in Jersey. This included creating a Jersey Tree and hedgerow recording tool to assist with future planning and coordination of new woodland and wildlife corridors. Records will also help to measure carbon sequestration as Jersey's response to climate emergency as well as identifying the locations for any future invasive tree diseases that target particular species.
- Three areas of land on the coastal side of St Ouen's Bay were designated as Sites of Special ecological Interest under the Planning and Building (Jersey) Law 2002.
- A report on Jersey's contribution to the UK three yearly African Eurasian Waterbird Agreement (AEWA) was submitted.

## Environmental Sustainability Report

- Delivery of the Wild About Jersey's volunteers and citizen science training programme in collaboration with Jersey Biodiversity Centre (JBC) including Pondwatch JE, Reptilewatch JE, JBatS and Pollinator Monitoring training.
- Progressed and supported the Jersey Biodiversity Centre in creating a new model where centralised Channel Island biological records are held.
- Completion of the 10th year of iBats monitoring to determine species diversity and abundance of Jersey's common bat species. Analysis of data to be completed in 2021.
- Undertook a Jersey Bat workshop to review local survey and mitigation requirements with key stakeholders across the Channels Islands and the UK to establish Jersey specific protocols in line with local bat species requirements and to promote collaborative working and agree future research priorities.

## Data Sources

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The sustainability report above, which has not been audited, uses the following data sources:

### Electricity usage

Based on information provided by Jersey Electricity Company.

### Heating oil usage

Based on information provided by central procurement and relates to the total deliveries received rather than use.

### Vehicle fuel usage

Based on information provided by Jersey Fleet Management (JFM) on fuel purchases for lease cars made through JFM.

### Business miles by air

Based on information provided by the States corporate travel management provider.

### Gas usage

Based on information provided by Jersey Gas.

### Water usage

Based on information provided by the Jersey New Water Works Company.

## Paper usage

Based on information provided by the States Corporate Supplier for Stationary.

Relevant amounts have been converted into emissions information using standard conversion factors in line with Jersey's Building Bye Laws. Emission factors for business air miles are based on UK government emission reporting factors.

The Government of Jersey would like to thank all the companies and departments that have provided information to support the drafting of the 2020 Sustainability report.

# Appendix 1: Key to Abbreviations

Abbreviation	Minister
CM	Chief Minister
MEDTSC	Minister for Economic Development, Tourism, Sport and Culture
MEDU	Minister for Education
MER	Minister for External Relations
MID	Minister for International Development
MINF	Minister for Infrastructure
MSS	Minister for Social Security
MCH	Minister for Children and Housing
MHA	Minister for Home Affairs
MTR	Minister for Treasury and Resources
MHSS	Minister for Health and Social Services
MENV	Minister for the Environment

Abbreviation	Department
OCE	Office of the Chief Executive
T&E	Treasury and Exchequer
COO	Chief Operating Office
SPPP	Strategic Policy, Planning and Performance
IHE	Infrastructure, Housing and Environment
CLS	Customer and Local Services
CYPES	Children, Young People, Education and Skills
HCS	Health and Community Services
JHA	Justice and Home Affairs

## Closing statement

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The impact of Covid-19 has been felt across our Island and the public sector. It has required Government employees to adapt their roles and to meet new demands and service requirements unthought of a year ago.

While this has meant that a significant proportion of Departmental and Government Plan initiatives have been postponed, they have not been cancelled and there is a renewed focus and drive to make up for this necessarily lost time in 2021 and beyond.

This Performance Report reflects the myriad ways in which public sector employees have not only adapted to meet the challenges presented to service delivery by the pandemic, but have continued to deliver on the critical strategic, financial and efficiency objectives set by the States Assembly and the Council of Ministers; delivering improvements on service and achieving continued value for money.

Officials across Departments have continued to meet the critical overarching objectives set within our Common Strategic Policy. For example:

- We have Put Children First, seeing a 16% increase in Jersey domiciled students attending UK universities, and a 16% reduction in the number of Child Protection cases;
- We have continued to improve Islanders' wellbeing and mental and physical health, with a 19% reduction in Mental Health Acute admissions per 100,000 registered population, and a 20% year-on-year drop in non-attendances within the outpatient services;
- We have invested in a sustainable, vibrant economy and skilled local workforce for the future, with 5 international agreements concluded, the successful inclusion of Jersey in the future UK-EU Trade Agreement, and the launch of the Island-wide Cyber Resilience Risk Assessment;
- We have worked to reduce income inequality and improve the standard of living, with 100% of new Income Support claims being set up within SLA timelines and a 19.9% increase in the sustainability of permanent Job Starts;
- We have protected and valued our environment, with a 43% increase in volunteers annually trained in biodiversity monitoring, and a 2% increase of inert waste that is recycled; and
- We have continued modernising Government through the launch of the Integrated Technology System, and new People Strategy.

Despite the demands of the pandemic on our finances, our financial performance was strong, with the balances on our reserves totalling £3.3 billion at the end of the year – an increase on 2019. Income streams also performed well and exceeded the Autumn forecasts from the Income Forecasting Group.

The original plan to deliver £100 million of efficiencies during the period 2020-23 has been increased by a further £20 million in 2024. There is no doubt that the challenge of significant cost reductions and efficiencies will continue to feature in future performance reports.

It will take many years to fully understand the impact that Covid-19 has had on our community, our finances, and the delivery of public services. What we can and must do is recognise the positive achievements of the past year that has seen Government improve our service delivery, despite the limitations imposed by the pandemic.

Equally we must recognise the areas for continued change and improvement, and not allow the restrictions of 2020 to stay the desire for continuous improvement. As we continue to implement the Jersey Performance Framework in the coming year, we will ensure we are more accurately measuring Government service performance and identifying improvements that will contribute towards our agreed Island Outcomes.

Finally, I would like to pay tribute to all those who played a part in the significant achievements described in this report – all States Assembly members whether in scrutiny committees, the Public Accounts Committee or the Council of Ministers; my predecessor and the team of Director Generals; our talented and hard working public service staff; our partners in Arms Length Organisations and all other parts of the public, private and voluntary sectors; and most of all, islanders themselves who came together in such an impressive and remarkable way during 2020. Thank you to every one for your contribution to this strong record of success in such a difficult year.

**Paul Martin**

Interim Chief Executive

Date: 14 May 2021

# Accountability Report

# Corporate Governance Report

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The Corporate Governance Report explains the composition and organisation of the States of Jersey and our governance structures and how they support the achievement of the States' objectives. It includes The Directors' Report and the Governance Statement, which includes descriptions of significant governance issues and key risks facing the organisation.

The purpose of this report is to demonstrate how we have implemented the principles of good corporate governance and to outline how we have reviewed our system of internal controls during 2020.

# The Directors' Report

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## Ministers and Accountable Officers

Details of individuals who served as Ministers, the Principal Accountable Officer and Accountable Officers are set out in the Governance Statement with disclosures in respect of remuneration included in the Remuneration and Staff Report.

## Directorships and Significant Interests

Under the Standing Orders of the States of Jersey, details of directorships and other significant interests held by Ministers (and all States Members) are set out in the Register of Interests held by the Greffier of the States and are available on the respective Members' pages on the States Assembly website.

The Register of Interests is used to identify parties related to Members of the States of Jersey for the purpose of preparing disclosure of related party transactions in the States of Jersey Annual Report and Accounts.

In accordance with the requirements of the Public Finances Manual, the Government maintains a register of interests which records details of directorships and other significant interests held by the Principal Accountable Officer and Accountable Officers. For this section, Directors are defined as members of the Executive Leadership Team.

Details of Related Party Transactions, including those arising as a result of the interests of Ministers and Directors, are listed in the Financial Statements at Note 4.24 – Related Party Transactions.

# Governance Statement

## Scope of Responsibility

Details of the Ministers, the Principal Accountable Officer and Accountable Officers responsible for ensuring the arrangements are effective are set out later in the Governance Statement.

The Public Finances (Jersey) Law 2019 makes the Chief Executive the Principal Accountable Officer (PAO), answerable to the States and accountable to the Council of Ministers. The PAO may appoint Accountable Officers (excluding those in Non-Ministerial Departments) to exercise functions as determined but maintains overall responsibility for ensuring the propriety and regularity of the finances of States bodies (excluding Non-Ministerial Departments) and funds and ensuring that the resources of States bodies and States funds are used economically, efficiently and effectively.

Each Accountable Officer is personally accountable for the proper financial management of the resources under their control in accordance with the Law, any sub-ordinate legislation and financial directions, including ensuring that public money is safeguarded and properly accounted for, used only for those purposes approved by the States and used economically, efficiently and effectively.

Each Accountable Officer (excluding those in Non-Ministerial Departments) is responsible for exercising the functions that are determined by the PAO, and that apply to that accountable officer (if any) as specified in any relevant enactment of the States. In discharging their financial responsibilities, Accountable Officers must ensure that robust governance arrangements are in place, which include a sound system of internal control and arrangements for the management of risk.

Each Accountable Officer has formally declared in a Governance Statement the basis upon which they believe their duties have been properly discharged during 2020 for their area(s) of responsibility or any exceptions in the year.

## The Purpose of the Governance Framework

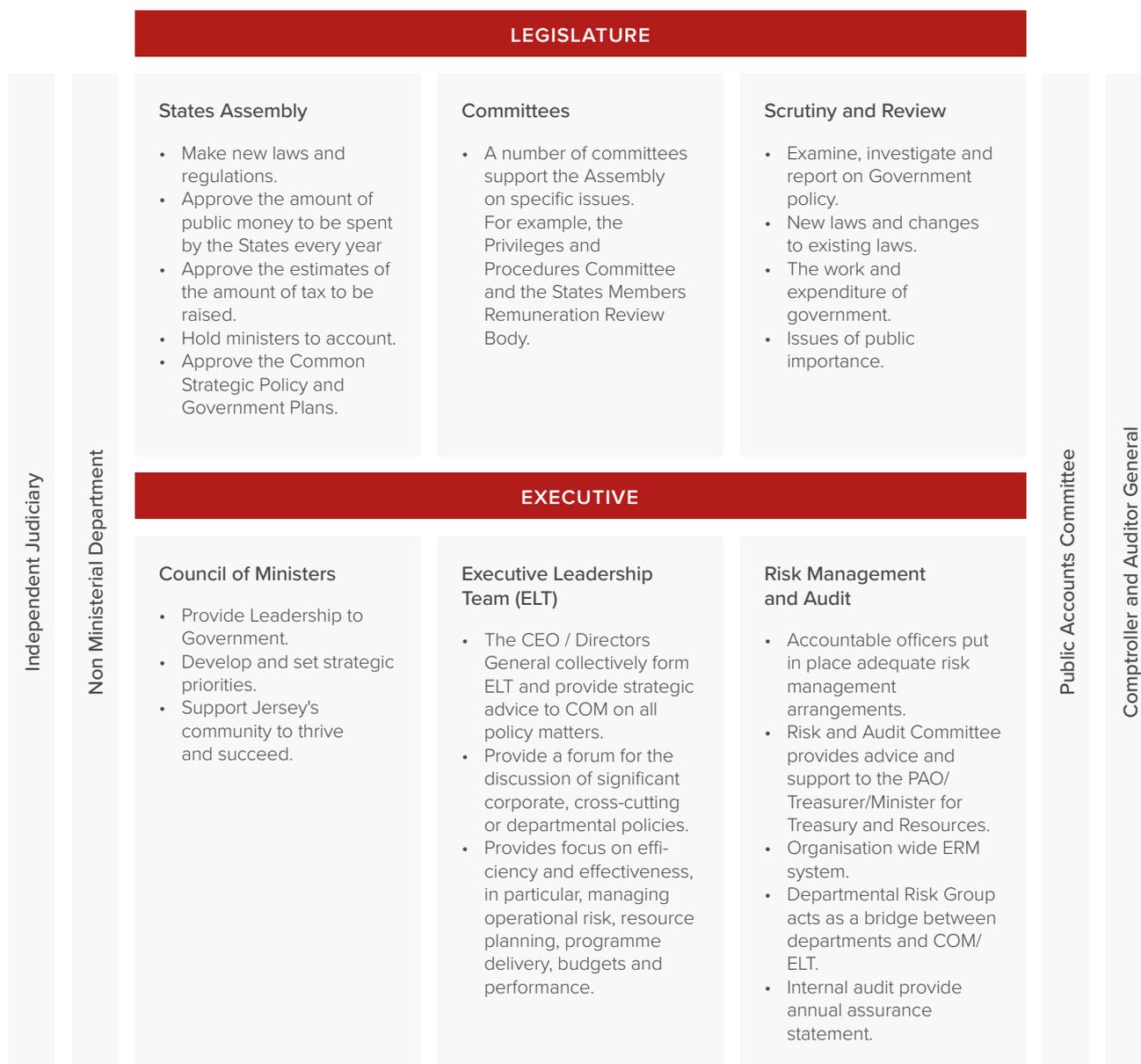
The Governance Framework comprises the systems, processes, cultures, values and procedures through which the States of Jersey is directed and controlled and the activities through which it accounts to and engages with the Islanders.

This framework enables monitoring of the delivery of the States strategic objectives and analysis of whether these objectives have delivered appropriate services and value for money. The framework aims to ensure that in conducting its business the States:

- Operates in a lawful, open, inclusive and honest manner
- Makes sure that public money is safeguarded, properly accounted for and used economically and effectively
- Has effective arrangements for management of risk
- Secures continuous improvements in the way that it operates.

# The Governance Framework

The governance framework sets out how the States is operating in order to demonstrate compliance, on-going improvement, its commitment to maintaining the highest ethical standards and levels of governance.



## Legal Framework

Ministers set the legal framework. A number of key laws collectively set the procedures for the governance of the operations of the Government, public finances; the employment of the States employees and, during 2020, the arrangements for declaring an emergency:

- Employment of States of Jersey Employees (Jersey) Law 2005
- the States of Jersey Law 2005
- the Public Finances (Jersey) Law 2019;
- Emergency Powers and Planning (Jersey) Law 1990

## The Public Finances Manual

The Public Finances Manual was introduced on 1 January 2020 and helps ensure the proper stewardship and administration of the Law and of the public finances of Jersey. Accountable Officers are required to comply with the Public Finances Manual and other key controls, including departmental risk management measures, and resource management policies.

## Accountable Officers

All Accountable Officers have confirmed in their Governance Statements that, to the best of their knowledge, governance arrangements operated adequately in their area(s) of responsibility during 2020 and/or steps are being taken to address known areas of weakness. Internal Audit have reviewed these statements for consistency and compliance.

## Internal Audit

The Treasurer of the States, under the Public Finances (Jersey) Law 2019, is responsible for establishing a system of internal auditing and for designating a person as chief internal auditor. The chief internal auditor is required to deliver a service that is compliant with professional Internal Audit Standards and for providing an annual opinion of the adequacy of the internal control environment to the Principal Accountable Officer, Treasurer and the Risk and Audit Committee.

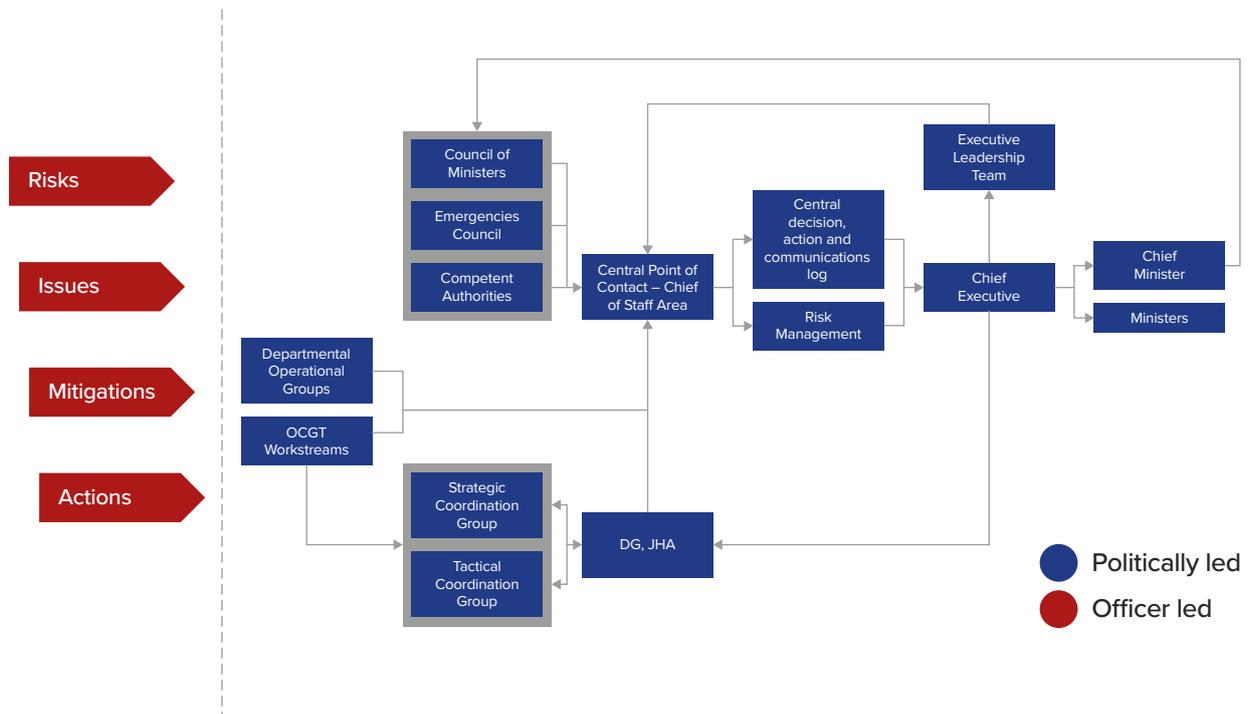
## The Comptroller and Auditor General (C&AG)

The C&AG is required to provide the States with independent assurance that the public finances of Jersey are being regulated, controlled, supervised and accounted for in accordance with the Comptroller and Auditor General (Jersey) Law 2014. During 2020 the C&AG issued nine reports. The governance issues arising from these reports are reflected in the review of effectiveness section below.

The C&AG appoints the external auditors of the States of Jersey. Following a competitive tender exercise Mazars LLP were appointed in 2020, following the stepping down of the previous auditors, Deloitte LLP, due to a potential conflict of interest which arose during the year. The report of the auditor is included within the accounts.

# Governance and risk during the COVID-19 Pandemic

The Covid-19 Pandemic required the Government to put in place emergency procedures and governance mechanisms never previously required. The governance structure shown below became operational during March 2020 in order to provide a co-ordinated response to the risks, issues and actions required for the Island to respond to the threat from Covid-19. Whilst the worst effects of the first wave of the pandemic had significantly reduced by July, the structures were retained due to the threat of a second and subsequent waves. During November the governance arrangements were once again operationalised to respond to increasing cases and expert advice from the Scientific and Technical Advisory Cell.



## Overview of the Roles in the Decision-Making Process during COVID-19

### Emergencies Council

The Emergencies Council sat to co-ordinate and support any work to prepare for, or respond to, the emergency, including needing to agree the exercise of Competent Authority powers. If, as a last and necessary resort, a state of emergency is called by the Lieutenant Governor, the Council can act as a collective decision-body in any area of response and has wide ranging powers to amend enactments by Order, without the requirement for the prior approval of the Assembly for the period of the emergency. The Emergency Powers and planning (Jersey) Law 1990 sets out the provisions for responding to an emergency.

### Individual Ministers

In advance of a state of emergency being declared, individual Ministers continue to exercise their statutory and non-statutory powers. These include powers under enactments within their authority, to make Orders or Propose Regulations, and pursuant to the Covid-19 (Enabling Provisions) (Jersey) Law 2020, Ministers could propose wide ranging reforms to the Assembly, to consider and approve necessary changes.

### Competent Authority Ministers

**(Chief Minister, Minister for External Relations, Minister for Economic Development Tourism Sport and Culture, Minister for Infrastructure, Minister for Home Affairs, Minister for Health and Social Services)**

Competent Authority Ministers only act in their areas of competency, for example, the MHA has powers as a CA Minister over Gas and Postal Services, with the agreement of Emergencies Council. Outside of their areas of competency, the CA Minister is simply acting in their ministerial capacity, i.e. not as a CA Minister.

Competent Authority Ministers did not make collective decisions, as their powers are individual and narrow and executed by making orders, but they did confer and advise each other, and they do largely hold the core powers, whether as Ministers, or a CAs, that are needed in the event of an emergency. The Treasury Minister and Minister for Education were invited to CA meetings and circulations given the importance of their portfolios.

### Council of Ministers

The Council of Ministers can direct Ministers on policy matters, and as per the Code of Conduct, the more important and cross-cutting an item, the higher the obligation on an individual Minister to take a matter to Council. Council can make decisions acting as the collective government of Jersey, and where executive political decisions are not taken by individual Ministers, however so done, they are taken by the Council of Ministers.

## Officer Groups

### *Strategic Co-ordination Group*

The Strategic Co-ordination (Gold) Group (SCG) had the main strategic co-ordinating responsibility for the command and control of emergency services, and other agencies, responsible for dealing with the immediate response to the pandemic.

The SCG was also concerned with considering and assessing updated intelligence and information from various sources to help determine strategy, and give clear direction to its Operational (Bronze) Commanders through the Gold, Silver and Bronze Command structure.

### *Tactical Co-ordination Group*

The Tactical Co-ordination (Silver) Group (TCG) is a multi-agency group of tactical (silver) commanders that met to determine, co-ordinate and deliver the tactical response to the emergency within the parameters set by the SCG. The TCG ensured that the actions taken at the Operational level were co-ordinated, coherent and integrated to achieve maximum effectiveness and efficiency.

### *1GCT*

The One Government Covid-19 Response Team (1GCT) was formed on 12 March 2020 in response to the emerging concerns about Covid-19 and the formulation of a cross-Government approach to the pandemic, and ran actively until the end of June. Residual functions moved back into Government Departments as Business As Usual until there was an escalation of the situation during November, when the team was reformed.

All meetings had formal terms of reference, escalation points, record of discussion, rationale for decisions and action points.

## The Council of Ministers

Jersey's Government comprises the Chief Minister and eleven Ministers, who, with the support of the Assistant Chief Ministers, collectively form the Council of Ministers. The States Assembly elects the Government by way of appointing the Chief Minister and voting on the Chief Minister's nominations for Ministers. In addition, Ministers, with the consent of the Chief Minister, may appoint their own Assistant Ministers, ensuring that the combined total of members appointed as Ministers and Assistant Ministers does not exceed 21, and therefore remains in the minority in the States Assembly. The following table sets out the Ministers in post during 2020.



**Senator  
John Le Fondré**

Chief Minister



**Senator  
Lyndon Farnham**

Deputy Chief Minister,  
Minister for Economic  
Development, Tourism,  
Sport and Culture



**Senator  
Tracey Vallois**

Minister for Education



**Senator  
Ian Gorst**

Minister for  
External Relations



**Deputy  
Carolyn Labey**

Minister for International  
Development



**Deputy  
Kevin Lewis**

Minister for  
Infrastructure



**Deputy  
Judy Martin**

Minister for  
Social Security



**Senator  
Sam Mézec**

Minister for Children  
and Housing  
(1 Jan – 9 Nov 2020)



**Deputy  
Jeremy Maçon**

Minister for Children  
and Housing from  
17 Nov 2020



**Connétable  
Len Norman**

Minister for  
Home Affairs



**Deputy  
Susie Pinel**

Minister for Treasury  
and Resources



**Deputy  
Richard Renouf**

Minister for Health  
and Social Services



**Deputy  
John Young**

Minister for the  
Environment

## Accountable Officers

The introduction of the Public Finances (Jersey) Law 2019 confirmed the Chief Executive Officer as the Principal Accountable Officer (PAO) with overall responsibility for ensuring the propriety and regularity of the finances of the States bodies and funds. The PAO can appoint Accountable Officers and determine their functions but remains ultimately responsible. The following table identifies those Accountable Officers who have served during 2020.

States Body/Fund	Position	Accountable Officer
Principal Accountable Officer	Chief Executive	Charlie Parker
<b>Ministerial Departments</b>		
Office of the Chief Executive	Chief Executive and Head of Public Service	Charlie Parker
Chief of Staff	Chief of Staff	Catherine Madden
FSDE and Economy	Acting Director General for FSDE and Economy	Richard Corrigan <i>(The transfer of staff responsibility was effective 6th February 2020 and the transfer of Accountable Officer responsibility was on 3rd April 2020).</i>
External Relations	Group Director for External Relations	Kate Nutt
Communications	Director of Communications	Stephen Hardwick <i>until 28 February 2020.</i> Dirk Danino-Forsyth <i>from 1 March 2020.</i>
Treasury and Exchequer	Treasurer of the States and Director General Treasury and Exchequer	Richard Bell
Chief Operating Office	Chief Operating Officer and Director General Chief Operating Office	John Quinn
Strategic Policy, Planning and Performance	Director General Strategic Policy, Planning and Performance	Tom Walker
Justice and Home Affairs	Director General Justice and Home Affairs	Julian Blazeby
Health and Social Services	Director General Health and Community Services	Carolyn Landon
Health and Social Services	Managing Director, Jersey Hospital	Robert Sainsbury
Children Young People Education and Skills	Director General Children Young People Education and Skills	Mark Rogers
Justice and Home Affairs	Director General Justice and Home Affairs	Julian Blazeby
States of Jersey Police	Acting Chief of Police	James Wileman <i>Acting until 9 January 2020</i>
	Chief of Police	Robin Smith <i>from 10 January 2020</i>
Growth Housing and Environment <i>(until 1 November 2020)</i>	Director General Growth Housing and Environment	John Rogers <i>until 31 March 2020</i>
	Acting Director General Growth Housing and Environment	Andrew Scate <i>from 1 April 2020</i>
Infrastructure Housing and Environment <i>(from 1 November 2020)</i>	Acting Director General Infrastructure Housing and Environment	Andrew Scate <i>from 1 April 2020</i>
Customer and Local Services	Director General Customer and Local Services	Ian Burns
<b>Non Ministerial Departments</b>		
States Assembly	Greffier of the States	Mark Egan
Law Officers	Practice Manager	Alec Le Sueur
Viscount	Viscount	Elaine Miller
Judicial Greffe	Judicial Greffier	Adam Clark

## Corporate Governance Report

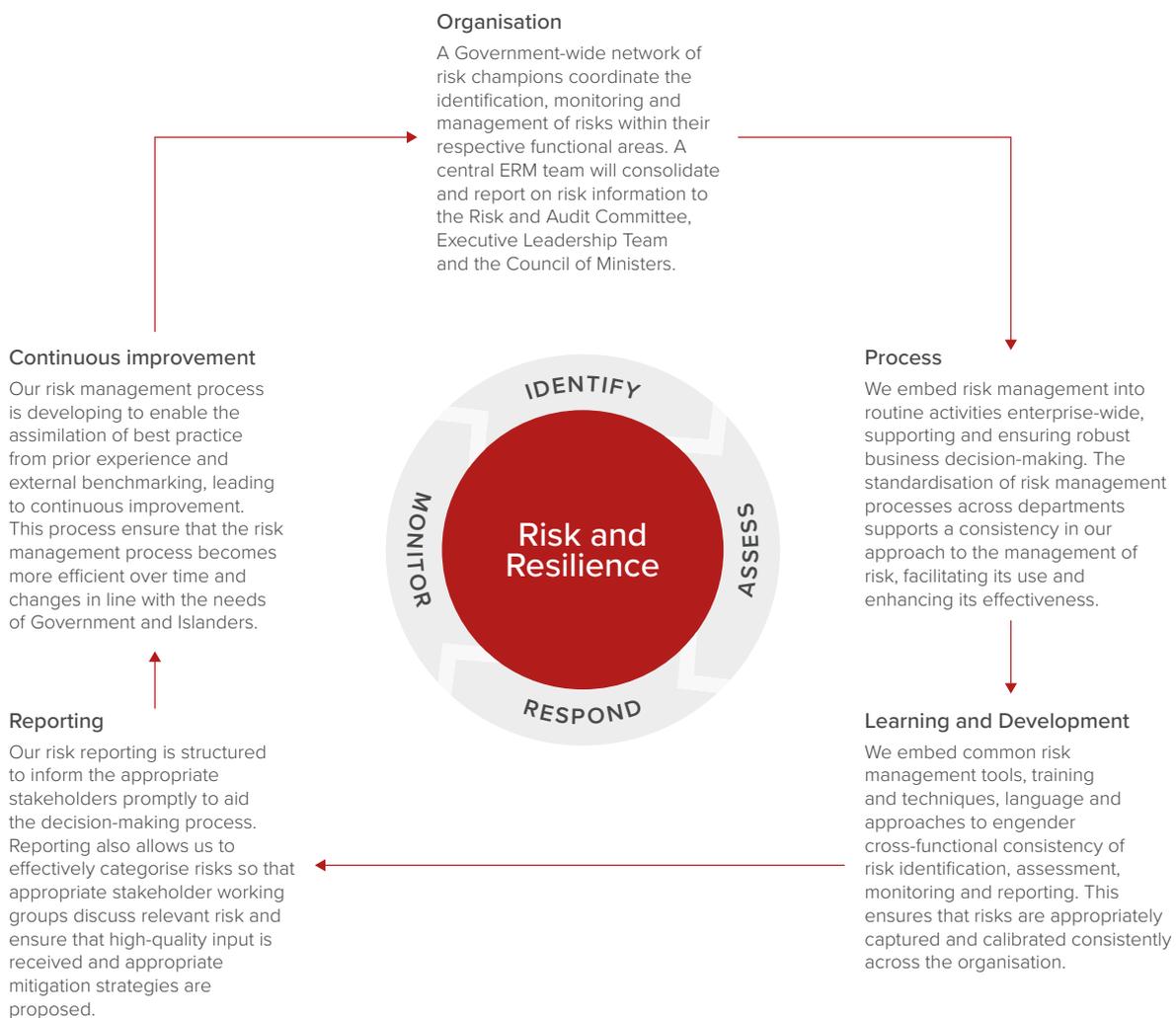
States Body/Fund	Position	Accountable Officer
<b>Non Ministerial Departments (continued)</b>		
Office of the Lieutenant Governor	Chief of Staff and Private Secretary	Justin Oldridge
Official Analyst	Official Analyst	Nick Hubbard
Data Protection	Information Commissioner	Jay Fedorak
Bailiffs Chambers	Chief Officer	Steven Cartwright
Probation and After Care Service	Chief Probation Officer	Mike Cutland
Jersey Overseas Aid	Executive Director	Simon Boas
<b>Trading Operations</b>		
Jersey Car Parking	Director General Growth Housing and Environment	John Rogers <i>until 31 March 2020</i>
	Acting Director General Growth Housing and Environment, and	Andrew Scate <i>from 1 April 2020</i>
	Acting Director Infrastructure Housing and Environment	Andrew Scate <i>from 1 November 2020</i>
Jersey Fleet Management	Director General Growth Housing and Environment	John Rogers <i>until 31 March 2020</i>
	Acting Director General Growth Housing and Environment, and	Andrew Scate <i>from 1 April 2020</i>
	Acting Director Infrastructure Housing and Environment	Andrew Scate <i>from 1 November 2020</i>
<b>States Body/Fund</b>		
Strategic Reserve Fund	Director General Treasury and Exchequer and Treasurer of the States.	Richard Bell
Stabilisation Fund		
Insurance Fund		
Assisted House Purchase Scheme		
99 Year Leaseholders Scheme		
Agriculture Loans Fund		
Dormant Bank Accounts		
Housing Development Fund		
Criminal Offences Confiscation Fund		
Civil Assets Recovery Fund		
Social Security (Reserve) Fund		
Tourism Development Fund	Head of Service	Daniel Houseago
Jersey Innovation Fund	Acting Director General for FSDE and Economy	Richard Corrigan
Channel Islands Lottery (Jersey) Fund	Head of Service	Daniel Houseago
Social Security Fund	Director General, Customer and Local Services	Ian Burns
Health Insurance Fund		
Long Term Care Fund		

# Risk Management and the Risk and Audit Committee

The Government faces a wide range of uncertainties, challenges and opportunities as it seeks to realise its ambitions for Islanders. Effective governance and risk management is recognised as an essential component of assisting the public service to become a modern, forward-looking organisation, capable of delivering long-term outcomes and efficient and effective services.

Government has continued to develop its Enterprise Risk Management (ERM) Framework using the 2019 Risk Maturity review as a basis for improvement. Government’s ambition is to embed risk into the decision-making of the organisation in line with the process shown below. Whilst 2020 has been a challenging year further progress has been made on the approach to ERM during 2020 and a roadmap setting out key developments and goals is in place to deliver further improvement in 2021.

## Risk Management Process



The most notable developments to the ERM approach during 2020 include:

- the development of an Enterprise Risk Management software solution for the capturing of risk management activity across the whole of Government
- the continuing development of the Departmental Risk Group to support the Executive Leadership Team and departmental risk groups on all risk matters
- the review and update of the Corporate Risk Management strategy and approach
- Regular engagement with the Council of Ministers and Executive Leadership Team on risk management matters
- Liaison with the States owned Entities around risk management and insurance matters
- Improved integration with the related business streams such as Business Continuity and Health and Safety
- Embedding of risk management processes through training and regular engagement with all parts of the organisation
- Ensuring all major projects have a dedicated risk register and support from the Risk and Audit Team – most notably advice and support has been provided to the Our Hospital Project, the One HQ project, the Integrated Technology Solution and most recently risk assessments for the development of the Test and Trace and Covid-19 Vaccination programme
- Co-ordinating work to address the risk of fraud and corruption through the development of a Counter Fraud and Corruption strategy; investing in additional resources to undertake counter fraud and corruption work, and, carrying out departmental fraud risk assessments.

During 2020 the Risk and Audit Committee has undertaken regular review of the Corporate Risk Register, and Departmental Risk Registers are now standing items on the Risk and Audit Committee Briefing sessions.

A development plan for the further improvement of the Enterprise Risk Management system is in place for 2021.

## The Risk and Audit Committee

The Risk and Audit Committee is a stand-alone body that provides oversight, advice, support and constructive challenge in order to help the Principal Accountable Officer and Accountable Officers to discharge their responsibilities for monitoring and reviewing governance, risk and control processes. The Committee provides oversight of the work of external audit, Internal Audit and corporate risk functions. During the year the committee also took on responsibility for reviewing Insurance activity, following recommendations from the Comptroller and Auditor General.

For 2020 the membership of the Risk and Audit Committee comprised an Independent Chair and two other independent members with a requirement of two members being present for the meeting to be quorate. The Risk and Audit Committee summarise their work in their Annual Risk and Audit Committee Report. A similar report was completed for 2019 and presented to the Executive Leadership team and a

## Corporate Governance Report

response received to the areas highlighted for improvement. The membership of the Committee throughout 2020 comprised:

Name	Position	Appointment date
Vineeta Manchanda	Chair (Risk and Audit) / Independent Member	01/10/2018 – to date
John Kent	Independent Member	28/11/2019 – to date
David Smith	Independent Member	28/11/2019 – to date

# Key Risks and Uncertainties

All organisations face risks to delivering their objectives. The States risk profile changes and evolves as circumstances change, both in the Island and globally. Our ability to influence some of these external risks is often limited, as such we are exposed to a wide range of risks in addition to those listed in the Corporate Risk Register.

Below the top corporate risks that had greatest impact on the objectives of the organisation during 2020 are identified, and those that continue to impact along with the actions being taken to mitigate those risks, including the response to the unprecedented risk and issues posed by the Covid-19 pandemic.

## COVID-19 Key risks and responses

The Covid-19 pandemic began to have a global impact from early March 2020. Like many Governments, Jersey, had to respond in an unprecedented manner to the risk and challenges being faced across the Island and globally. From the outset the Government had a clear set of aims and objectives that it wanted to achieve in protecting the Island from the potential threat of the virus. The immediate focus was on saving lives; maintaining livelihoods through protecting the economy; maintaining essential Government services and maintaining societal wellbeing and looking after the most vulnerable. As the crisis developed the emphasis shifted to considerations of a safe exit from the initial lockdown situation.

A wide range of risks and issues were identified during the crisis and these were managed and monitored on a daily basis and more frequently on occasions as the pandemic unfolded. The Governance Framework set out earlier in this report explains how the decision-making processes operated. In addition, the responses to many of the risks identified were complex and interrelated. The case studies highlighted in the performance section of this report explain the wide range of activities and projects that were deployed as part of the response.

The diagram below sets out the key objectives, aims and risks in summary form.

Objectives	Aim	Strategic Risk
Minimise the loss of life and impact on the welfare of Islanders	To flatten and suppress the epidemic curve	Capacity and Capability of HCS becomes depleted due to shortage of skills, people, medical and equipment impacting service delivery Inability to contain the spread of COVID-19 to the Island's most vulnerable: Vulnerable (over 65 and those with specific medical conditions) Extremely Vulnerable (any age, with specific medical conditions e.g. certain cancers, low immune system etc)
Minimise the impact on the economy of Jersey	Preserve and sustain Jersey's economic infrastructure Protect people's livelihoods	Jersey suffers a significant economic downturn due to effect of the virus on the wider global economy Capacity and capability of Government to lead the crisis response
Manage Government finances appropriately during the crisis	Ensure sustainability and resilience of the Government of Jersey	Insufficient funds to address the economic crisis Inability to focus on BAU due to COVID-19
Maintain societal wellbeing through the Pandemic	Provide co-ordinated and coherent advice and support (financial, practical needs and wellbeing) to all Islanders impacted by COVID-19 Proactively target our most vulnerable Islanders and those subject to a 'stay home' order to ensure they can gain access to the right support in a safe and sustainable way.	Accuracy of data intelligence to inform decision making Ability to safeguard Islanders' (children and vulnerable) wellbeing whilst managing the epidemic curve Wider harms to people's health caused by measures necessary to contain the virus e.g. delayed hospital appointments
Manage a safe exit	Develop a sustainable Recovery Plan	Ability to provide Immunity Assurance Accuracy of health model evidence base to underpin decision making

## Minimise the Loss of Life

### Potential Impact

Failure to ensure sufficient capacity and capability within health services and to take action to protect the most vulnerable in order to minimise the loss of life and spread of the virus.

### Mitigating Actions

*Additional detail is contained within the case studies within the performance section of this report and not repeated here. A range of policy, planning and practical actions which were deployed, included:*

#### *Reconfiguration of the Hospital into Emergency Department and Urgent Treatment Centre*

A range of solutions were identified by the Health and Community Services Gold Command and Covid-19 response teams to increase the potential capacity available during the pandemic. Business continuity plans were also reviewed to assess the potential for other spaces to be used for healthcare services, should they be required.

### *Employment of General Practitioners*

Whilst a whole host of options were considered to provide additional health care capacity one of the more significant changes was the employment by the Government of the Island's GP workforce during the period April to early August 2020. A cross-Government team constructed and agreed a contractual arrangement at short notice to enable this extra resource to be available if required.

### *Building a Nightingale Hospital*

Additional 180 bed capacity for general and intensive care beds was made available within one month of a decision being taken by the Emergencies Council with the procurement, construction and readiness of the Nightingale Hospital. The Infrastructure, Housing and the Environment Department co-ordinated the project across all government departments and with partners, and ensured the facility was ready on time and under budget.

### *Developing a Safer Travel policy*

The safer travel policy was put in place when borders opened to non-essential travel to ensure safety around individuals who were planning to travel or who had recently travelled to Jersey. In March 2020, the government introduced new guidance for travelers arriving in Jersey from certain countries in mainland Europe.

### *Implementing a COVID-19 Testing and Tracing Programme*

The Covid-19 Testing and Tracing Programme was designed to monitor and contain the spread of Covid-19 in the Island and is made up of the following elements:

- PCR (swab) testing
- antibody (serology) testing
- contact tracing

This programme was supplemented by developing the ability to undertake tests in Jersey at the General Hospital, which became available on 8 April. The Infection and Molecular Sciences Laboratory at Jersey General Hospital was able to start testing patients for Covid-19, upon admission, using the new 'rapid technique'. Health and Community Services employees who required testing to continue to work were prioritised after patients. Previously, Jersey sent samples to the UK for analysis, which meant patients waited 48 hours for their results.

## Minimise the Impact on Livelihoods and the economy

### Potential Impact

Failure to preserve the Island's economic infrastructure would significantly impacts livelihoods

### Mitigating Actions

*A range of policy, planning and practical actions were deployed, for example:*

#### *The Co-Funded Payroll Scheme*

This scheme consisted of three phases, where each phase had a differing set of qualifying criteria. Businesses meeting the qualifying criteria received payments towards employee wages. This scheme helped support many qualifying businesses throughout pandemic.

#### *The Business Disruption Loan Guarantee Scheme*

This scheme provided Government-backed lending (loans provided by major banks that are guaranteed by Government) to local businesses which have been impacted by Covid-19 related measures. The Government agreed to underwrite 80% of loans to businesses that were considered viable if it were not for the Covid-19 pandemic up to the value of £50 million.

#### *Spend Local Card Scheme*

The multi-million-pound scheme was designed to give every adult and child in Jersey £100 and to encourage them to spend it at their favourite local businesses, with the only restriction that they could not spend it online. The scheme enabled more than £10 million to be injected into the local economy across a wide range of business sectors.

## Managing the Government during the crisis

### Potential Impact

Failure to ensure the resilience of Government could have impacted the ability to respond to the crisis and to deliver basic services across the Island.

### Mitigating Actions

*All departments had to amend their ways of working to enable Government to continue to function effectively in response to the pandemic. These included:*

The Chief Operating Office had to take on a number of unplanned activities and these included:

#### *Modernisation and Digital*

The team enabled a significant number of staff to work remotely by issuing laptops, deploying a rapid rollout of Microsoft Teams and upgrading the remote access infrastructure for the large number of staff who needed to work from home at short notice. It also designed, built and deployed a new booking and testing system in record time to support border testing for people arriving to the Island by sea and air.

#### *Commercial Services*

The team provided a diverse and complex range of products and services to support the Island, while also addressing the complex challenges of a global supply chain. Achievements range from creating a bespoke contract assuring the airbridge for the Island and delivering PPE to support everyone from front line workers in primary and acute care to setting up testing arrangements with UK laboratories and procuring not only the building, but all of the internal equipment for the Nightingale Wing.

#### *People and Corporate Services*

The team co-ordinated Business Continuity across the Government and ensured that staff were provided with a safe working environment, both for those that needed to attend their place of work and those working from home. They also supported managers and staff to adapt to new ways of working, redeployed hundreds of staff to interim roles to support the pandemic response and arranged temporary accommodation for employees that were unable to go home, either because they had been diagnosed with Covid-19 or because someone in their household had.

#### *Treasury*

A range of key decisions had to be made to allow the organisation to respond flexibly whilst ensuring sufficient resources were available to fund the health response, the functioning of government and the protection of the economy. Most notably, the Treasury Minister was granted emergency powers to enable funds to be made available to finance the response.

Good governance and probity were at the heart of decision making. The Strategic Finance Team developed a range of procedures for managing and monitoring the wide range of business cases which were submitted for funding. The Treasury

and Investment team worked with colleagues and the banks to ensure sufficient liquid resources were available to fund schemes and the day-to-day running of the organisation.

Policy decisions were made around a wide range of taxation matters to take the pressure off the businesses and individual households. Internal audit resources were deployed in a more flexible manner to enable real time auditing of the different schemes and proposals to be considered. Advice on the increased potential for fraud and corruption was also issued.

## Maintain Societal Well Being

### Potential Impact

Failure to provide coherent and consistent advice to all Islanders, especially the most vulnerable, could impact future well-being and mental health conditions.

### Mitigating Actions

*A range of policy, planning and practical actions were deployed, which included:*

#### *Supporting Children and Young People*

A total of 2,105 children and young people in Jersey shared their thoughts and feelings about the coronavirus pandemic in a confidential survey, jointly commissioned by the Department for Children, Young People, Education and Skills (CYPES) and the Children's Commissioner in May 2020.

A new Learning At Home website was set up, the Children and Families Hub and the Youth Enquiry Service was introduced, CAMHS services were integrated into the Children's and Family Hub to focus on supporting the most vulnerable, a safeguarding campaign was launched by CYPES and the States of Jersey Police to ensure the most vulnerable children were safe from harm and abuse, practical advice was issued to parents and children about the support available during school closures and the Department launched the online Right Help Right Time directory with information and on-line resources for families.

#### *Housing*

The Government of Jersey established an emergency housing team to provide advice and emergency accommodation to people facing housing difficulties. This service provided support to more than 200 households in the Island. Other activities included temporary changes to tenancy law to freeze rents, protection for tenants against eviction for rent arrears linked to Covid-19 and giving tenants the option to extend their tenancy. A one-off deferral of the annual rent increase for Andium Homes' tenants has also been agreed for 2021, and a rent deferral was offered to Government of Jersey tenant businesses.

### *Community Taskforce*

A Community TaskForce was set up with a wide range of partners enabling all sectors to come together to support the most vulnerable in the Island's communities. This was supplemented by the highly effective Connect Me Campaign.

## Manage a Safe Exit

### Potential Impact

Failure to manage a safe and sustainable exit from the pandemic could impact further waves of the virus, impacting lives and livelihoods

### Mitigating Actions

*A range of policy, planning and practical actions were deployed, which included:*

#### *Safe Exit Framework*

The Safe Exit Framework was published on 3 June 2020 to bring Jersey safely out of lockdown. This safe exit roadmap specified the public health and social measures to be taken at each level to enable the Island to progress through the pandemic as safely as possible. The Government started the move to Level 1 on 7 August.

#### *Test and Travel*

Jersey's Covid-19 Testing and Travel programme was established to ensure the implementation of the Safer Travel period on 3 July 2020, which allowed residents to visit friends and family after the essential travel only period ended, and permitted tourists to visit once again. The programme saw cross-governmental and partner agencies working together to develop physical testing centres at the Island's borders, setting-up a technical solution, and implementation of the regime within a four to six week window.

#### *COVID-19 Winter Strategy*

On Monday 2 November 2020, the Government published an update to the main Covid-19 Strategy (the Safe Exit Framework). The Covid-19 Winter Strategy set out to keep Covid-19 rates low while minimising the impact on life and work, and keeping Islanders secure, safe and well, by:

- Increasing on-Island testing
- Continually updating our classifications of countries and regions to keep Jersey safe
- Introducing mask policies for indoor public spaces
- Adopting shielding programmes to keep people at high risk safe but connected
- Vaccinating for flu and when possible, for Covid-19
- Making sure all of Government is prepared, especially in supporting care, health and economic interventions
- Being ready to escalate, if needed, but using the 'least overall harm' principle
- Communicating about sensible behaviour, backed with enforcement.

### *Workforce Testing*

The workforce testing project was put in place to proactively test for Covid-19 in work groups where workers are more likely to:

- be a positive case because of where they work
- transmit the virus to vulnerable individuals or enclosed communities

The enhanced workforce testing programme was announced as part of the Covid-19 Winter Strategy in November 2020.

### *COVID-19 Vaccination programme*

In November 2020, Public Health set out its Covid-19 Vaccination Strategy and, with the backing of the Council of Ministers and Competent Authorities Ministers, ensured the vaccine could be deployed at the earliest opportunity. On Tuesday 8 December, the first batch of Covid-19 vaccines arrived in Jersey ahead of the first cohort of Islanders receiving the vaccine from Monday 14 December 2020. More than 5,000 doses had been administered by mid-January 2021.

## COVID-19 Second Wave

### Potential Impact

At the time of writing, Jersey is currently experiencing a second wave of infections, which could impact the Government's original objectives and placing additional significant pressures on health and other government services.

### Mitigating Actions

Emergencies Council and the Competent Authority Ministers continue to meet on a regular basis to review the situation in Jersey. This continues to be informed by the Scientific and Technical Advisory Cell, which continues to advise on appropriate courses of action based on the infection data. These groups are focused on managing key matters as they arise. The Executive Leadership Team are briefed and are monitoring and responding to the situation on a daily basis.

The strategic, tactical and operational response put in place to plan, manage and respond to the first wave was re-deployed during November 2020. The Strategic Co-ordination Group, led by the Director General Justice and Home Affairs is meeting on a regular basis or as required. There are two Tactical Co-ordination groups in place in Health and Community Services Department and a separate group across the rest of One Government, both led by senior officers. A command and control structure is in operation with regular communication between groups. These groups are supported by a range of other teams reviewing specific issues, such as communications; people matters such as well-being, business continuity; finance and IT.

The One Gov Covid-19 Team (1GCT) has been re-formed at the tactical level specifically to co-ordinate and oversee all aspects of Business Continuity Management across government.

A communication strategy is in place and has been stepped up in recent weeks to include additional briefings to the media, business community, voluntary and

community groups and other partner organisations. A comprehensive social media programme and online advice service is available on the government website.

## Brexit

### Potential Impact

Uncertainty from Brexit will adversely impact the Island's economy if we fail to plan for and respond appropriately to the changes arising from the UK's exit from the European Union.

### Mitigating Actions

The UK's political departure from the EU took place on 31 January 2020. The Withdrawal Agreement provided for an 11-month Transition Period, ending on 31 December 2020, during which the UK's economic relationship with the EU has remained largely unchanged, with continued UK membership of the Single Market. This period was intended to allow negotiation of the 'future relationship' between the UK and the EU, to be set out in a UK-EU Trade and Economic Co-operation Agreement (TECA). UK and EU Chief Negotiators finally announced agreement on UK-EU TECA on 24th December 2020, with the proposed deal then subject to political agreement and ratification on both the UK and EU sides. The States Assembly have already unanimously decided for Jersey to participate in the UK EU TECA.

Key co-ordinating structures have been in place and operating for four years under the auspices of the Brexit Ministerial Group (BMG). This group has met regularly during 2020 to co-ordinate activity and respond on policy matters to the UK Government. There has been effective co-ordination and information sharing, especially on cross-cutting policy issues affecting more than one department. During the year cross-departmental planning and risk assessment was well established.

In January 2020, BMG Ministers agreed Jersey's 'Negotiating Mandate Document', which set out Jersey's principles, priorities and objectives for inclusion. That document was sent to the UK Government. The despatch of the 'Mandate' to the UK formed part of a process in which Jersey has inputted its interests into the UK-EU negotiations from the beginning.

Jersey's input has taken place at both Ministerial and Official levels. On the Ministerial side, Jersey Ministers have engaged frequently with UK counterparts through correspondence and meetings, including regular discussions with the Paymaster General in the Cabinet Office (and her predecessors in the Department for Exiting the European Union) and the Lord Chancellor. On the official side, there have been frequent (fortnightly and later weekly) meetings between Jersey and Cabinet Office (and before that DExEU) officials, as well as further meetings with other key UK Government departments, including DEFRA, BEIS, DfT and HMT. During the final stages of the negotiations, Taskforce Europe provided near-daily briefings, which allowed Jersey officials to keep Ministers frequently updated on the latest developments, and seek Ministerial steers as required.

The Government is currently considering the short and medium term economic risks and impacts of participating in the Trade Agreement.

## Modernisation of IT systems including Cyber Security

### Potential cause and impact

Improvements remain to be made in providing online services to customers, and the quality and effectiveness of our IT and digital infrastructure. Unsupported legacy systems and outdated and non-integrated IT processes continue to impact the efficiency and effectiveness of services to Islanders.

### Mitigating Actions

Significant investment in IT was approved in the Government Plan 2021-24. A digital partner is working with the Government to create an IT and digital strategy for the whole of the public service and identify the common technology needs and capabilities across the organisation.

Initiatives are wide-ranging and cover major modernisation and transformation programmes which will improve the way in which Government and public services function, so that they deliver modern, efficient, effective and value-for-money services and infrastructure, sound long-term planning strategic and financial planning, and encourage closer working and engagement among politicians and Islanders. A number of significant projects continue to develop and will begin to roll out in 2021. For example, the Integrated Technology Solution will be procured in early 2021 and begin to impact during 2022. The Team Jersey programme will continue to generate the culture change required to support the infrastructure changes.

Information and cyber security remains a risk despite the investment already made, and the likelihood for fraudulent activity occurring alongside this risk has been heightened due to the Covid-19 pandemic. During 2020 the programme of work to implement the strengthening of the Government's Cyber security programme became well established and key elements have been implemented. An Information Security strategy and roadmap has been approved and an Information Security improvement plan is being delivered. The Cyber Incident Response Plan has been reviewed, improved and tested with additional security measures put in place during the Covid-19 pandemic due to the increased requirement for homeworking.

## Estates Management

### Mitigating Actions

A corporate estates strategy and plan has recently been developed and presented to Ministers. This is supported by a Property and Asset Management Group that are overseeing developments. A senior appointment has been made to co-ordinate the Government's plans. Further work is in train to develop the asset management system as part of the wider Integrated Technology Solution (ITS) programme. Funds have been allocated to implement planned maintenance programmes.

## Improving Healthcare

### Potential Impact

If we fail to implement significant health and social care reforms, then the Island's health and community services may be unsustainable and patient safety and care may be negatively impacted.

### Mitigating Actions

#### *Our Hospital Project*

We continue to progress the proposals for a new hospital while supporting a programme of upgrade work to the existing General Hospital. The Our Hospital project met a key milestone in November 2020 with the agreement of a site. Further design and development work will take place in the first half of 2021 with the development of the detailed Outline Business Case due in late spring/early summer. Whilst significant progress has been made, the project objectives remain highly sensitive to any further delays in the decision-making process.

#### *Jersey Care Model*

Plans continue to introduce a new model of health care for Jersey, which is focused on prevention and on developing a more flexible and co-ordinated service with community health partners, to provide care for Islanders closer to home.

#### *Health and Well-Being Framework*

A new Health and Wellbeing Framework designed to help improve Islanders' well-being and mental and physical health has been published. The framework focusses on how to prevent illnesses by addressing the root cause of conditions such as heart disease, diabetes, cancer, anxiety and depression. The framework will oversee and co-ordinate broader health and wellbeing related strategies, providing the foundations for collaboration between government, parishes and the community and voluntary sectors.

#### *Mental Health Provision*

A significant amount of work has been completed in 2020 around the development of mental health services. This has benefited patient and staff experiences and includes upgrades to facilities, improved care plans, integration of departments and improved access to support. A detailed case study is included within the Performance section of this report. This work is vital as there is significant risk of increased mental health and well-being issues arising from the pandemic.

## Safeguarding children

### Potential Impact

If the Government does not respond effectively to implement the recommendations identified in the Independent Jersey Care Inquiry, then vulnerable children and adults will remain at risk and Islanders will not be satisfied that lessons have been learnt from the Inquiry Report.

### Mitigating Actions

Recommendations from the Care Inquiry, the Care Commission and Ofsted continue to be actioned and monitored on a regular basis. Longstanding systemic challenges are being addressed in the Children's Plan, which sets out shared priorities and outcomes with key agencies, including better joint planning and joint working across Government departments and with the voluntary and community sector.

Funding has been allocated in the Government Plan to progress a range of initiatives that respond to the recommendations in the various reports. Whilst the Covid-19 pandemic increased the safeguarding risks due to limitations on access to children during the crisis, the department has introduced new ways of working in order to enable the risks to be mitigated. There is the potential for a further Care Commission/ Ofsted inspection in March 2021, which will need to be prepared for and managed once confirmed.

## Safeguarding vulnerable adults

### Potential Impact

Failure to maintain and demonstrate organisation-wide arrangements to safeguard vulnerable adults may result in harm to those most in need, with associated impact on families and subsequent financial and reputational damage to the Government.

### Mitigating Actions

The Safeguarding Partnership Board oversees both Children's and Adult safeguarding arrangements in Jersey. The Board's website provides a range of useful tools and guidance documents for those who engage with vulnerable adults and children.

New multi-agency arrangements for vulnerable adults safeguarding enquiries and investigations came into operation from 1 January 2021. The Single Point of Referral (SPOR) team has health and social care professionals who will carry out assessments of need. They will signpost referrals to the correct service and ensure that the public have a single point of contact for their referrals or concerns.

## Budget re-balancing and financial efficiencies

### Potential Impact

Failure to deliver a re-balanced budget and the efficiencies programme would make funding new commitments and ongoing initiatives unaffordable, threatening the delivery of improved outcomes for Islanders and/or increasing the amount of additional revenue that the Government will need to seek from taxpayers.

### Mitigating Actions

A revised Government Plan 2021-24 has been approved by the States Assembly to reflect the short to medium term challenges presented by funding the impact of the Covid-19 pandemic. A wide-ranging programme has been put in place to co-ordinate the delivery of efficiencies. Project management arrangements are in place to identify and deliver planned efficiencies during the period 2021-24.

Monitoring of delivery of efficiencies will be integrated with financial management and reporting across all departments. All managers will be involved in developing ideas and delivering efficiencies across the various efficiency workstreams. The Zero-based budgeting programme has re-commenced in order to validate core spending requirements and assist in identifying additional efficiencies.

## Health and Safety

### Potential Impact

If the Government fails to manage the health and safety risk in the workplace, then Islanders could potentially be exposed to hazards.

### Mitigating Actions

A range of strategic and operational controls are being put in place to mitigate health and safety risks. A Health and Safety Board now oversees the corporate approach to all health and safety matters and is seeking to provide consistency and regular monitoring in order to reduce any risks. All departments are represented on the Board and there is active oversight by the States Employment Board and reporting to the Executive Leadership team. A programme of training has been put in place for all senior leaders to ensure the right culture and tone from the top is given with respect to Health and Safety matters. Greater links are being made between the corporate risk team and the health and safety teams to better understand the causes and effects of incidents and areas for improvement.

## Change of Chief Executive

### Potential Impact

The replacement of the Chief Executive at a time of significant change has the potential to impact momentum and delivery on the whole range of One Gov programmes and projects.

## Mitigating Actions

Interviews for an interim Chief Executive have taken place and an appointment now made for an interim replacement from 1st March 2021. Adequate arrangements have been put in place to ensure a smooth transition to an interim and permanent leader of the civil service.

## Other Risks

There are a range of other risks highlighted on the Corporate Risk Register that have not been covered in detail in this report, for which further information can be provided. These include the transformation and modernisation of the workforce: major projects such as the One HQ and Fort Regent, the potential for uninsured losses and the increasing risk of fraud and corruption during the pandemic. In addition, there are a number of more recent risks that are being evaluated, including the impact of the risks surrounding the implementation of the Covid-19 vaccine programme, as well as a number of potential risks which will become evident over time due to potential future demands on health services from increasing physical and mental health consequences of the Covid-19 pandemic.

## Review of Effectiveness

The Chief Executive Officer and the Treasurer of the States have determined the most significant governance issues to include in this Governance Statement, based on their awareness of the major issues facing the organisation. The issues outlined below have been drawn from departmental governance assurance statements, management reviews and the work of the C&AG, Internal and External Audit. The following significant governance themes and issues have emerged.

Issues Identified in and before 2020 by Audit and Accountable Officers	Planned Action for 2021
<p><b>States Employment Board (SEB)</b> Fundamental review of the framework for the oversight of human resources of the States is required, including, in respect of both SEB and the Jersey Appointments Commission:</p> <ul style="list-style-type: none"> <li>- scope;</li> <li>- functions;</li> <li>- membership; and</li> <li>- operation.</li> </ul>	<p>To scope the legislative changes to the Employment of States of Jersey Employees (Jersey) Law 2005. Bring forward a proposal in readiness to start the approval process and law drafting which will now be completed during 2021.</p>
<p><b>Freedom of Information and Information security</b> Improvements required to records management; information management and development of an information governance strategy.</p>	<p>Recruitment was completed in early 2020 to take this area forward. A programme of work has been established and is developing and implementing the required improvements.</p>
<p><b>Information and Cyber Security</b> Systems need to be continually improved to both detect and deter access which is not appropriate and to ensure compliance with GDPR legislation.</p>	<p>There has been significant investment and development in information and cyber security during 2020 which will continue in 2021.</p>

**Issues Identified in and before 2020  
by Audit and Accountable Officers**
**Planned Action for 2021**
**IT Systems**

Improvements remain to be made in the quality and effectiveness of our IT and digital infrastructure.

Significant investment has been put into the Government Plan 2021-24 to improve IT systems.

**HR Systems and Processes**

Policies and procedures need to be brought up to date and made consistent to avoid potential confusion and misinterpretation.

A new HR policy framework is in development and revised codes of practice have been drafted.

**Estate Management**

The effectiveness of planned maintenance procedures and compliance with Health and Safety requirements needs improvement.

A corporate Estates Management strategy was approved in late 2020 and will be developed into a more detailed plan during 2021.

**Anti-Money Laundering and Counter Fraud and Corruption**

The need to review and strengthen our approach to anti-money laundering and our counter-fraud and corruption strategy was identified in 2020.

There has been a positive direction of travel with relevant policy and strategy documents updated and approved in early 2021. Further work to embed the strategy is required in 2021.

# Update on Governance Issues and framework

Last year's Annual Governance Report highlighted a range of key areas for improvement.

In addition to the areas highlighted for improvement, the Government has further developed the process this year to focus on the nine core principles in the revised Corporate Governance Framework. A revised set of governance questions underpin the statements provided for 2020. For example, The Government has been keen to align the questions to provide assurance for itself and other organisations who rely on the Government for assurance. For example, a question for Accountable Officers has been introduced to provide assurance that they have undertaken all recruitment, taking into account the requirements of the Jersey Appointments Commission. The framework will continue to be developed during 2021.

Looking forward, the following significant issues still remain or have been identified for further development during 2021:

Issues identified for 2020	Actions Achieved
<p><b>Programme and Project management</b> Project management and governance arrangements for a range of projects have been identified as requiring improvement.</p>	<p>A Corporate Portfolio Management Office is now in place and began operating in late 2020. The team are currently developing programme and project management guidelines and training has been rolled out across the organisation. Regular reporting has been established to the Executive Leadership team.</p>
<p><b>People Strategy</b> The need to update the States employment law and to develop an overarching People Strategy has been identified as key improvement required to overall governance arrangements.</p>	<p>An overarching People Strategy has been developed with stakeholders and will be rolled out in early 2021.</p>
<p><b>The States as a Shareholder</b> There is a need to strengthen the effectiveness of the oversight of States Owned Entities through the development of the Memoranda of Understanding for all States Owned Entities.</p>	<p>A client-side partnership function in the Office of the Chief Executive has been established which liaises with the Shareholder Relationship team in Treasury and Exchequer to ensure more transparent reporting of a range of matters as included in a revised Memoranda of Understanding.</p>
<p><b>Organisational Change</b> The One Gov agenda identified the need to fundamentally review the organisational structure and culture in order to facilitate the ambition change programme.</p>	<p>Impact of the Target Operating Model (TOM) process continues to be monitored across departments and culture change initiatives embedded through Organisational Development and Team Jersey programme.</p>
<p><b>Governance Arrangements - Health and Social Care</b> The governance arrangements in the Health and Community Services Department were judged as in need of improvement in 2018.</p>	<p>Revised and strengthened governance arrangements have been in place since September 2019 which reflect the Care Group structure. These have continued to develop and are now well embedded despite the challenges imposed by Covid-19 pandemic.</p>

## Corporate Governance Report

Issues identified for 2020	Actions Achieved
<p><b>Decision Making – Major projects</b> The decision making for a number of major projects, including the Future Hospital project have been identified as in need of improvement.</p>	<p>Arrangements continue to be strengthened through the introduction of Investment Appraisal Board, improved governance, business model appraisal by Strategic Finance team; risk management and use of the Five Case business model recommended by HM Treasury for all major projects. A range of Scrutiny and Assurance reviews have been undertaken in 2020 and have concluded that improvements have been made with regard to the governance and approach taken to major projects.</p>
<p><b>Commercial Approach</b> The development of the One Gov approach identified the need for a more commercial approach to assist with improvements to value for money.</p>	<p>Work continues to identify how to extract best commercial value from our engagement with organizations that receive grants or work in partnership with government. The implementation of a consultancy review undertaken in late 2019 has been delayed due to the Covid-19 pandemic but has now been re-invigorated to aid improvement to a number of aspects of the Government's approach in 2021.</p>
<p><b>Management Information</b> Inadequacies in performance and management information have been identified in a number of audit reports as an area for improvement.</p>	<p>The Jersey Standard has been introduced during 2020 and through a corporate system has delivered the capacity and capability to deliver improved analytics and effective performance management. Further work will take place during 2021 under the oversight of the Department for Strategic Policy, Performance and Planning using the Outcome Based Accountability (OBA) approach.</p>

## Closing statement

Despite the significant impact of the Covid-19 pandemic on the lives and livelihoods of Islanders, the organisation has responded positively to the significant challenges faced and delivered a range of positive outcomes during 2020. The impact of the pandemic will be felt for generations and, as a result, the Government has taken the opportunity to re-evaluate its priorities and the associated risks over the short and medium term. Whilst it is accepted that a longer-term piece of work needs to be formulated to sit alongside the Island Plan, the organisation has continued to push forward the transformation of the organisation and taken the opportunity to address a number of the governance, operational and risk issues raised in this report, which will enable the Government to start to perform in a more efficient and effective way to deliver for Islanders.

The Government is confident that the governance arrangements in place during 2020 have been effective, with the exception of the governance issues identified above and in individual departmental 2020 Governance Statements.

The organisation is committed to maintaining and, where possible, improving its governance arrangements, in particular by:

- Addressing the issues identified, and in particular those reported by the C&AG, as requiring improvement
- Working with Scrutiny to learn the lessons from and develop stronger policy around key initiatives and services
- Enhancing performance reporting and focusing on key risks
- Using the Government Plan and the Target Operating Model as a basis for planning to improve services and outcomes for Islanders and taxpayers.

The improvements and actions identified will take place over a long period. It is recognised the Government is on an improvement journey but its commitment to delivering better outcomes for Islanders and taxpayers will remain constant throughout.

It is our view that the Annual Report and Accounts, as a whole is fair, balanced and understandable and represents a true and fair view of the financial performance of the organisation.

**Paul Martin**  
Interim Chief Executive

Date: 14 May 2021

**Richard Bell**  
Treasurer of the States

Date: 14 May 2021

# Remuneration and Staff Report

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# Remuneration Report

## Remuneration policy

Remuneration policy for all employees of the States of Jersey is determined by the States Employment Board (SEB). On behalf of SEB, the People and Corporate Services directorate provides an employer-side secretariat for the purpose of negotiation and consultation with the recognised trades unions and associations.

SEB has policies on pay and reward to ensure fairness and consistency, includes:

- Establish pay scales
- Job Evaluation
- Benchmarking
- Organisational design

## Reward principles

### *Equal pay for equal work*

Pay should be fair and equitable, recognising the requirements of differing roles and the value they bring to the organisation. We have and will continue to use objective job evaluation methods to validate decisions on job level.

### *Market sensitivity*

We recognise that we compete in the market for our people and that some skills have a market value that differ from others. We will ensure that we remain competitive and pay the right rate for the job.

### *Total reward approach*

We take into account all elements that make up the employment deal when considering our approach to pay and reward.

### *Flexibility*

We need to ensure that our pay structures provide us with flexibility for employees and for our future needs.

### *Performance and recognition*

We will recognise both contribution and behaviours to build a performance culture linked to outcome-driven delivery.

### *Affordability and sustainability*

We have a responsibility to our employees and to Islanders to maintain pay policies that are affordable and sustainable.

## Summary of pay awards

Pay Group	2020 Pay Awards %
Civil Servants	4.00%
Fire	4.20%
Heads and Deputies**	4.00%
Nurses and Midwives	5.97%
Police	4.00%
Prison	4.20%
Teachers*	4.80%
Teaching Assistants	4.00%
WFM Groups	2.50%
Manual Workers and Energy Recovery Facility	4.00%

\*The Teachers' pay award is broken down as RPI (2.7%) + 1.3% + 0.8% gainshare. This gainshare amount of 0.8% is dependent on conclusion on the joint gainshare work.

\*\*This includes the 2.6% to fund the new leadership spine from 2020 negotiated as part of the pay agreement

The States Employment Board has not applied any inflation increase in salaries of those earning £100,000 or more for 2018 and 2019 pending a review of reward for this group.

Consideration of the review due 1 January 2020 was deferred by SEB until December 2020. Further communications with this group will take place early in 2021.

## Remuneration and Staff Report

## Council of Ministers Remuneration

As elected members of the Government of Jersey, Members of the Council of Ministers are entitled to remuneration. States Members received a 3% basic salary pay rise of £1,400 p.a. effective June 2020 (to £48,000 p.a.) and increase in Benefit In Kind (BIK) of £100 (to £700 p.a.).

£000 Unless Otherwise Stated	1 January 2020 - 31 December 2020				1 January 2019 - 31 December 2019		
	Salary and Allowances	Other Remuneration	Pension Related Benefits*	Total	Salary and Allowances	Other Remuneration	Total
Senator John Le Fondré <b>Chief Minister</b>	45 - 50	0 - 5	0 - 5	50 - 55	40 - 45	0 - 5	45 - 50
Senator Lyndon Farnham <b>Minister for Economic Development, Tourism, Sport and Culture</b>	45 - 50	0 - 5	0 - 5	50 - 55	40 - 45	0 - 5	45 - 50
Senator Ian Gorst <b>Minister for External Relations</b>	45 - 50	0 - 5	-	45 - 50	40 - 45	0 - 5	45 - 50
Deputy Susie Pinel <b>Minister for Treasury and Resources</b>	45 - 50	0 - 5	-	45 - 50	40 - 45	0 - 5	45 - 50
Senator Sam Mezec <b>Minister for Children and Housing (End Date 09/11/2020)</b>	40 - 45	0 - 5	-	40 - 45	40 - 45	0 - 5	45 - 50
Deputy Jeremy Macon <b>Minister for Children (Start Date 17/11/2020)</b>	0 - 5	0 - 5	0 - 5	5 - 10	-	-	-
Deputy Richard Renouf <b>Minister for Health and Social Services</b>	45 - 50	0 - 5	0 - 5	50 - 55	40 - 45	0 - 5	45 - 50
Deputy Judy Martin <b>Minister for Social Security</b>	45 - 50	0 - 5	-	45 - 50	40 - 45	0 - 5	45 - 50
Deputy John Young <b>Minister for Environment</b>	45 - 50	0 - 5	0 - 5	50 - 55	20 - 25	0 - 5	25 - 30
Deputy Kevin Lewis <b>Minister for Infrastructure</b>	45 - 50	0 - 5	0 - 5	50 - 55	40 - 45	0 - 5	45 - 50
Connétable Len Norman <b>Minister for Home Affairs</b>	45 - 50	0 - 5	0 - 5	50 - 55	40 - 45	0 - 5	45 - 50
Senator Tracey Vallois <b>Minister for Education</b>	45 - 50	0 - 5	-	45 - 50	40 - 45	0 - 5	45 - 50
Deputy Carolyn Labey <b>Minister for International Development</b>	45 - 50	0 - 5	0 - 5	50 - 55	40 - 45	0 - 5	45 - 50

## Remuneration and Staff Report

Although States Members are treated as being self-employed for Social Security purposes the States also cover an equivalent amount to an employer's Social Security liability (up to 6.5% of the Social Security standard earnings limit) on behalf of the Members. This may not apply to all States Members, for example, Members who are claiming a Social Security pension or those who chose to exercise the married woman's election may not have a Social Security liability.

\*A new pension scheme was created this year for the States Members which is managed by private pension company. This is optional. The pension scheme the States Members are paying in to is not administered in any way by the Government of Jersey. This was to ensure that no conflict of interest arose by membership of the scheme. The pension related benefits reported for Ministers comprises the States of Jersey contributions in to the scheme of up to 10%.

## Directors' remuneration

The table below gives details of the actual salaries, allowances and pension benefits of directors, defined as members of the Executive Leadership Team (ELT). No taxable benefits-in-kind or bonuses were received or declared by the officers below during 2020.

£000 Unless Otherwise Stated	1 January 2020 - 31 December 2020				1 January 2019 - 31 December 2019			
	Salary and Allowances	Other Remuneration	Pension Related Benefits*	Total	Salary and Allowances	Other Remuneration	Pension Related Benefits*	Total
Mr C Parker	245 - 250	-	60 - 65	310 - 315	245 - 250	-	55 - 60	305 - 310
<b>Chief Executive</b>								
Mr J Quinn	165 - 170	5 - 10	40 - 45	210 - 215	165 - 170	5 - 10	35 - 40	205 - 210
<b>Chief Operating Officer</b>								
Mr D Danino- Forsyth	90 - 95	5 - 10	10 - 15	105 - 110	-	-	-	-
<b>Director of Communications (Start Date 01/03/2020)</b>								
Mr S Hardwick	25 - 30	0 - 5	-	30 - 35	145 - 150	15 - 20	-	165 - 170
<b>Director of Communications (Until 29/02/2020)</b>								
Mr T Walker	140 - 145	-	100 - 105	245 - 250	140 - 145	-	90 - 95	235 - 240
<b>Director General – Strategic Policy, Planning and Performance</b>								
Mr I Burns	140 - 145	-	30 - 35	175 - 180	140 - 145	-	45 - 50	190 - 195
<b>Director General – Customer and Local Services</b>								

## Remuneration and Staff Report

£000 Unless Otherwise Stated	1 January 2020 - 31 December 2020				1 January 2019 - 31 December 2019			
	Salary and Allowances	Other Remuneration	Pension Related Benefits*	Total	Salary and Allowances	Other Remuneration	Pension Related Benefits*	Total
Mr R Bell								
Treasurer of the States and Director General – Treasury and Exchequer	165 - 170	-	50 - 55	215 - 220	165 - 170	-	95 - 100	260 - 265
Mr J Blazeby								
Director General – Justice and Home Affairs	140 - 145	-	30 - 35	175 - 180	140 - 145	0 - 5	30 - 35	175 - 180
Mr M Rogers								
Director General – Children, Young People, Education and Skills	170 - 175	-	-	170 - 175	170 - 175	-	-	170 - 175
Mr J Rogers								
Director General – Growth, Housing and Environment (Until 31/05/2020)	55 - 60	190 - 195	30 - 55	280 - 285	155 - 160	-	75 - 80	235 - 240
Mr A Scate**								
Director General – Growth, Housing and Environment (Acting Up From 01/04/2020)	105 - 110	-	20 - 25	125 - 130	-	-	-	-
Mrs K Nutt								
Group Director – External Affairs	125 - 130	5 - 10	20 - 25	155 - 160	125 - 130	5 - 10	20 - 25	155 - 160
Mr R Corrigan								
Acting Director General for FSDE and Economy	140 - 145	55 - 60	35 - 40	230 - 235	140 - 145	55 - 60	40 - 45	240 - 245
Mrs C Landon								
Director General – Health and Community Services (Start Date 01/04/2019)	170 - 175	-	30 - 35	205 - 210	130 - 135	0 - 5	25 - 30	155 - 160
Mr A McKeever								
Director General – Health and Community Services (End Date 31/03/2019)	-	-	-	-	75 - 80	-	-	75 - 80
Dr M Egan								
Greffier of the States	140 - 145	-	25 - 30	165 - 170	135 - 140	-	30 - 35	170 - 175

## Remuneration and Staff Report

£000 Unless Otherwise Stated	1 January 2020 - 31 December 2020				1 January 2019 - 31 December 2019			
	Salary and Allowances	Other Remuneration	Pension Related Benefits*	Total	Salary and Allowances	Other Remuneration	Pension Related Benefits*	Total
Mr A Le Sueur								
Practice Director – Law Officers’ Department	95 - 100	-	55 - 60	150 - 155	90 - 95	0 - 5	50 - 55	140 - 145
Ms C Madden								
Chief of Staff	140 - 145	-	70 - 75	210 - 215	140 - 145	-	1,445 - 1,450***	1,580 - 1,585

Other Remuneration includes back pay, sickness benefit and other pensionable and non-pensionable pay adjustments and compensatory amounts

\*The pension related benefits figure included in the single total figure comprises the movement in the Cash Equivalent Transfer Value (CETV) from the previous year as detailed over the following pages. This represents the accrued pension fund available for the individual from which their pension benefit will be paid rather than the amount that will be paid as a pension benefit.

\*\*Andrew Scate took up the position of interim Director General of Infrastructure, Housing and Environment in April 2020, the Salary and Allowances and Other Remuneration take into account this April start date whereas the pension figures are based on this full year earnings (three months as Group Director of Environment)

\*\*\* The movement in CETV in 2019 relates to a transfer in to the Scheme by the member as reported in the 2019 Remuneration Report.

Only the salary for the period the individual was a member of ELT are disclosed.

## Pension benefits

The Government administers two public service pension schemes, the Public Employees’ Pension Fund (PEPF) and the Jersey Teachers’ Superannuation Fund (JTSF). Employees of the Government and 30 admitted employers are members of the schemes.

The PEPF is the pension scheme for all public servants, with the exception of teachers, and has around 16,800 scheme members, of whom over 7,000 are employed and accumulating benefits. The PEPF has a final salary scheme and career average scheme.

Around 6,600 employees were accumulating pensions in the career average scheme at the end of 2020. The PEPF career average scheme provides benefits based on the pensionable earnings paid to the member each year and for non-uniformed members has a normal expected retirement age linked to the Social Security Pension Age, which is increasing to age 67. Non-uniformed employees contribute 7.75% of their earnings to the scheme. Uniformed employees have an earlier normal retirement age of 60 and contribute 10.1% of earnings.

## Remuneration and Staff Report

Fewer than 500 employees continue to accumulate pensions in the PEPF final salary scheme. These employees will reach their normal retirement age within five years. No new entrants can be admitted into final salary scheme.

The JTSF has around 2,900 scheme members, of whom around 1,200 are employed and accumulating benefits. JTSF is a final salary pension scheme with benefits based on length of service and final salary. The scheme has an expected retirement age of 65 for new entrants. Teachers contribute up to 6% of their salaries into the scheme. The Government also makes an employer contribution of 10.8% of teacher pensionable salaries towards the costs of future pension accrual and a further employer contribution of 5.6% of pensionable salaries to meet the JTSF Pension Increase Debt.

The public service pension schemes in Jersey are not balance-of-cost schemes and the employer contribution is capped. Pension increases are subject to the financial position of the pension funds remaining satisfactory and are not guaranteed.

*Pension Benefits Disclosure Table*

Executive Leadership Team (ELT) Member	Annual Pension at retirement at 31/12/20	Annual Pension at retirement at 31/12/19	CETV at 31/12/2020	CETV at 31/12/2019
	£000	£000	£000	£000
Mr R W Bell	45-50	40-45	902	848
Mr J Blazeby	5-10	0-5	78	46
Mr I Burns	15-20	15-20	316	283
Mr R Corrigan	10-15	5-10	135	98
Mr D Danino-Forsyth	0-5	N/A	12	N/A
Dr M Egan	5-10	5-10	139	113
Mrs K Nutt	5-10	5-10	99	77
Mrs C Landon	0-5	0-5	59	25
Mr A Le Sueur	25-30	20-25	579	522
Ms C Madden	80-85	80-85	1,526	1,451
Mr C Parker	10-15	05-10	176	115
Mr J Quinn	5-10	0-5	89	49
Mr J Rogers	30-35	30-35	695	663
Mr M Rogers	N/A	N/A	N/A	N/A
Mr A Scate	50-55	N/A	873	N/A
Mr T Walker	30-35	25-30	559	454

\*£000 Unless Otherwise Stated

## Remuneration and Staff Report

*Lump sum*

Members of PEPF can choose to exchange up to 30% of their pension for a lump sum upon retirement. For every £1 of annual pension given up, members will receive a cash sum of £13.50. As each individual may choose to exchange a different proportion, individual lump sums are not shown.

*Cash Equivalent Transfer Value*

The Cash Equivalent Transfer Value (CETV) represents the value of rights accrued in the scheme and is calculated based on a transfer to a private pension scheme. Transfer values payable from PEPF are subject to a market adjustment factor, which is derived from the future investment return of the Pension Fund. The general increases in transfer values shown above are due to an additional year of accrual of benefits in the PEPF. Comparative figures have been restated to use the same market adjustment factors applied at the end of 2020 in order to allow proper comparison between the two figures.

## Compensation on early retirement or loss of Office (Directors only)

There were two agreements for loss of office in 2020, one for £192,500 and another for £500,000. These are in respect of Executive Leadership Team (ELT) members only. The £192,500 is included in the 'Loss of Office' Line in the table below as it was paid in 2020 but the £500,000 is not as it was paid in 2021 but accrued in 2020.

## Exit Packages (All States of Jersey Employees)

There were a total of 34 individuals who received £1,282,709, in severance and ex-gratia payments between them in 2020, compared to 40 individuals receiving a total of £2,048,139 in 2019. This includes employees in the compensation figures.

Reason	2020		2019	
	Staff	Total	Staff	Total
Compulsory or Voluntary Redundancy	9	£374,071	33	£1,894,161
Loss of Office	18	£808,173	2	£67,459
Outsourcing of Role	6	£57,876	-	-
Other Reasons	-	-	5	£86,518
Voluntary Early Retirement	1	£42,589	-	-
<b>Total</b>	<b>34</b>	<b>£1,282,709</b>	<b>40</b>	<b>£2,048,138</b>

## Fair pay disclosure

The following table contains details of pay multiples, which represents the ratio between the highest-paid director and the median remuneration. The median remuneration is a form of average, representing the individual whom half of the employees earned more than, and half earned less than. The calculation below is based on the full-time equivalent annual salary for individuals holding contracts (permanent or fixed term) at the end of the relevant year.

Figures presented are for December headcount for departments and trading operations.

	2020	2019
Highest-paid director	£245,000 - £250,000	£245,000 - £250,000
Median remuneration	£42,589	£41,830
Remuneration ratio	5.8	5.9

Salary (Basic Pay) ranges within GoJ range from £13,000 per annum up to £250,000 per annum.

The following sections of this report have been adapted to now include subsidiary information (Andium Homes, Ports of Jersey and the States of Jersey Development Company)

## Staff report

The table below shows the number of directors and senior civil service staff, defined as civil service grade 15 and above, as a proportion of total year-end headcount.

The figures presented are for December headcount for departments and trading operations.

	2020				2019			
	Government of Jersey Core		Subsidiaries		Government of Jersey Core		Subsidiaries	
	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE
Directors (ELT)	15	15	13	13	15	15	12	12
Senior staff	105	104	11	11	124	123	12	12
Other staff	7,096	6,427	391	347	6,750	6,079	404	402
<b>Total Staff</b>	<b>7,216</b>	<b>6,546</b>	<b>415</b>	<b>371</b>	<b>6,889</b>	<b>6,217</b>	<b>428</b>	<b>426</b>

### Headcount by Directorate as at end of year

Department	Headcount	
	2020	2019
	Total*	Total
Chief Operating Office	203	189
Children, Young People, Edu & Skills	2,268	2,221
Customer and Local Services	287	273
Health and Community Services	2,371	2,306
Infrastructure, Housing and Environment	631	566
Justice and Home Affairs	744	710
Non-executives and legislature	213	227
Office of the Chief Executive	102	68
States Assembly	44	23
Strategic Policy, Performance & Pop.	96	83
Treasury and Exchequer	270	223
Subsidiaries	415	428
<b>Total</b>	<b>7,644</b>	<b>7,317</b>

Department	FTE	
	2020	2019
	Total	Total
Chief Operating Office	196	181
Children, Young People, Edu & Skills	1,871	1,831
Customer and Local Services	268	255
Health and Community Services	2,194	2,119
Infrastructure, Housing and Environment	609	549
Justice and Home Affairs	721	692
Non-executives and legislature	196	210
Office of the Chief Executive	99	65
States Assembly	42	22
Strategic Policy, Performance & Pop.	92	80
Treasury and Exchequer	259	215
Subsidiaries	372	426
<b>Total</b>	<b>6,919</b>	<b>6,645</b>

## Remuneration and Staff Report

## Staff number

The average number of full-time equivalent persons employed are set out in the following table.

	2020				2019			
	Government of Jersey Core		Subsidiaries		Government of Jersey Core		Subsidiaries	
	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE
Fixed Term Staff	580	447	45	11	515	372	71	14
Permanent Staff	6,566	5,958	260	152	6,404	5,765	347	51
<b>Total Staff</b>	<b>7,146</b>	<b>6,405</b>	<b>305</b>	<b>163</b>	<b>6,919</b>	<b>6,137</b>	<b>418</b>	<b>65</b>

*The average Headcount and FTE by Directorate*

Department	Headcount	
	2020 Average	2019 Average
Chief Operating Office	181	179
Children, Young People, Edu & Skills	2,291	2,229
Customer and Local Services	279	248
Health and Community Services	2,393	2,325
Infrastructure, Housing and Environment	585	577
Justice and Home Affairs	741	703
Non-executives and legislature	215	222
Office of the Chief Executive	91	88
States Assembly	37	32
Strategic Policy, Performance & Pop.	91	81
Treasury and Exchequer	254	222
<b>Average GoJ Core Staff</b>	<b>7,158</b>	<b>6,906</b>
Subsidiaries	305	418
<b>Average</b>	<b>7,463</b>	<b>7,324</b>

Department	FTE	
	2020 Average	2019 Average
Chief Operating Office	174.0	172.7
Children, Young People, Edu & Skills	1,850.0	1,779.1
Customer and Local Services	259.4	232.0
Health and Community Services	2,196.1	2,110.3
Infrastructure, Housing and Environment	563.6	557.5
Justice and Home Affairs	714.8	676.6
Non-executives and legislature	197.8	202.5
Office of the Chief Executive	87.2	85.1
States Assembly	35.8	31.1
Strategic Policy, Performance & Pop.	85.4	75.6
Treasury and Exchequer	244.1	213.7
<b>Average GoJ Core Staff</b>	<b>6,408.2</b>	<b>6,136.2</b>
Subsidiaries	163.0	64.7
<b>Average</b>	<b>6,571.2</b>	<b>6,200.9</b>

## Remuneration and Staff Report

## Segmental analysis of staff

The tables below give details of the numbers of staff whose total remuneration exceeds £100,000, split by department and then by pay group. Remuneration includes salaries and wages, benefits and pension contributions paid by the States.

### Segmental analysis of total remuneration of £100,000 and above

#### By department:

Remuneration	Chief Operating Office	Children, Young People, Education and Skills	Customer and Local Services	Infrastructure, Housing and Environment	Health and Community Services	Justice and Home Affairs	Non-Ministerial	Office of the Chief Executive	Strategic Policy, Planning and Performance	Treasury and Exchequer	Subsidiaries	2020 Total	2019 Total
100,000 - 119,999	2	21	1	14	41	17	21	8	12	15	28	180	143
120,000 - 139,999	1	12	2	3	20	5	8	2	1	1	25	80	75
140,000 - 159,999	4	4	-	-	26	2	6	3	2	2	3	52	53
160,000 - 179,999	-	1	1	1	25	2	8	1	1	2	3	45	31
180,000 - 199,999	1	-	-	-	22	1	1	-	-	2	4	31	23
200,000 - 219,999	-	-	-	-	8	-	-	-	1	-	3	12	14
220,000 - 239,999	-	-	-	-	5	-	1	1	-	-	3	10	7
240,000 - 259,999	-	-	-	1	2	-	-	-	-	-	3	6	2
260,000 - 279,999	-	-	-	-	-	-	-	-	-	-	1	1	2
280,000 - 299,999	-	-	-	-	-	-	-	1	-	-	-	1	2
300,000 - 319,999	-	-	-	-	-	-	-	-	-	-	-	-	1
320,000 - 339,999	-	-	-	-	-	-	2	-	1	-	-	3	-
340,000 - 359,999	-	-	-	-	-	-	1	-	-	-	-	1	-
Individuals who received voluntary redundancy payments that make total remuneration greater than £100,000												(23)	(10)
<b>Total</b>	<b>8</b>	<b>38</b>	<b>4</b>	<b>19</b>	<b>149</b>	<b>27</b>	<b>48</b>	<b>16</b>	<b>18</b>	<b>22</b>	<b>73</b>	<b>399</b>	<b>343</b>

Note: this figures includes 18 Voluntary Redundancy from Subsidiaries companies in both tables

## Remuneration and Staff Report

*By Pay group:*

Remuneration	Directors General, Judicial Greffe, Crown Appointments, Law Draftsman and Other Personal Contract Holders	Civil Servants (Including A-Grades)	Doctors and Consultants	Heads and Deputy Heads	Nurses and Midwives	Uniformed Services	Subsidiaries	2020 Total	2019 Total
100,000 - 119,999	3	103	17	11	7	11	28	180	143
120,000 - 139,999	1	22	18	11	-	3	25	80	75
140,000 - 159,999	-	23	25	-	-	1	3	52	53
160,000 - 179,999	6	11	24	-	-	1	3	45	31
180,000 - 199,999	-	5	22	-	-	-	4	31	23
200,000 - 219,999	-	2	7	-	-	-	3	12	14
220,000 - 239,999	1	1	5	-	-	-	3	10	7
240,000 - 259,999	-	2	1	-	-	-	3	6	2
260,000 - 279,999	-	-	-	-	-	-	1	1	2
280,000 - 299,999	1	-	-	-	-	-	-	1	2
300,000 - 319,999	-	-	-	-	-	-	-	-	1
320,000 - 339,999	2	-	1	-	-	-	-	3	-
340,000 - 359,999	1	-	-	-	-	-	-	1	-
Individuals who received voluntary redundancy payments that make total remuneration greater than £100,000								(23)	(10)
<b>Total</b>	<b>15</b>	<b>169</b>	<b>120</b>	<b>22</b>	<b>7</b>	<b>16</b>	<b>73</b>	<b>399</b>	<b>343</b>

## Remuneration and Staff Report

## Staff costs

The tables below provides a breakdown of staff across core Government and non-ministerial departments. A full breakdown of staff costs across the group can be found in note 4.7 Staff Costs.

2020

Year End FTE	Department	Salaries and Wages	Pension	Social Security	Total
		£000	£000	£000	£000
196	Chief Operating Office	10,419	1,478	589	12,486
1,871	Children, Young People, Education and Skills	96,784	14,270	5,891	116,945
268	Customer and Local Services	11,150	1,671	701	13,522
569.8	Infrastructure, Housing and Environment	26,378	3,677	1,607	31,662
2,194	Health and Community Services	125,857	16,548	7,293	149,698
721	Justice and Home Affairs	43,005	5,624	2,356	50,985
196	Non-Ministerial	13,424	1,974	784	16,182
99	Office of the Chief Executive	6,608	1,020	354	7,982
42	States Assembly (Excluding States Members)	2,734	363	137	3,234
91.5	Strategic Policy, Planning and Performance	5,805	825	321	6,951
259	Treasury and Exchequer	13,344	2,214	718	16,276
<b>6,508</b>	<b>Department Total</b>	<b>355,508</b>	<b>49,664</b>	<b>20,751</b>	<b>425,923</b>
20	Jersey Car Parks	745	117	48	910
19	Jersey Fleet Management	862	120	56	1,038
<b>39</b>	<b>Trading Operations Total</b>	<b>1,607</b>	<b>237</b>	<b>104</b>	<b>1,948</b>
<b>372</b>	<b>Subsidiaries</b>	<b>26,487</b>	<b>2,933</b>	<b>1,374</b>	<b>30,794</b>
<b>6,919</b>	<b>Total</b>	<b>383,602</b>	<b>52,834</b>	<b>22,229</b>	<b>458,665</b>

2019

Year End FTE	Department	Salaries and Wages	Pension	Social Security	Total
		£000	£000	£000	£000
181	Chief Operating Office	11,780	1,639	675	14,094
1,831	Children, Young People, Education and Skills	90,740	13,226	5,502	109,468
255	Customer and Local Services	9,855	1,397	613	11,865
510	Infrastructure, Housing and Environment	25,385	3,456	1,520	30,361
2,119	Health and Community Services	109,648	13,987	6,301	129,936
692	Justice and Home Affairs	36,809	4,908	2,163	43,880
206	Non-Ministerial	12,558	2,012	659	15,229
65	Office of the Chief Executive	5,761	794	310	6,865
25	States Assembly (Excluding States Members)	2,115	301	104	2,520
80	Strategic Policy, Planning and Performance	5,096	727	266	6,089
215	Treasury and Exchequer	11,650	1,569	1,049	14,268
<b>6,178</b>	<b>Department Total</b>	<b>321,397</b>	<b>44,016</b>	<b>19,162</b>	<b>384,575</b>
20	Jersey Car Parks	731	110	47	888
19	Jersey Fleet Management	857	113	54	1,024
<b>39</b>	<b>Trading Operations Total</b>	<b>1,588</b>	<b>223</b>	<b>101</b>	<b>1,912</b>
<b>426</b>	<b>Subsidiaries</b>	<b>24,148</b>	<b>3,356</b>	<b>1,269</b>	<b>28,773</b>
<b>6,642</b>	<b>Total</b>	<b>347,133</b>	<b>47,595</b>	<b>20,532</b>	<b>415,260</b>

## Remuneration and Staff Report

*By Pay Group*

Pay Group	2020	2019
	£000	£000
Director's General, Judicial Greffe, Crown Appointments, Legislative Drafters and Other Personal Contract Holders	10,728	8,431
Civil Servants (Including A-Grades)	145,307	136,241
Doctors and Consultants	26,051	20,556
Energy Recovery Facility	1,583	1,554
Heads and Deputy Heads, Highlands Managers	6,702	6,608
Law Officers	3,125	3,450
Manual Workers	25,342	24,107
Nurses and Midwives	53,933	47,817
Other Health Pay Groups	4,855	4,438
Teachers and Lecturers	48,645	46,142
Uniformed Services	25,687	24,381
Youth Service	1,586	1,383
Subsidiaries	26,487	24,076
Amount Shown in Other Staff Costs (see note 4.7)	(1,515)	(2,123)
Other Accounting Adjustments	5,086	72
<b>Total Salaries and Wages</b>	<b>383,602</b>	<b>347,133</b>
Pension	52,834	47,595
Social Security	22,229	20,532
<b>Total</b>	<b>458,665</b>	<b>415,260</b>

*By Payment Type*

Payment Type	2020	2019
	£000	£000
Ad Hoc Payments / Supplements	6,686	6,196
Basic Pay	351,952	322,953
Benefits	730	691
Business Expenses	29	65
Other Time Payments	264	242
Overtime	7,889	8,019
Relocation Expenses	299	349
Shift Allowances	11,448	9,672
Sickness Offsets From Social Security	(1,764)	(1,717)
Skill Related Payments	1,299	551
Standby Payments	2,206	2,215
Amount Shown in Other Staff Costs (see note 4.7)	(1,515)	(2,123)
Other Accounting Adjustments	4,079	72
<b>Total Salaries and Wages</b>	<b>383,602</b>	<b>347,133</b>
Pension	52,834	47,595
Social Security	22,229	20,532
<b>Total</b>	<b>458,665</b>	<b>415,260</b>

## Staff sickness absence

Absence Type	Hours		Days	
	2020	2019	2020	2019
Sickness	265,227	313,986	35,841	42,430
CoronaVirus	167,880	-	22,686	-
<b>Total</b>	<b>433,107</b>	<b>313,986</b>	<b>58,528</b>	<b>42,430</b>
<b>% Working Time Lost</b>	<b>4%</b>	<b>3%</b>	<b>4%</b>	<b>3%</b>

Note: This table excludes subsidiaries companies' sickness

### *Employee well-being*

We continued to embed the corporate health, safety and well-being strategy, taking forward specific initiatives around mental health, general well-being and fitness. We introduced a programme of mental health first aid training and have set up a network of mental health first aiders in the workplace as a first line listening support to staff, which supplements the employee assistance programme, Be Supported. We continue to offer a programme of health checks to support physical wellbeing with a view to broadening this to support sickness absence reduction.

During the Covid-19 period we have developed an employee support pack and provided counselling and other wellbeing services for affected staff. The Staff Flu Vaccination programme covering all departments (excluding HCS who have their own programme) has delivered approx. 2,500 vaccinations and is geared to both reducing demand for HCS services as well as reducing absence related to colds and flu

### *HCS well-being*

Funding was obtained from the Bailiffs fund and have been used to increase permanent capacity within the well-being team and the team will be in a position to offer a stepped approach to ensure we meet the needs of the staff.

A well being Committee was created within HCS during the first wave of the pandemic, this was supported by a team of practitioners released from their front line duties to support staff well-being. The team provided well being checks across the whole of HCS contacting staff who were working, off ill or shielding.

It was recognised that teams were struggling to return to full functionality and the psychologist has supported the delivery of reflective group sessions to support this reparative work which is needed to strengthen resilience within teams.

## Expenditure on Consultancy and Temporary Staff

Consultants are hired to work on projects in a number of specific situations:

- where the Government does not have the skills set required
- where the particular requirement falls outside the core business of public servants
- where an external, independent perspective is required.
- When used appropriately, consultancy can be a cost-effective and efficient way of getting the temporary and skilled external input that the government needs.

Engagement of consultants is governed by financial directions/the Public Finances Manual.

Expenditure accounted for as consultancy and temporary staff was £4.7 million and £9.3 million respectively in 2020 compared to £1.2 million and £11.2 million in 2019. This analysis is based on the accounting definitions of spend on consultancy and temporary staff, which is not the same as spend with consultancy companies that can provide staff to operate within the organisation on a hired services basis.

A more detailed analysis of spend on consultants is published at six monthly intervals in response to Proposition 59/2019.

# Political Accountability Report

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## Statement of Outturn against Approvals

This section provides a breakdown of how much the government has received in income and spent against the approvals made by the States Assembly. It is presented consistently with approvals made under the Public Finances (Jersey) Law 2019 and in the Government Plan 2020 -2023.

The budgeting system, and the consequential presentation of the Statement of Outturn against Approvals (SoOaA) and related notes has different objectives to IFRS-based accounts. The system supports the achievement of macro-economic stability by ensuring that public expenditure is controlled, with relevant States approval, in support of the Government's fiscal framework.

## Political Accountability Report

## Statement of Revenue Outturn against Approvals

2019		2020 Govern- ment Plan	2020 Final Ap- proved Budget*	2020 Actual	Difference from Approval
£'000		£'000	£'000	£'000	£'000
845,370	States Net General Revenue Income	882,459	882,809	851,909	30,900
(782,413)	Departmental Net Revenue Expenditure - Near Cash	(811,594)	(929,738)	(918,569)	(11,169)
<b>62,957</b>	<b>Operating Surplus/(Deficit)</b>	<b>70,865</b>	<b>(46,929)</b>	<b>(66,660)</b>	<b>19,731</b>
(44,530)	Departmental Depreciation/Amortisation	(52,702)	(52,702)	(46,699)	(6,003)
<b>18,427</b>	<b>(Deficit)/Surplus of General Revenue Expenditure over Income</b>	<b>18,163</b>	<b>(99,631)</b>	<b>(113,359)</b>	<b>13,728</b>
	Revenue expenditure on projects			(12,096)	-
(7,124)	Departmental Net Revenue Expenditure - Other Non Cash	-	-	(22,940)	-
2,327	Trading Operations Net Revenue Income/(Expenditure)	4,269	4,269	(196)	4,465
117,290	Net Revenue Income of Special Funds			77,170	
287,753	Net Revenue Income of Social Security Funds			109,437	
5,231	Net Revenue Income of SOJDC			662	
(25,769)	Net Revenue (Expenditure) of Andium Homes			(15,563)	
2,331	Net Revenue Income/(Expenditure) of Ports of Jersey			(32,060)	
(32,339)	Other (Expenditure)/Income <sup>1</sup>			(7,543)	
(131)	Consolidation Adjustments <sup>2</sup>			(7,800)	
<b>367,996</b>	<b>Net Revenue Income/(Expenditure) as Reported in the SoCNE</b>	<b>22,432</b>	<b>(95,362)</b>	<b>(24,288)</b>	

Reconciliation of Approvals on page 221 provides a summary of the approved changes to the budgets approved by the States Assembly in the Government Plan to the Final Approved Budget.

In 2020, the bulk of the additional funding approved in departments related to covid costs as outlined in the Financial Review section.

## Notes

- 1 This includes other Consolidated fund items, including movements in Pension Liabilities, charges relating to Finance Leases and movements in hedging arrangements.
- 2 Accounting Standards require that all transactions and balances between entities within the States of Jersey group are eliminated in the consolidated accounts.

## Political Accountability Report

## Reconciliation of movement in Unallocated Consolidated Fund Balance

	2020 £'000	2019 £'000
<b>Opening Balance</b>	<b>479,267</b>	<b>471,882</b>
Net General Revenue Income	851,910	845,370
Net Revenue Expenditure - Near Cash	(918,570)	(782,413)
Add Back: Carry Forwards from 2019/2018	25,265	64,072
Remove/Add Back: Additional Allocations	-	(1,670)
Remove/Add Back: Transfers between Capital and Revenue	1,851	(9,951)
Approvals Carried Forward:		
Departmental Carry forwards	(11,167)	-
Carry forward of Contingency	(103,956)	(25,265)
Capital Approval in the Year	(78,440)	(32,975)
Additional in year capital funding		-
Other Fund Movements		
Health Insurance Fund Transfer	5,322	
Asset Disposal Proceeds	(4)	217
COCF Funding	1,974	-
Transfer to the Climate Emergency Fund	(5,000)	
Capital Repayment to Currency Fund	(165)	
Transfer from/to the Stabilisation Fund	78,000	(50,000)
Other Movements		-
<b>Fund Movement</b>	<b>(152,980)</b>	<b>7,385</b>
<b>Closing Balance</b>	<b>326,287</b>	<b>479,267</b>

Political Accountability Report

## Notes to the Statement of Outturn Against Approvals - Revenue Expenditure

### a) Net General Revenue Income against Estimate

2019	2020 Budget	2020				
		Income	Expenditure	Actual	Difference from Budget	
£'000	£'000	£'000	£'000	£'000	£'000	
<b>Income Tax</b>						
474,982	Personal Income Tax	497,515	462,800	(1)	462,799	(34,716)
114,708	Companies	121,321	119,638	-	119,638	(1,683)
(3,235)	Provision for Bad Debts	(3,000)	-	(260)	(260)	2,740
<b>586,455</b>	<b>Net Income Tax</b>	<b>615,836</b>	<b>582,438</b>	<b>(261)</b>	<b>582,177</b>	<b>(33,659)</b>
<b>89,704</b>	<b>Goods and Services Tax (GST)</b>	<b>97,214</b>	<b>93,941</b>	<b>(54)</b>	<b>93,887</b>	<b>(3,327)</b>
<b>Impôts Duties</b>						
6,132	Spirits	7,268	8,499	-	8,499	1,231
8,409	Wines	8,795	9,413	-	9,413	618
832	Cider	834	940	-	940	106
6,204	Beer	6,628	6,168	-	6,168	(460)
15,399	Tobacco	15,720	23,860	-	23,860	8,140
22,685	Fuel	26,088	22,636	-	22,636	(3,452)
235	Goods (Customs)	200	431	-	431	231
2,983	Vehicle Emissions Duty	2,730	2,311	-	2,311	(419)
	Impôts Other	-	-	(4)	(4)	(4)
<b>62,879</b>	<b>Impôts Duties</b>	<b>68,263</b>	<b>74,258</b>	<b>(4)</b>	<b>74,254</b>	<b>5,991</b>
<b>Stamp Duty</b>						
32,147	Stamp Duty	29,568	34,562	-	34,562	4,994
-	Probate	2,400	-	-	-	(2,400)
2,751	Land Transactions Tax	3,433	2,586	-	2,586	(847)
<b>34,898</b>	<b>Stamp Duty</b>	<b>35,401</b>	<b>37,148</b>	<b>-</b>	<b>37,148</b>	<b>1,747</b>
<b>Fines and Other Income</b>						
13,870	Dividends	11,200	10,997	-	10,997	(203)
13,722	Non Dividends	10,195	9,545	(171)	9,374	(821)
29,947	Returns from Housing Associations	30,900	30,787	-	30,787	(113)
<b>57,539</b>	<b>Fines and Other Income</b>	<b>52,295</b>	<b>51,329</b>	<b>(171)</b>	<b>51,158</b>	<b>(1,137)</b>
<b>13,895</b>	<b>Island Rate</b>	<b>13,800</b>	<b>13,286</b>	<b>-</b>	<b>13,286</b>	<b>(514)</b>
<b>845,370</b>	<b>Net General Revenue Income</b>	<b>882,809</b>	<b>852,400</b>	<b>(490)</b>	<b>851,910</b>	<b>(30,899)</b>

## Notes to the Statement of Outturn Against Approvals - Revenue Expenditure

### b) Ministerial and Non-Ministerial Departments Net Revenue Expenditure (Near Cash) against Approval

2019	Government Plan 2020			Final Approved Budget*			2020 Outturn			Difference from Final Approved Budget
	Income	Expenditure	Net Government Plan Budget	Income	Expenditure	Net Final Approved Budget	Income	Expenditure	Net Outturn	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Ministerial Departments</b>										
18,516	(648)	19,599	18,951	(502)	37,426	36,924	(1,398)	36,492	35,094	(1,830)
10,337	-	12,431	12,431	-	12,432	12,432	(100)	12,125	12,025	(407)
41,558	(742)	38,446	37,704	(569)	32,035	31,466	(1,431)	31,659	30,228	(1,238)
142,350	(17,422)	165,059	147,637	(18,099)	171,491	153,392	(18,183)	171,538	153,355	(37)
84,147	(9,761)	100,422	90,661	(9,486)	217,837	208,351	(9,732)	216,436	206,703	(1,648)
64,084	(37,975)	102,377	64,402	(27,686)	90,685	62,999	(22,196)	85,187	62,991	(8)
206,909	(22,401)	233,788	211,387	(23,692)	263,484	239,792	(27,770)	267,498	239,728	(64)
52,460	(2,320)	56,439	54,119	(3,350)	75,656	72,306	(3,341)	75,364	72,023	(283)
124,031	(5,814)	135,577	129,763	(5,261)	72,327	67,066	(4,574)	71,136	66,562	(504)
9,520	(50)	12,558	12,508	(758)	15,002	14,244	(615)	12,922	12,307	(1,937)
<b>Non Ministerial States Funded Bodies and the States Assembly</b>										
1,763	(68)	2,290	2,222	(68)	2,292	2,224	(1,322)	3,293	1,971	(253)
8,295	(288)	8,945	8,657	(288)	8,403	8,115	(483)	8,190	7,707	(408)
7,615	(1,291)	8,765	7,474	(1,291)	8,415	7,124	(1,119)	7,984	6,865	(259)
870	(806)	2,630	1,824	(806)	2,402	1,956	(1,907)	1,958	50	(1,546)
	(53)	638	585	(53)	656	603	(44)	619	575	(28)
741	(107)	864	757	(107)	911	804	(98)	855	757	(47)
2,004	(214)	2,327	2,113	(234)	2,407	2,172	(237)	2,339	2,103	(69)
841	(64)	921	857	(64)	936	872	(72)	944	872	-
6,372	(31)	7,573	7,542	(96)	7,351	7,255	(78)	6,731	6,654	(601)
<b>782,413</b>	<b>(100,055)</b>	<b>911,649</b>	<b>811,594</b>	<b>(92,410)</b>	<b>1,022,147</b>	<b>929,737</b>	<b>(94,700)</b>	<b>1,013,270</b>	<b>918,570</b>	<b>(11,167)</b>

\*e) Reconciliation of Approvals on page 221 provides a summary of the approved changes to the budgets approved by the States Assembly in the Government Plan to the Final Approved Budget.

In 2020, the bulk of the additional funding approved in departments related to covid costs as outlined in the Financial Review section.

## Notes to the Statement of Outturn Against Approvals - Revenue Expenditure

### c) Ministerial and Non-Ministerial Departments Net Revenue Expenditure (Non Cash) against Approval

2019	Government Plan 2020			Final Approved Budget			2020 Outturn			Difference from Final Approved Budget
	Income	Expenditure	Net Government Plan Budget	Income	Expenditure	Net Final Approved Budget	Income	Expenditure	Net Outturn	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Ministerial Departments</b>										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
846	-	660	660	-	535	535	-	373	373	(162)
51	-	204	204	-	204	204	-	177	177	(27)
13	-	10	10	-	10	10	-	10	10	-
47,314	-	47,077	47,077	-	47,077	47,077	-	65,001	65,001	17,924
2,514	-	3,207	3,207	-	3,207	3,207	-	2,780	2,780	(427)
577	-	968	968	-	1,461	1,461	-	1,116	1,116	(345)
9	-	17	17	-	17	17	-	9	9	(8)
220	-	405	405	-	37	37	-	22	22	(15)
<b>Non Ministerial States Funded Bodies and the States Assembly</b>										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
41	-	41	41	-	41	41	-	41	41	-
-	-	44	44	-	44	44	-	44	44	-
-	-	-	-	-	-	-	-	-	-	-
69	-	69	69	-	69	69	-	66	66	(3)
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
<b>51,654</b>	<b>-</b>	<b>52,702</b>	<b>52,702</b>	<b>-</b>	<b>52,702</b>	<b>52,702</b>	<b>-</b>	<b>69,639</b>	<b>69,639</b>	<b>16,937</b>

## Notes to the Statement of Outturn Against Approvals - Revenue Expenditure

### d) Trading Operations Net Revenue Expenditure against Approval

2019	Government Plan 2020			Final Budget			2020 Outturn			Difference from Final Approved Budget
	Estimated Income	Estimated Expenditure	Estimated Net Income	Income	Expenditure	Net Budget	Income	Expenditure	Net Outturn	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1,878 Jersey Car Parking	8,202	(5,753)	2,449	8,202	(5,753)	2,449	5,551	(6,325)	(774)	(3,223)
449 Jersey Fleet Management	4,755	(2,935)	1,820	4,755	(2,935)	1,820	4,659	(4,081)	578	(1,242)
<b>2,327 Net Revenue Income/(Expenditure) – Trading Operations</b>	<b>12,957</b>	<b>(8,688)</b>	<b>4,269</b>	<b>12,957</b>	<b>(8,688)</b>	<b>4,269</b>	<b>10,210</b>	<b>(10,406)</b>	<b>(196)</b>	<b>(4,465)</b>

## Political Accountability Report

## Notes to the Statement of Outturn Against Approvals - Revenue Expenditure

## e) Reconciliation of Approvals

Department	Gov Plan 2020 Total NRE Near Cash	Efficiencies	Transition Two/Dev Fund & DCS Projects	Amendments to Gov Plan 2020	Carry Forward from 2019	Additional Funding*	Allocation of Reserves*	Transfers between capital and revenue	Departmental Transfers	2020 Final Approved Budget Near Cash	Gov Plan 2020 Total NRE Non Cash	In Year Ad- justments	2020 Final Approved Budget Non Cash	2020 Final Approved Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Ministerial Departments</b>														
Office of the Chief Executive	18,951	(366)	16,821			(140)	1,015	-	643	36,924	-	-	-	36,924
Jersey Overseas Aid	12,431					-	1	-	-	12,432	-	-	-	12,432
Chief Operating Office	37,704	(1,523)	(5,097)			-	1,877	(750)	(745)	31,466	660	(125)	535	32,001
Children, Young People, Education	147,637	(3,576)	41			-	6,965	(106)	2,431	153,392	204	-	204	153,596
Customer and Local Services	90,661	(2,220)				-	119,023	-	887	208,351	10	-	10	208,361
Infrastructure Housing and Environment	64,402	(2,159)	(15,992)	700	(711)	(679)	10,782	7,606	(950)	62,999	47,077	-	47,077	110,076
Health and Community Services	211,387	(9,000)	4,703			-	40,559	(5,411)	(2,446)	239,792	3,207	-	3,207	242,999
Justice and Home Affairs	54,119	(1,789)	1,158			-	16,357	1,192	1,269	72,306	968	493	1,461	73,767
Treasury & Exchequer	129,763	(1,310)	(1,634)			-	(58,929)	(587)	(237)	67,066	17	-	17	67,083
Strategic Policy, Performance	12,508	(283)	-			-	1,849	-	170	14,244	405	(368)	37	14,281
										-				-
<b>Non Ministerial States Funded Bodies</b>														
Bailiff's Chamber	2,222					(23)	25	-	-	2,224	-	-	-	2,224
Law Officers' Department	8,657					(341)	219	-	(420)	8,115	-	-	-	8,115
Judicial Greffe	7,474					(385)	129	(94)	-	7,124	-	-	-	7,124
Viscount's Department	1,824					(117)	74	-	(185)	1,596	41	-	41	1,637
Official Analyst	585					-	18	-	-	603	44	-	44	647
Office of the Lieutenant Governor	757					-	47	-	-	804	-	-	-	804
Probation Department	2,113					(37)	97	-	-	2,173	69	-	69	2,242
Comptroller and Auditor General	857					-	15	-	-	872	-	-	-	872
States Assembly and its services	7,542						130	-	(417)	7,255	-	-	-	7,255
Allocations for Contingencies	46,222	(10,437)		(1,400)	26,512	183,312	(140,253)	-	-	103,956	-	-	-	103,956
<b>Net Revenue Expenditure</b>	<b>857,816</b>	<b>(32,663)</b>	<b>-</b>	<b>(700)</b>	<b>25,801</b>	<b>181,590</b>	<b>-</b>	<b>1,850</b>	<b>-</b>	<b>1,033,694</b>	<b>52,702</b>	<b>-</b>	<b>52,702</b>	<b>1,086,396</b>

\*See the Financial Review section for a breakdown of the additional funding agreed and the specific list of Covid-19 costs in 2020.

Political Accountability Report

## Project Expenditure

### a) Project Expenditure from the Consolidated Fund

	Previous Approvals	2020 Project Allocations	Allocations from Reserves	Additional Funding	Capital From Department Revenue	Project to Project	Total Project Budget	Previously incurred Expenditure	2020 Capital Expenditure	2020 Revenue Expenditure	2020 Total Expenditure	Total Available Project Budget	Returns to the Consolidated Fund	Unspent Project Approvals as at 31 December 20
<b>Office of the Chief Executive</b>														
Office Modernisation Project	-	-	1,000	-	-	-	1,000	-	-	997	997	3	-	3
<b>Office of the Chief Executive Total</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>997</b>	<b>997</b>	<b>3</b>	<b>-</b>	<b>3</b>
<b>Chief Operating Office</b>														
Computer Development Vote	967	-	-	-	-	-	967	967	(25)	-	(25)	25	-	25
Content Mgt System Refresh	121	-	-	-	-	-	121	-	42	-	42	78	-	78
Corporate Web Platform Refresh	123	-	-	-	-	-	123	-	117	-	117	6	-	6
CRM Platform Renewal	236	-	-	-	-	-	236	-	42	-	42	194	-	194
Data Warehouse Platform	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Desktop Upgrades	426	-	-	-	-	-	426	1	73	-	73	352	-	352
E Government	421	-	-	-	-	-	421	384	-	-	-	37	-	37
Enterprise Systems Development	1,503	-	-	-	-	-	1,503	1,220	280	-	280	3	-	3
Hardware Refresh	167	-	-	-	-	-	167	-	79	-	79	88	-	88
Income/Payment Mgt System	379	-	-	-	-	-	379	234	(4)	-	(4)	149	-	149
Open Data	61	-	-	-	-	-	61	-	(7)	-	(7)	68	-	68
Replacement Assets - CMD	338	-	-	-	-	-	338	179	43	-	43	116	-	116
Web Search Engine Upgrade	7	-	-	-	-	-	7	-	-	-	-	7	-	7
Taxes Office System Renewal	-	-	-	-	750	-	750	-	-	-	-	750	-	750
Replacement assets	-	5,000	-	-	-	-	5,000	-	3,837	-	3,837	1,163	-	1,163
MS Foundation (Major Project)	-	3,330	-	-	-	-	3,330	-	842	1,062	1,903	1,427	-	1,427
Integrated Tech Solution (MP)	-	7,400	-	-	-	-	7,400	-	-	4,788	4,788	2,613	-	2,613
Cyber (Major Project)	-	6,100	-	-	-	-	6,100	-	3,932	-	3,932	2,168	-	2,168
<b>Chief Operating Office Total</b>	<b>4,749</b>	<b>21,830</b>	<b>-</b>	<b>-</b>	<b>750</b>	<b>-</b>	<b>27,329</b>	<b>2,985</b>	<b>9,251</b>	<b>5,850</b>	<b>15,100</b>	<b>9,244</b>	<b>-</b>	<b>9,244</b>
<b>Children, Young People, Education Services</b>														
ESC Minor Capital / AUCC	1,786	-	-	-	-	-	1,786	1,548	77	23	100	137	-	137
School ICT	556	-	-	-	-	-	556	154	267	-	267	135	-	135
Victoria College	302	-	-	-	-	-	302	279	18	-	18	6	-	6
Replacement Assets and Minor C	-	200	-	-	-	-	200	-	-	150	150	50	-	50
Discrimination Law, safeguardi	-	-	-	-	456	134	590	-	473	35	508	82	-	82
<b>Children, Young People, Education Services Total</b>	<b>2,644</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>456</b>	<b>134</b>	<b>3,434</b>	<b>1,981</b>	<b>835</b>	<b>208</b>	<b>1,043</b>	<b>410</b>	<b>-</b>	<b>410</b>

## Political Accountability Report

## Project Expenditure

### a) Project Expenditure from the Consolidated Fund (continued)

	Previous Approvals	2020 Project Allocations	Allocations from Reserves	Additional Funding	Capital From Department Revenue	Project to Project	Total Project Budget	Previously incurred Expenditure	2020 Capital Expenditure	2020 Revenue Expenditure	2020 Total Expenditure	Total Available Project Budget	Returns to the Consolidated Fund	Unspent Project Approvals as at 31 December 20
<b>Growth, Housing and Environment</b>														
Automatic Weather Station	265	-	-	-	-	-	265	213	-	-	-	52	-	52
Central Environmental Mgmt.	1,038	-	-	-	(105)	-	934	934	-	-	-	-	-	-
Countryside Infrastructure	65	-	-	-	-	-	65	16	38	-	38	11	-	11
Demoliti Fort Regent Pool	2,234	-	-	-	-	-	2,234	380	845	-	845	1,009	-	1,009
DVS Systems	550	-	-	-	-	-	550	427	89	-	89	34	-	34
Eastern Cycle Network	989	-	-	-	-	-	989	630	262	-	262	97	-	97
Equipment, Maintenance, Minor	961	-	-	-	(37)	-	925	706	138	-	138	81	-	81
Fiscal Stimulus Parish Project	1,169	-	-	-	-	-	1,169	1,169	-	-	-	-	-	-
Fisheries Vessels	150	-	-	-	-	-	150	25	108	-	108	18	-	18
Infrastructure	73,696	14,700	-	-	(5,148)	-	83,248	69,958	10,740	102	10,842	2,449	-	2,449
La Collette Fire Equipment	200	-	-	-	-	-	200	25	26	-	26	148	-	148
La Collette Waste Site Dev	4,400	-	-	-	-	-	4,400	500	720	-	720	3,180	-	3,180
Liquid Waste Strategy	67,652	7,850	-	-	-	-	75,502	28,532	20,780	-	20,780	26,190	-	26,190
Met Radar Refurbishment	722	-	-	-	(21)	-	701	691	-	-	-	10	-	10
New Public Recycling Centre	3,251	-	-	-	-	-	3,251	3,251	-	-	-	-	-	-
Relocation of Sea Cadets	107	-	-	-	-	-	107	-	103	-	103	4	-	4
Replacement Assets	11,070	-	-	-	-	-	11,070	10,193	706	-	706	171	-	171
Road Safety Improvements	7,065	-	-	-	92	-	7,158	5,807	1,272	-	1,272	78	-	78
Scrap Yard Infrastructure	1,725	-	-	-	-	-	1,725	1,669	55	-	55	2	-	2
Urban Regeneration – Public Sp	580	-	-	-	-	-	580	176	48	-	48	357	-	357
Waste: Ash Pit La Collette	4,524	-	-	-	(13)	-	4,511	4,509	2	-	2	-	-	-
Replacement Assets and Minor C	-	4,336	-	-	-	-	4,333	-	2,559	65	2,624	1,709	-	1,709
Discrimination Law, safeguardi	-	2,500	-	-	-	(134)	2,366	-	-	-	-	2,366	-	2,366
Schools extensions and Improve	-	2,000	-	-	(150)	-	1,850	-	25	-	25	1,825	-	1,825
Regulation Group Digital Asset	-	120	-	-	-	-	120	-	31	-	31	89	-	89
Refit & Replacement of Fisheri	-	580	-	-	-	-	580	-	178	-	178	402	-	402
Sports Division Refurbishment	-	300	-	-	-	-	300	-	89	-	89	211	-	211
New Skatepark (net of PoJ Fund	-	250	-	-	-	-	250	-	72	-	72	177	-	177
Drainage Foul Sewer Extensions	-	1,500	-	-	(1,149)	-	350	-	2	-	2	347	-	347
Vehicle Testing Centre (Major	-	250	-	-	-	-	250	-	-	-	-	250	-	250
Future Hospital	6,045	-	-	-	-	-	6,045	6,045	(1,321)	1,321	-	-	-	-
Office Modernisation Project	329	-	-	-	-	-	329	329	(329)	329	-	-	-	-
Adult Care Homes	189	-	-	-	-	-	189	189	(189)	189	-	-	-	-
Children's Homes	995	-	-	-	-	-	995	995	(220)	220	-	-	-	-
EFW Plant La Collette	1,443	-	-	-	-	-	1,443	1,443	(1)	-	(1)	1	-	1
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	191,414	34,386	-	-	(6,531)	(134)	219,134	138,812	36,828	2,226	39,054	41,268	-	41,268

## Political Accountability Report

## Project Expenditure

### a) Project Expenditure from the Consolidated Fund (continued)

	Previous Approvals	2020 Project Allocations	Allocations from Reserves	Additional Funding	Capital From Department Revenue	Project to Project	Total Project Budget	Previously incurred Expenditure	2020 Capital Expenditure	2020 Revenue Expenditure	2020 Total Expenditure	Total Available Project Budget	Returns to the Consolidated Fund	Unspent Project Approvals as at 31 December 20
<b>On behalf of Children, Young People and Education</b>														
Add. Primary School Accom.	9,850	-	-	-	-	-	9,850	9,850	-	-	-	-	-	-
Grainville Phase 5	15,500	-	-	-	-	(1,162)	14,338	2,656	7,085	-	7,085	4,596	-	4,596
JCG Works	641	-	-	-	-	-	641	641	-	-	-	-	-	-
Les Quennevais Rep School	45,575	-	-	-	-	600	46,175	36,630	9,400	-	9,400	145	-	145
St Mary School	6,500	-	-	-	-	-	6,500	2,265	3,244	-	3,244	991	-	991
Victoria College capital proje	1,674	-	-	-	(350)	-	1,324	1,175	-	-	-	150	-	150
	79,740	-	-	-	(350)	(562)	78,828	53,217	19,729	-	19,729	5,882	-	5,882
<b>On behalf of Health and Community Services</b>														
Autism Jersey Facility	1,000	-	-	-	-	-	1,000	-	-	1,000	1,000	-	-	-
Oncology Extension & Refurbish	2,968	-	-	-	-	-	2,968	2,968	-	-	-	-	-	-
Orchard House	2,500	3,930	-	-	-	562	6,992	331	1,087	-	1,086	5,575	-	5,575
Refurb of Sandybrook	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	6,468	3,930	-	-	-	562	10,960	3,299	1,087	1,000	2,086	5,575	-	5,575
<b>On behalf of Justice and Home Affairs</b>														
Police Relocation	24,961	-	-	-	-	-	24,961	24,961	-	-	-	-	-	-
Prison Phase 6	8,453	1,714	-	-	-	-	10,167	697	1,054	-	1,054	8,416	-	8,416
Reloc AmbandFire Stat-feasib	600	-	-	-	(364)	-	235	200	(112)	147	35	-	-	-
	34,014	1,714	-	-	(364)	-	35,363	25,858	942	147	1,089	8,416	-	8,416
<b>Other Projects</b>														
Archive Storage Extension	3,860	-	-	-	-	-	3,860	3,756	87	-	87	17	-	17
Public Markets Maintenance	3,665	-	-	-	(710)	-	2,955	2,955	(44)	44	-	-	-	-
	7,525	-	-	-	(710)	-	6,815	6,711	43	44	87	17	-	17
<b>Growth, Housing and Environment Total</b>	<b>319,161</b>	<b>40,030</b>	<b>-</b>	<b>-</b>	<b>(7,955)</b>	<b>(134)</b>	<b>351,100</b>	<b>227,897</b>	<b>58,629</b>	<b>3,417</b>	<b>62,045</b>	<b>61,158</b>	<b>-</b>	<b>61,158</b>

Political Accountability Report

## Project Expenditure

a) Project Expenditure from the Consolidated Fund (continued)

	Previous Approvals	2020 Project Allocations	Allocations from Reserves	Additional Funding	Capital From Department Revenue	Project to Project	Total Project Budget	Previously incurred Expenditure	2020 Capital Expenditure	2020 Revenue Expenditure	2020 Total Expenditure	Total Available Project Budget	Returns to the Consolidated Fund	Unspent Project Approvals as at 31 December 20
<b>Health and Community Services</b>														
Barrier Washer Extractor	229	-	-	-	-	-	229	-	229	-	229	-	-	-
Child Health IT System	202	-	-	-	(202)	-	-	-	-	-	-	-	-	-
CT Scanner	2,225	-	-	-	-	-	2,225	1,205	929	-	929	91	-	91
Digital Care Strategy	2,793	-	-	-	-	-	2,793	1,679	729	-	729	386	-	386
Equipment & Minor Capital	23,438	-	-	-	-	-	23,438	22,359	868	(220)	648	430	-	430
Ironer Line	420	-	-	-	-	-	420	-	343	-	343	77	-	77
Replacement MRI Scanner	2,701	-	-	-	-	-	2,701	2,701	(9)	-	(9)	9	-	9
Replacement RIS/PACS IT Assets	2,271	-	-	-	-	-	2,271	383	(90)	-	(90)	1,978	-	1,978
Replacement Assets (Various)	-	2,900	-	-	-	-	2,900	-	1,949	-	1,949	951	-	951
Health Services Improvements (	-	5,000	-	-	-	-	5,000	-	3,102	1,837	4,939	61	-	61
Five Oaks Refurbishment	-	2,000	-	-	-	-	2,000	-	1,036	-	1,036	964	-	964
Our Hospital	-	-	5,000	-	5,613	-	10,613	-	10,598	-	10,598	14	-	14
Learning Difficulties	-	-	100	-	-	-	100	-	21	-	21	80	-	80
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Health and Community Services Total</b>	<b>34,279</b>	<b>9,900</b>	<b>5,100</b>	<b>-</b>	<b>5,411</b>	<b>-</b>	<b>54,690</b>	<b>28,327</b>	<b>19,705</b>	<b>1,617</b>	<b>21,322</b>	<b>5,041</b>	<b>-</b>	<b>5,041</b>
<b>Justice and Home Affairs</b>														
Biometric Passports	1,183	-	-	-	(108)	-	1,075	1,075	-	-	-	-	-	-
Minor Capital	7,684	-	-	-	(1,045)	-	6,639	6,314	48	-	48	277	-	277
Prisn shower refurb & cell elec	588	-	-	-	-	-	588	53	285	-	285	250	-	250
Tetra Radio Replacement	2,199	-	-	-	-	-	2,199	2,199	(103)	-	(103)	103	-	103
Dewberry House SARC	-	1,000	-	-	-	-	1,000	-	12	-	12	988	-	988
Combined Control IT	-	2,299	-	-	-	-	2,299	-	466	-	466	1,833	-	1,833
Electronic Patient Records	-	667	-	-	-	-	667	-	-	-	-	667	-	667
Minor Capital	-	561	-	-	(38)	-	523	-	-	-	-	523	-	523
Minor Capital-Police	-	200	-	-	-	-	200	-	194	-	194	6	-	6
Equipment Replacement	-	170	-	-	-	-	170	-	92	-	92	78	-	78
Replacement of Aerial Ladder P	-	591	-	-	-	-	591	-	-	-	-	591	-	591
RIPL	99	-	-	-	-	-	99	99	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Justice and Home Affairs Total</b>	<b>11,753</b>	<b>5,488</b>	<b>-</b>	<b>-</b>	<b>(1,191)</b>	<b>-</b>	<b>16,050</b>	<b>9,740</b>	<b>994</b>	<b>-</b>	<b>994</b>	<b>5,316</b>	<b>-</b>	<b>5,316</b>

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## Project Expenditure

a) Project Expenditure from the Consolidated Fund (continued)

	Previous Approvals	2020 Project Allocations	Allocations from Reserves	Additional Funding	Capital From Department Revenue	Project to Project	Total Project Budget	Previously incurred Expenditure	2020 Capital Expenditure	2020 Revenue Expenditure	2020 Total Expenditure	Total Available Project Budget	Returns to the Consolidated Fund	Unspent Project Approvals as at 31 December 20
<b>Treasury and Exchequer</b>														
Tax Transformation Prog & IT S	835	-	-	-	-	-	835	792	-	-	-	43	-	43
Taxes Office System Renewal	11,892	-	-	-	587	-	12,479	8,349	2,209	7	2,216	1,914	-	1,914
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Treasury and Exchequer Total</b>	<b>12,727</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>587</b>	<b>-</b>	<b>13,314</b>	<b>9,141</b>	<b>2,209</b>	<b>7</b>	<b>2,216</b>	<b>1,957</b>	<b>-</b>	<b>1,957</b>
<b>Strategic, Policy and Performance</b>														
Minor Capital	188	-	-	-	(2)	-	186	173	13	-	13	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Strategic, Policy and Performance Total</b>	<b>188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>186</b>	<b>173</b>	<b>13</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non Ministerial</b>														
Non Mins - Minor Capital	1,579	-	-	-	94	-	1,675	1,095	81	-	81	499	-	499
Phoenix Software - Viscounts	-	45	-	-	-	-	45	-	-	-	-	45	-	45
Court Digitisation	-	500	-	-	-	-	500	-	310	-	310	190	-	190
Conversion Courtroom 1 Magistr	-	450	-	-	-	-	450	-	10	-	10	440	-	440
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Non Ministerial Total</b>	<b>1,579</b>	<b>995</b>	<b>-</b>	<b>-</b>	<b>94</b>	<b>-</b>	<b>2,670</b>	<b>1,095</b>	<b>401</b>	<b>-</b>	<b>401</b>	<b>1,174</b>	<b>-</b>	<b>1,174</b>
<b>Total</b>	<b>387,080</b>	<b>78,443</b>	<b>6,100</b>	<b>-</b>	<b>(1,850)</b>	<b>-</b>	<b>469,773</b>	<b>281,339</b>	<b>92,037</b>	<b>12,096</b>	<b>104,131</b>	<b>84,303</b>	<b>-</b>	<b>84,303</b>

Political Accountability Report

## Capital Expenditure

### b) Capital Expenditure from Trading Funds

	2020 Expenditure	2020 Expenditure - Revenue	Total Project Expenditure	Total Allocated Budget	Remaining Unspent Budget
	£'000	£'000	£'000	£'000	£'000
<b>Jersey Car Parking</b>					
Anne Court Car Park	1,504	-	3,265	6,985	3,720
Automated Charging System	10	-	281	312	31
Car Park Maint & Refurbishment	335	-	8,031	17,274	9,243
<b>Jersey Car Parking Total</b>	<b>1,849</b>	<b>-</b>	<b>11,577</b>	<b>24,571</b>	<b>12,994</b>
<b>Jersey Fleet Management</b>					
Vehicle & Plant Replacement	2,037	-	16,355	20,229	3,874
<b>Jersey Fleet Management Total</b>	<b>2,037</b>	<b>-</b>	<b>16,355</b>	<b>20,229</b>	<b>3,874</b>
<b>Total</b>	<b>3,886</b>	<b>-</b>	<b>27,932</b>	<b>44,800</b>	<b>16,868</b>

## Other Accountability Disclosures

### *Personal Data Related Incidents*

The following table sets out details of personal data related incidents during 2020. An incident is defined as a loss, unauthorised disclosure or insecure disposal of personal data. Protected personal data is information that links an identifiable living person with information about them which, if released, would put the individual at risk of harm or distress. The definition includes sources of information that, because of the nature of the individuals or the nature, source or extent of the information, is treated as protected personal data by the States.

One personal data-related incident was reported to the Office of the Information Commissioner in 2020.

The incidents below include instances where there was an opportunity for the loss, unauthorised disclosure or insecure disposal identified with unconfirmed data access. There were 65 incidents reported in 2020.

Category	Nature of Incident	2020	2019
1	Password Confidentiality or Account Compromise	0	
2	Phishing or Social engineering	0	
3	Unauthorised Access to Information or Systems	0	
4	Unintended Email Recipient	16	
5	Unintended Postal Recipient	42	
6	Other	7	
	<b>Total</b>	<b>65</b>	<b>79*</b>

\*2019 categories were different so the 79 incidents have not been classified in the 2020 categories. The 79 incidents were broken down to: 77 incidents of 'Unauthorised disclosure' and 2 incidents categorised as 'Other'.

### *Gifts*

A gift is defined as something voluntarily donated, with no preconditions and without the expectation of any return. Transfers of assets between States entities, grants, social benefits, retirement gifts and long service awards are specifically not classified as gifts. As per the JFRm, only gifts over £10,000 in value are to be disclosed. No gifts were made in 2020 (2019: nil).

### *Losses and special payments*

	2020	2019
	£000	£000
Losses	1,593	3,770
Fruitless Payments	-	-
Special Payments	1,996	2,775
<b>Total</b>	<b>3,589</b>	<b>6,546</b>

Losses and special payments are items that the States would not have contemplated when it agreed budgets or passed legislation. By their nature they are items that ideally should not arise.

## Political Accountability Report

The term loss includes the loss of money or property belonging to a States entity. Examples include overpayments of grants, social benefits and to staff as well as theft, fraud, physical loss and abandoned debts, damage or loss of inventory and impairments.

A fruitless payment is a payment for which liability ought not to have been incurred, or where the demand for the goods and service in question could have been cancelled in time to avoid liability. Because fruitless payments will be legally due to the recipient they are not regarded as special payments. However, as due benefit will not have been received in return, they should be regarded as losses. Fruitless payments include abandoned capital schemes and constructive losses. Significant individual items are disclosed separately.

Special payments include compensation payments made under legal obligations, extra payments to contractors, ex gratia payments, severance payments and regulatory payments.

A further breakdown of losses and special payments is provided in Note 4.23.

## Statement of responsibilities

The Treasurer of the States is required by the Public Finances (Jersey) Law 2019 to prepare the annual accounts and financial statements of the States of Jersey. The annual financial statements must be prepared in accordance with Generally Accepted Accounting Principles, and accounting standards prescribed by the Treasurer of the States with the approval of the Minister for Treasury and Resources. Under the Social Security (Jersey) Law 1974, Health Insurance (Jersey) Law 1967 and Long-Term Care (Jersey) Law 2012, accounts of the relevant funds are to be prepared in such form, manner and at such times as the Minister for Social Security may determine. The Minister considers the consolidation of the Funds into the States of Jersey Accounts sufficient for statutory reporting requirements, and so for 2019 will prepare an Annual Performance Report for the Funds that reports upon their performance with reference to the relevant statements in these accounts, rather than a separate set of accounts.

The new Public Finances (Jersey) Law 2019 came into force in June 2019 and confirmed the arrangements in the Machinery of Government (Miscellaneous Amendments) (Jersey) Law 2018 which made the Chief Executive, as Principal Accountable Officer, legally and financially accountable for the decisions and budgets of the Government of Jersey, with appropriate delegation of accountability to the Accountable Officers (Directors General) for departments.

This was an important change to strengthen accountability and modernise the public service and was complimented by the restructuring of senior management decision-making forums to create a collective strategic oversight.

In preparing the accounts, detailed in the following pages, the Treasurer has:

- applied the going-concern principle to all entities included within the accounts
- applied appropriate accounting policies in a consistent manner
- made reasonable and prudent judgements and estimates.

The Treasurer confirms that, so far as he is aware, there is no relevant audit information of which the States' auditors are unaware; and he has taken all steps that he ought to have taken as Treasurer to make himself aware of any relevant audit information and to establish that the States' auditors are aware of that information.

**Richard Bell**

Treasurer of the States

Date: 14 May 2021

Independent auditor's report to the Minister for Treasury and Resources

# Independent auditor's report to the Minister for Treasury and Resources

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# Report on the audit of the financial statements

## Opinion

We have audited the financial statements of the States of Jersey Core Entities and its subsidiaries specified for consolidation in the Government of Jersey Financial Reporting Manual (the 'group') for the year ended 31 December 2020 which comprise the:

- Consolidated Statement of Comprehensive Net Expenditure;
- Consolidated Statement of Financial Position;
- Consolidated Statement of Changes in Taxpayers' Equity;
- Consolidated Statement of Cash Flows; and
- Notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and the 2020 Government of Jersey Financial Reporting Manual (the 'JFRm'), which applies EU adopted International Financial Reporting Standards (IFRS) in place as at 1 January 2019 as adapted or interpreted for the Public Sector in Jersey.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group as at 31 December 2020 and of the States of Jersey Core Entities and the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with the JFRm;
- have been prepared in accordance with the requirements of the Public Finances (Jersey) Law 2019; and
- properly represent the activities of the States of Jersey.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice (November 2020) issued by the Comptroller & Auditor General, and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the States of Jersey Core Entities and of the group in accordance with the ethical requirements that are relevant to audits of financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities and listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Treasurer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our audit procedures to evaluate the Treasurer's assessment of the States of Jersey Core Entities and of the group's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- the interpretation of going concern in the public sector context as reflected in the JFReM;
- undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the States of Jersey Core Entities and group's ability to continue as a going concern;
- assessing the challenges arising from, and the mitigating actions put in place in response to COVID-19; we reviewed the Government Plan 2021-2024, including future income and expenditure projections;
- making enquiries of the Treasurer, the Minister for Treasury and Resources, and the Risk and Audit Committee in relation to the appropriateness of the adoption of the going concern assumption; and
- evaluating the appropriateness of the Treasurer's disclosures in the financial statements on going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the States of Jersey Core Entities or on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters in forming our audit opinion above, together with an overview of the principal audit procedures performed to address each matter and key observations arising from those procedures.

These matters, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

## Independent auditor's report to the Minister for Treasury and Resources

Key Audit Matter	How our scope addressed this matter
<p><b>Risk of fraud in revenue recognition – personal income tax (States of Jersey Core Entities)</b></p> <p>For the States of Jersey, we have determined the risk of fraud in revenue recognition as being principally in relation to the personal income tax revenue. This is owing to the value and the estimation involved in accounting for and recognising the income.</p> <p>The basis for the estimate is disclosed in Note 4.1, significant accounting policies, section 4, revenue recognition. In addition, the personal income taxation estimate is identified as a key source of estimation uncertainty in Note 4.3.</p> <p>As disclosed in note 4.5 to the financial statements, the personal income tax recognised in 2020 is £462.8m. Of this, £450m is based on the personal income tax estimate for 2020.</p> <p>The remaining £12.8m relates to 2019 and 2018 where the estimated income was approximately £6m lower than the actuals collected in each year. Given the values are not material the States have recognised these differences in the 2020 financial statements.</p>	<p>We addressed this risk by carrying out the following audit procedures:</p> <ul style="list-style-type: none"> <li>• evaluation of the design and implementation of key controls over the tax estimation methodology;</li> <li>• engaging an in-house expert to consider and challenge the methodology and the assumptions used in the tax estimate;</li> <li>• considering the historical accuracy of the estimates made for the 2018 and 2019 financial years against actual tax revenues;</li> <li>• considering and challenging any changes to the current year estimate compared to prior year, including how the impact of COVID-19 was addressed; and</li> <li>• testing the source data used in the estimate. This included testing of a sample of tax returns.</li> </ul> <p><b>Our observations</b></p> <p>We obtained sufficient, appropriate audit evidence that the estimate for personal income tax recognised was not materially misstated for the year ended 31 December 2020.</p>

Independent auditor's report to the Minister for Treasury and Resources

Key Audit Matter	How our scope addressed this matter
<p><b>Valuation of land, buildings, networked assets and other structures (States of Jersey Core Entities and Group)</b></p> <p>As disclosed in note 4.3 to the financial statements, management have identified valuation of social housing, drainage within networked assets and valuation of property, plant and equipment as key sources of estimation uncertainty. Note 4.9 discloses the following net book values at 31 December 2020:</p> <ul style="list-style-type: none"> <li>• Land: £332m;</li> <li>• Buildings: £706m;</li> <li>• Social Housing: £917m;</li> <li>• Networked Assets (including land) £1,336m; and</li> <li>• Other Structures £346m.</li> </ul> <p>Management make key judgements, estimates and assumptions depending on the asset type when valuing these assets. Small changes in the judgements and assumptions used in valuing these assets could result in a material change to the net book value.</p>	<p>We addressed this risk by:</p> <ul style="list-style-type: none"> <li>• evaluation of the design and implementation of key controls over the valuation process;</li> <li>• considering the reasonableness of the valuations, including challenging the key assumptions used in the valuation. We engaged our own external valuations expert to support this work;</li> <li>• assessing the competence, skills and experience of the valuer and the instructions issued to the valuer by management;</li> <li>• testing the source data provided by management to and used by the valuer. In particular, evaluating the appropriateness of data provided to the valuer by management; and</li> <li>• testing a sample of individual assets to ensure the basis of valuations completed in 2020 were appropriate.</li> </ul> <p>As noted above we engaged an external valuations expert to challenge the valuation work. This included consideration of the methodology and assumptions used in the 2020 valuations.</p> <p>We also engaged our external valuations expert to support our audit work on the valuation of assets held by Ports of Jersey Limited, since these assets are valued on a different basis in the financial statements compared to the financial statements of Ports of Jersey Limited.</p> <p>For the valuation of social housing held in Andium Homes Limited, we reviewed and evaluated the work performed by the component auditor in accordance with our instructions.</p> <p><b>Our observations</b></p> <p>We obtained sufficient, appropriate audit evidence that the valuation of land, buildings, networked assets and other structures was not materially misstated as at 31 December 2020.</p>

## Independent auditor's report to the Minister for Treasury and Resources

Key Audit Matter	How our scope addressed this matter
<p><b>Valuation of strategic investments (States of Jersey Core Entities)</b></p> <p>Strategic investments as at 31 December 2020 are £341m, and represent the four subsidiaries that the JFReM requires to be valued rather than consolidated in the group accounts. One subsidiary is a Level 1 investment as it is listed, and the other three subsidiaries are Level 3 investments where the valuation is based on inputs that are not readily observable.</p> <p>As disclosed in the note 4.3 of the financial statements, the valuation of strategic investments is identified by the States as a key source of estimation uncertainty.</p> <p>The assets are valued at fair value and the Level 3 assets require judgements regarding comparative data on which to base the fair value estimate.</p>	<p>We addressed this risk by carrying out the following audit procedures:</p> <ul style="list-style-type: none"> <li>• evaluation of the design and implementation of key controls over the valuation process;</li> <li>• assessing and challenging the valuation methodology and the assumptions used by management;</li> <li>• testing the accuracy of the source data used in the valuation, in particular the comparative companies;</li> <li>• engaging an internal expert to support our review and challenge of the estimate; and</li> <li>• confirming the valuations had been accurately reflected in the financial statements.</li> </ul> <p><b>Our observations</b></p> <p>We obtained sufficient, appropriate audit evidence that the valuation of strategic investments was not materially misstated as at 31 December 2020.</p>
<p><b>Valuation of unquoted investments for which a market price is not readily available (States of Jersey Core Entities)</b></p> <p>As at 31 December 2020, the Common Investment Fund had assets of over £3bn. This includes £708m of assets valued as Level 3 investments.</p> <p>Valuation of these assets involves significant judgements given the unobservable inputs.</p> <p>As disclosed in the note 4.3 of the financial statements, these valuations are identified as a key source of estimation uncertainty. Note 4.11 of the financial statements detail the sensitivity of Level 3 investments to movements assumptions.</p>	<p>We addressed this risk by carrying out the following audit procedures:</p> <ul style="list-style-type: none"> <li>• evaluation of the design and implementation of key controls over the valuation process;</li> <li>• agreeing the valuation to supporting documentation, including the investment manager valuation statements that were obtained directly by us and cash flows for any adjustments made to the investment manager valuation;</li> <li>• assessing methodologies used to value the investments as set out in investment manager valuation policies or other relevant documentation; and</li> <li>• inspecting control reports, and where relevant, bridging letters, from investment managers to identify any matters impacting on the valuation.</li> </ul> <p><b>Our observations</b></p> <p>We obtained sufficient, appropriate audit evidence that the valuation of unquoted investments was not materially misstated as at 31 December 2020.</p>

Independent auditor's report to the Minister for Treasury and Resources

Key Audit Matter	How our scope addressed this matter
<p><b>Valuation of past service debt (States of Jersey Core Entities)</b></p> <p>The Statement of Financial Position includes liabilities associated with the Public Employees Contributory Retirement Scheme (PECRS) and Jersey Teachers Superannuation Fund (JTSF) pension schemes.</p> <p>The value of these liabilities as at 31 December 2020 is £456m.</p> <p>Valuations are provided by an external actuary. Changes in the actuarial assumptions, particularly the discount rate, can affect the value of the liabilities and this is recognised as key source of estimation uncertainty in note 4.3 to the financial statements.</p>	<p>We addressed this area of enhanced risk by carrying out the following audit procedures:</p> <ul style="list-style-type: none"> <li>• evaluation of the design and implementation of key controls over the valuation process; and</li> <li>• engaging an internal actuarial expert to support our assessment and challenging of the valuation methodology and assumptions applied by management's actuary, including the basis of the discount rate applied.</li> </ul> <p>We confirmed the valuations have been accurately reflected in the financial statements.</p> <p><b>Our observations</b></p> <p>We obtained sufficient, appropriate audit evidence that the valuation of past service debt was not materially misstated as at 31 December 2020.</p>

Independent auditor's report to the Minister for Treasury and Resources

## Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	States of Jersey Core Entities	States of Jersey Group
<b>Overall materiality</b>	<b>£72.9m</b>	<b>£87.2m</b>
<b>How we determined it</b>	1% of total assets	
<b>Rationale for benchmark applied</b>	We consider total assets to be the key focus of users of the financial statements	
<b>Performance materiality</b>	£51.0m	£61.0m
	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.	
<b>Reporting threshold</b>	£2.2m	£2.6m
	This is the level above which we agreed we would report misstatements identified during the audit, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.	

In our view, a lower materiality level was appropriate for the Consolidated Statement of Comprehensive Net Expenditure, where the Statement of Outturn against Approvals and regularity nature of reporting is particularly relevant. We considered total expenditure to be a focus of the user in this Statement and as such we based our specific materiality around this benchmark.

We set a materiality threshold at 1% of total expenditure, resulting in overall materiality of £14.6m, performance materiality of £10.3m and a reporting threshold of £0.3m for the Consolidated Statement of Comprehensive Net Expenditure.

Other specific materiality levels set were related party transactions (£100k), losses and special payments (£100k) and remuneration disclosures (£5k).

Independent auditor's report to the Minister for Treasury and Resources

## An overview of the scope of our audit

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the Treasurer made subjective judgements such as making assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the States of Jersey Core Entities and of the group, their environment, controls and critical business processes, to consider qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

Our group audit scope included an audit of the financial statements of the States of Jersey Core Entities and of the group. The group comprises the States of Jersey Core Entities, which include Government Departments and a number of non-ministerial bodies and operations, and three wholly owned subsidiaries.

Based on our risk assessment, Andium Homes Limited and Ports of Jersey Limited were subject to full scope audit, and Jersey Development Company was subject to specific review. The work required for group audit purposes was undertaken by the component auditor of each subsidiary.

Subsidiary	Share of 2020 Group Total Assets of £8.7 billion	Share of 2020 Group Total Expenditure of £1.6 billion	Scope
States of Jersey Core Entities	81.4%	93.2%	Full scope audit (Mazars)
Andium Homes Limited	12.4%	2.8%	Full scope audit (separate component auditor)
Ports of Jersey Limited	5.2%	3.8%	Full scope audit (separate component auditor)
Jersey Development Company	1.0%	0.2%	Specific review(separate component auditor)
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	

We issued group audit instructions for the work that we required from the component auditors to support the Group audit opinion. We provided component auditors with materiality levels to apply for the purposes of the group audit. We liaised with the component auditors on an ongoing basis, including video conferencing calls at the planning and completion stage. We received formal reports from the component auditors on the outcomes of their work, and we reviewed key working papers relating to the components under full scope audit.

We also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

## Extent to which our audit was considered capable of detecting irregularities, including fraud

Under ISAs (UK), we are required to explain to what extent our audit was considered capable of detecting irregularities, including fraud.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, as set out in the "Auditor's responsibilities for the audit of the financial statements" section of this report, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the States of Jersey and of the group, we identified that the principal risks of non-compliance with laws and regulations related to the Public Finances (Jersey) Law 2019, and we considered the extent to which non-compliance might have a material effect on the financial statements.

In identifying and assessing risks of material misstatement in respect to irregularities, including fraud, our procedures included but were not limited to:

- at the planning stage of our audit, gaining an understanding of the legal and regulatory framework applicable to the States of Jersey Core Entities and to the group, and the structure of the States of Jersey Core Entities and of the group, and considering the risk of acts by the States of Jersey Core Entities and by the group which were contrary to applicable laws and regulations;
- discussing with the Treasurer the policies and procedures in place regarding compliance with laws and regulations;
- discussing amongst the engagement team the identified laws and regulations, and remaining alert to any indications of non-compliance; and
- during the audit, focusing on areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, through discussions with the Treasurer and the Risk and Audit Committee, from inspection of correspondence, and from review of minutes of meetings of the Council of Ministers in the year.

Our procedures in relation to fraud included but were not limited to:

- making enquiries of the Treasurer, the Risk and Audit Committee and the Minister for Treasury and Resources on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud, such as opportunities for fraudulent manipulation of financial statements, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

Independent auditor's report to the Minister for Treasury and Resources

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

As a result of our procedures, we did not identify any key audit matters relating to irregularities. We have identified one matter and this is covered in the regularity section of this report.

The risks of material misstatement that had the greatest effect on our audit (whether or not due to fraud) are discussed in the key audit matters section of this report.

## Other information

The other information comprises the information included in the Annual Report and Accounts other than the financial statements and our auditor's report thereon. The Treasurer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of the Treasurer and Principal Accountable Officer

As explained more fully in the "Statement of responsibilities" set out within the Accountability Report, the Treasurer is responsible for the preparation of the financial statements. The JFReM requires that the Treasurer should only approve the financial statements if they are satisfied that they give a true and fair view of the financial position. As explained in the Accountability Report, the Principal Accountable Officer and Accountable Officers are responsible for the proper financial management of the resources under their control and must ensure that robust governance arrangements are in place, which include a sound system of internal control and arrangements for the management of risk. These arrangements are necessary to enable the Treasurer to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Treasurer is responsible for assessing the States of Jersey Core Entities and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Treasurer either intends to liquidate the States of Jersey Core Entities or the group or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## Other matters which we are required to address

We were appointed by the Comptroller and Auditor General on 9 October 2020 to audit the financial statements for the year ended 31 December 2020. The period of total uninterrupted engagement is one year, covering the year ending 31 December 2020.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the States of Jersey Core Entities or to the group and we remain independent of the States of Jersey Core Entities and the group in conducting our audit.

Our audit opinion is consistent with the additional report to the Minister for Treasury and Resources and the Risk and Audit Committee.

## Report on regularity

### *Qualified opinion on regularity*

In our opinion, except for the matter set out in the "Basis for qualified opinion on regularity" section below, we are satisfied that, in all material respects:

- the Statement of Outturn Against Approvals properly presents the outturn against the budget approved by the States Assembly for the year ended 31 December 2020 and shows whether those totals have been exceeded; and
- the income and expenditure relating to the States of Jersey Core Entities in the Statement of Comprehensive Net Expenditure for the year ended 31 December 2020 have been applied to the purposes intended by the States Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### *Basis for qualified opinion on regularity*

We are required to give reasonable assurance that the Statement of Outturn Against Approvals properly presents the outturn against amounts approved by the States Assembly and that those totals have not been exceeded. We are also required to obtain evidence sufficient to give reasonable assurance that the income and expenditure recorded in the financial statements have been applied to the purposes intended by the States Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Independent auditor's report to the Minister for Treasury and Resources

In considering the regularity of expenditure, we identified an exception related to the settlement agreement in respect of the severance of the Chief Executive's employment contract which is included in staff costs. The Public Finances Manual (Special Payments) requires that where special payments are being considered, Treasury and Exchequer must always be consulted. In our view, the amount agreed was in excess of the minimum contractual requirements and the consultation required by the Manual did not take place.

## Report on other legal and regulatory requirements

### *Opinion on other matters prescribed by the Code of Audit Practice*

We are required by the Code of Audit Practice (November 2020) issued by the Comptroller & Auditor General to give an opinion on whether the part of the Remuneration Report to be audited has been properly prepared in accordance with the relevant accounting and reporting framework.

In our opinion, the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with the JFRoM.

### *Matters on which we are required to report by exception under the Code of Audit Practice*

We are required by the Code of Audit Practice (November 2020) issued by the Comptroller & Auditor General to report, by exception, where the Corporate Governance Report included in the Annual Report and Accounts:

- does not comply with any requirements for its compilation stated in the Annual Report and Accounts of the States of Jersey or directed in the Public Finances Manual, as issued by the Minister for Treasury and Resources under Article 31 of the Public Finances (Jersey) Law 2019; or
- is misleading or inconsistent with information of which the auditor is aware as a result of their audit.

We have nothing to report in these respects.

## Use of our report

This report is made solely to the Minister for Treasury and Resources in accordance with Article 12(1) of the Comptroller and Auditor General (Jersey) Law 2014. Our audit work has been undertaken so that we might state to the Minister for Treasury and Resources those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Minister for Treasury and Resources for our audit work, for this report, or for the opinions we have formed.

**Mark Kirkham**

for and on behalf of Mazars LLP

Date: 14 May 2021

Report of the Comptroller and Auditor General to the States Assembly

# Report of the Comptroller and Auditor General to the States Assembly

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## Certificate

In accordance with Article 12(1) of the Comptroller and Auditor General (Jersey) Law 2014, I have ensured that an audit of the financial statement of the States of Jersey for the year ended 31 December 2020 has been completed.

## Powers of the Comptroller and Auditor General

Under Article 12(3) of the Comptroller and Auditor General (Jersey) Law 2014 I have a power to attach a note to the financial statements drawing the attention of the States Assembly to:

- any matter in the financial statements that I consider should be of concern to the States Assembly or should receive the attention of the States Assembly; and
- any matter that prevented or hindered the audit of any part of the financial statements or, in my opinion, constituted a significant breach of a provision of the Public Finances (Jersey) Law 2019 or of any other enactment referred to in Article 11(1)(b) to (e) of the Comptroller and Auditor General (Jersey) Law 2014.

## Note added under Article 12(3) of the Comptroller and Auditor General (Jersey) Law 2014

In my view the severance payment made to the former Chief Executive should receive the attention of the States Assembly. This is reflected in:

- the Qualified Opinion on Regularity contained within the Independent Auditor's Report to the States Assembly on page 231 of the Annual Report and Accounts;
- the severance payment to the former Chief Executive disclosed in a note to the table on Directors' Remuneration included in the Remuneration and Staff Report on page 204 of the Annual Report and Accounts; and
- the severance payment to the former Chief Executive disclosed in Note 4.23 Losses and Special Payments on page 326 of the Annual Report and Accounts.

The Independent Auditor is required to obtain evidence sufficient to give reasonable assurance that the income and expenditure recorded in the financial statements have been applied to the purposes intended by the States Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them. In their Qualified Opinion on Regularity, the Independent Auditor has reported that they identified an exception related to the settlement agreement in respect of the severance of the former Chief Executive's employment contract. The Independent Auditor has reported that the Public Finances Manual (Special Payments) requires that where special payments are being considered, Treasury and Exchequer must always be consulted. In the view of the Independent Auditor, the amount agreed was in excess of the minimum contractual requirements and the consultation required by the Manual did not take place.

Whilst the Independent Auditor has issued a Qualified Opinion on Regularity, this does not mean that the States lacked the power to agree and make the payment. The circumstances of and processes followed in respect of the severance of the former Chief Executive have however highlighted a number of weaknesses in policies and procedures in the States of Jersey. These

weaknesses include non compliance with the requirements of the Public Finances Manual in respect of the payment made.

## Report issued under Article 11(2) of the Comptroller and Auditor General (Jersey) Law 2014

I have today issued a report to the States Assembly entitled *States Employment Board – follow up: Employment of the former Chief Executive*, under Article 11(2) of the Comptroller and Auditor General (Jersey) Law 2014. This report evaluates the circumstances surrounding the severance of the employment of the former Chief Executive in so far as they relate to internal control, economy, efficiency and effectiveness and corporate governance. Whilst I consider that the settlement reached was not unreasonable in the circumstances, I have made a number of recommendations to improve policies and procedures going forwards.

### Lynn Pamment

Comptroller and Auditor General

Jersey Audit Office  
de Carteret House  
7 Castle Street  
St Helier  
Jersey JE2 3BT

Date: 20 May 2021

# Primary Statements

### 3.1 Consolidated Statement of Comprehensive Net Expenditure (SoCNE) for the year ended 31 December 2020

		States of Jersey Core Entities <sup>i</sup>	States of Jersey Group	States of Jersey Core Entities <sup>i</sup>	States of Jersey Group
	Note <sup>i</sup>	2020 £'000	2020 £'000	2019 £'000	2019 £'000
<b>Revenue</b>					
Levied by the States of Jersey	5	(1,045,595)	(1,044,964)	(1,039,290)	(1,039,466)
Earned through Operations	5	(198,615)	(245,013)	(199,477)	(265,243)
<b>Total Revenue</b>		<b>(1,244,210)</b>	<b>(1,289,977)</b>	<b>(1,238,767)</b>	<b>(1,304,709)</b>
<b>Expenditure</b>					
Social Benefit Payments	6	552,467	552,467	413,855	413,855
Staff Costs	7	429,245	458,665	389,890	417,579
Other Operating Expenses		321,079	354,301	278,863	305,864
Grants and Subsidies Payments	8	50,654	50,713	44,629	44,740
Depreciation and Amortisation		50,127	83,199	47,932	72,608
Impairments	11	23,999	33,701	12,135	26,756
Finance Costs	11	26,613	27,750	25,759	26,833
Net Foreign-Exchange Losses		766	760	2,596	1,868
<b>Total Expenditure</b>		<b>1,454,950</b>	<b>1,561,556</b>	<b>1,215,659</b>	<b>1,310,103</b>
<b>Operating Net Revenue Expenditure/(Income)</b>		<b>210,740</b>	<b>271,579</b>	<b>(23,108)</b>	<b>5,394</b>
Loss/(Gains) on Disposal of Non-Current Assets		3,853	3,738	(99)	(109)
Gains on Other Financial Assets	11	(252,911)	(253,158)	(391,949)	(402,305)
Movement in Past Service Liability		2,129	2,129	29,024	29,024
<b>Net Revenue Expenditure/(Income)</b>		<b>(36,189)</b>	<b>24,288</b>	<b>(386,132)</b>	<b>(367,996)</b>
<b>Other Comprehensive Income</b>					
Items that will not be reclassified to Net Revenue Expenditure					
Revaluation of Property, Plant and Equipment	9	(7,013)	(109,745)	(52,452)	(85,472)
Remeasurement of Net Defined Benefit Pension Scheme Liability	21	(359)	(359)	(235)	(235)
Items that may be reclassified subsequently to Net Revenue Expenditure					
(Gain)/Loss on Revaluation of Financial Instruments held at FVTOCI	11	(9,490)	(9,490)	20,978	20,978
Other Adjustments		-	-	-	-
<b>Total Other Comprehensive Income</b>		<b>(16,862)</b>	<b>(119,594)</b>	<b>(31,709)</b>	<b>(64,729)</b>
<b>Total Comprehensive Income</b>		<b>(53,051)</b>	<b>(95,306)</b>	<b>(417,841)</b>	<b>(432,725)</b>

Note

i. The Notes in section 4 of this report form part of the financial statements.

ii. The States of Jersey (Core Entities) as an entity is subject to a Regularity Audit Opinion in addition to a full States of Jersey Group (inclusive of subsidiary companies) Financial Statements Audit Opinion requirement. The States of Jersey Group's subsidiary companies and their subsidiaries are excluded of Regularity. The full details of all entities included in the States of Jersey are explained in the Group Boundary Note 4.26.

## 3.2 Consolidated Statement of Financial Position (SoFP) as at 31 December 2020

		States of Jersey Group	States of Jersey Group
	Note <sup>i</sup>	31 Dec 2020 £'000	31 Dec 2019 £'000
<b>Non-Current Assets</b>			
Property, Plant and Equipment	9	3,993,038	3,872,228
Investment Property	10	17,340	17,340
Intangible Assets		17,950	14,451
Other Financial Assets > 1 year	11	3,518,960	3,366,008
Interest in Joint Venture		7,112	6,995
Trade and Other Receivables > 1 year	13	17,752	3,525
<b>Total Non-Current Assets</b>		<b>7,572,152</b>	<b>7,280,547</b>
<b>Current Assets</b>			
Other Non-Current Assets Classified as Held for Sale		4,565	3,390
Inventories	12	32,345	31,500
Other Financial Assets < 1 year	11	110,377	361,233
Derivative Financial Instruments Expiring < 1 year	11	14,368	15,481
Trade and Other Receivables < 1 year	13	681,143	614,064
Cash and Cash Equivalents	14	302,524	494,113
<b>Total Current Assets</b>		<b>1,145,322</b>	<b>1,519,781</b>
<b>Total Assets</b>		<b>8,717,474</b>	<b>8,800,328</b>
<b>Current Liabilities</b>			
Trade and Other Payables < 1 year	15	(213,118)	(400,622)
Past Service Pension Provision < 1 year	20	(8,603)	(8,245)
External Borrowings < 1 year	16	(687)	(658)
Currency in Circulation	17	(115,191)	(112,950)
Finance Lease Obligations < 1 year	18	-	(431)
Provisions < 1 year	19	(1,209)	(961)
<b>Total Current Liabilities</b>		<b>(338,808)</b>	<b>(523,867)</b>
<b>Total Assets Less Current Liabilities</b>		<b>8,378,666</b>	<b>8,276,461</b>
<b>Non-Current Liabilities</b>			
Trade and Other Payables > 1 year	15	(73)	(270)
External Borrowing > 1 year	16	(253,984)	(255,826)
Provisions > 1 year	19	(26,873)	(24,989)
Past Service Pension Provision > 1 year	20	(446,814)	(439,126)
Defined Benefit Pension Schemes Net Liability > 1 year	21	(4,004)	(4,638)
<b>Total Non-Current Liabilities</b>		<b>(731,748)</b>	<b>(724,849)</b>
<b>Assets Less Liabilities</b>		<b>7,646,918</b>	<b>7,551,612</b>
<b>Taxpayers' Equity</b>			
Accumulated Revenue and Other Reserves		(5,852,886)	(5,860,469)
Revaluation Reserve		(1,514,337)	(1,415,251)
Investment Reserve		(279,695)	(275,892)
<b>Total Taxpayers' Equity</b>		<b>(7,646,918)</b>	<b>(7,551,612)</b>

The financial statements were approved and authorised for issue on:

**Deputy Susie Pinel**  
Minister for Treasury and Resources

Date: 14 May 2021

**Richard Bell**  
Treasurer of the States

Date: 14 May 2021

### 3.3 Consolidated Statement of Changes in Taxpayers' Equity (SoCiTE) for the year ended 31 December 2020

States of Jersey Group					
	Notei	Accumulated Revenue and Other Reserves £'000	Revaluation Reserve £'000	Investment Reserve £'000	Total £'000
<b>Balance 1 January 2019</b>		<b>5,469,549</b>	<b>1,346,020</b>	<b>296,871</b>	<b>7,112,440</b>
Net Revenue Income		367,996	-	-	367,996
<b>Other Comprehensive Income</b>					
Revaluation of Property, Plant and Equipment	9	-	85,472	-	85,472
Revaluation Losses for Financial Instrument held at FVTOCI	11	-	-	(20,978)	(20,978)
Net Defined Benefit Pension Scheme Liability	21	235	-	-	235
<b>Other Movements</b>					
Release of Revaluation Reserve on Disposal		8,905	(8,905)		-
Data Protection		3,627			3,627
Ecology Fund		(382)			(382)
Other Reserve Adjustment		10,538	(7,336)		3,202
<b>Total Other Movements</b>		<b>22,688</b>	<b>(16,241)</b>	<b>-</b>	<b>6,447</b>
<b>Total Other Comprehensive Income</b>		<b>22,923</b>	<b>69,231</b>	<b>(20,978)</b>	<b>71,176</b>
<b>Total Comprehensive Income</b>		<b>390,919</b>	<b>69,231</b>	<b>(20,978)</b>	<b>439,172</b>
<b>Balance 31 December 2019</b>		<b>5,860,468</b>	<b>1,415,251</b>	<b>275,893</b>	<b>7,551,612</b>
Net Revenue Expenditure		(24,288)	-	-	(24,288)
<b>Other Comprehensive Income</b>					
Revaluation of Property, Plant and Equipment	9	-	109,745		109,745
Revaluation Gains for Financial Instrument held at FVTOCI	11	-	-	9,490	9,490
Net Defined Benefit Pension Scheme Liability	21	359	-	-	359
<b>Other Movements</b>					
Release of Revaluation Reserve on Disposal		10,659	(10,659)		-
Reclassification of Financial Instruments		5,688		(5,688)	-
Other Adjustments		-	-	-	-
<b>Total Other Movements</b>		<b>16,347</b>	<b>(10,659)</b>	<b>(5,688)</b>	<b>-</b>
<b>Total Other Comprehensive Income</b>		<b>16,706</b>	<b>99,086</b>	<b>3,802</b>	<b>119,594</b>
<b>Total Comprehensive Income</b>		<b>(7,582)</b>	<b>99,086</b>	<b>3,802</b>	<b>95,306</b>
<b>Balance 31 December 2020</b>		<b>5,852,886</b>	<b>1,514,337</b>	<b>279,695</b>	<b>7,646,918</b>

Note

i. The Notes in section 4 of this report form part of the financial statements

## 3.4 Consolidated Statement of Cash Flows (SoCF) for the year ended 31 December 2020

	Notei	States of Jersey Group	
		2020 £'000	2019 £'000
<b>Cash Flows from Operating Activities</b>			
Net Revenue (Expenditure)/Income	SoCNE	(24,288)	367,996
<b>Adjustments for Non-Cash Transactions</b>			
Depreciation of Property, Plant and Equipment	9	81,811	71,178
Amortisation of Intangible Assets		1,386	1,430
Impairments & Abortive Costs	SoCNE	33,695	26,756
Donations of Assets		-	(156)
Investment Income	5	(39,993)	(51,774)
Finance Costs	SoCNE	27,750	26,833
<b>Adjustments for Non-Operating Activities</b>			
Gains on Financial Assets	SoCNE	(253,158)	(402,305)
Losses on Disposal of Non-Current Assets	SoCNE	3,738	109
Movement in Pension Liabilities		2,127	29,234
Payment of Pension Liability	20	(8,529)	(8,757)
Net Foreign Exchange Loss	SoCNE	760	1,869
<b>Movement in Other Liabilities</b>			
Increase/(Decrease) in Provisions	19	2,132	(6,502)
Increase in Currency in Circulation	17	2,241	2,147
<b>Operating Cash Flows before movements in Working Capital</b>		<b>(170,328)</b>	<b>58,058</b>
<b>Adjustments for movements in Working Capital</b>			
(Increase)/Decrease in Inventories	12	(845)	44,087
Increase in Trade and Other Receivables	13	(83,795)	(43,439)
(Decrease)/Increase in Trade and Other Payables	15	(187,701)	257,550
<b>Net Cash (Outflow)/Inflow from Operating Activities</b>		<b>(442,669)</b>	<b>316,256</b>
<b>Cash Flows from Investing Activities</b>			
Purchases of Property, Plant and Equipment	9	(151,291)	(144,874)
Proceeds from disposal of Property, Plant and Equipment	9	140	22,525
Purchases of Intangible Assets		(4,352)	(4,484)
Purchases of Assets Held for Sale		-	(3,923)
Proceeds from disposal of Assets Held for Sale		20,070	3,395
Interest Received	5	1,177	4,188
Dividends Received	5	38,816	47,586
Interest in Joint Venture		(117)	-
Net (Purchases)/Proceeds from disposal/purchase of Financial Assets		361,665	131,189
<b>Net Cash Inflow from Investing Activities</b>		<b>266,108</b>	<b>55,602</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds of External Borrowings		-	1,346
Repayments from External Borrowings		(1,813)	(35,890)
Bond Interest Paid		(9,793)	(9,564)
Other Interest Paid		(1,353)	(1,104)
Principal Element of Finance Lease Rental Repayments		(431)	(404)
Interest Element of Finance Lease Payments		(57)	(60)
Bank and Other Charges		(2,071)	(400)
<b>Net Cash Outflow from Financing Activities</b>		<b>(15,518)</b>	<b>(46,076)</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>		<b>(192,079)</b>	<b>325,782</b>
Cash and Cash Equivalents at the Beginning of the Year	14	494,113	168,422
Gain/(loss) on Cash and Cash Equivalents		490	(91)
<b>Cash and cash equivalents at the end of the year</b>		<b>302,524</b>	<b>494,113</b>

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## 4.1 Significant accounting policies

### 1. Introduction

- 1.1 This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not been disclosed in the other notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2. Basis of preparation

#### 2.1 Compliance with the 2020 JFReM

These consolidated accounts have been prepared in accordance with the 2020 States of Jersey Financial Reporting Manual (JFReM) issued by the Treasurer of the States to meet the requirements of the Public Finances (Jersey) Law 2019. The accounting policies contained in the JFReM apply EU adopted International Financial Reporting Standards (IFRS) in place as at 1 January 2019 as adapted or interpreted for the Public Sector in Jersey. These accounts are prepared on a going concern basis. The JFReM includes details of all material interpretations and adaptations of IFRS applied by the States of Jersey. It can be found in full on the States Assembly website.

The JFReM applicable to the 2020 financial year (including comparators) is based on the UK Financial Reporting Manual (FReM) for the UK financial year ending 31 March 2019 which is prepared by HM Treasury following consultation with the Financial Reporting Advisory Board (FRAB).

Where the JFReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the circumstances of the States of Jersey for the purpose of giving a true and fair view has been selected. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

In adopting the going concern basis for preparing the financial statements, the Treasurer has considered the government's power to set tax rates to meet its funding requirements, as well as controls over public spending, which ensure that the government will continue to exercise its functions.

#### 2.2 Accounting convention

These accounts have been prepared under the historical cost convention, modified where appropriate to account for the revaluation of certain assets and liabilities as set out in these accounting policies.

#### 2.3 New accounting standards adopted in the year

The States has initially applied IFRS 15 and IFRS 9 from 1 January 2020. Due to the transition methods chosen by the States in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards, except for separately presenting impairment loss on trade receivables and contract assets.

#### **IFRS 9 Financial Instruments**

IFRS 9 'Financial Instruments' replaces IAS 39 'Financial Instruments: Recognition and measurement' and introduces new requirements for the classification, measurement and impairment of financial assets and liabilities.

IFRS 9 contains three principal classification categories for financial assets: amortised cost, fair value through other comprehensive income (FVTOCI), and fair value through profit or loss (FVTPL). A financial asset is classified into one of these three categories based on how it is managed and its contractual cash flow characteristics. Under IFRS 9, a financial asset is impaired using a forward looking expected credit loss model which replaces the previous incurred loss model under IAS 39. IFRS 9 contains two classification categories for financial liabilities: amortised cost or fair value through profit or loss (FVTPL).

Changes have been processed at the date of initial application on 1 January 2020 and recognised in the opening equity balances. The following table shows the classification and carrying amounts of financial assets on transition from IAS 39 to IFRS 9 on 1 January 2020.

Account caption	IAS 39 Classification	IFRS 9 Classification	31 December 2019	1 January 2020	Reallocation
			IAS 39	IFRS 9	
			£'000	£'000	
Loans and advances	Loans and Receivables	Amortised Cost	19,430	19,430	-
Trade and other receivables	Loans and Receivables	Amortised Cost	131,557	131,557	-
Contract Assets	N/A	Amortised Cost	-	-	-
Cash and cash equivalents	Loans and Receivables	Amortised Cost	494,113	494,113	-
Short-Term Liquid Investments	Loans and Receivables	Amortised Cost	104,866	104,866	-
Non-Equity Investments	Available for sale	FVTPL	1,670,527	1,670,527	-
Equity Investments	Available for sale	FVTPL	1,556,226	1,556,226	-
Derivatives	Available for sale	FVTPL	15,481	15,481	-
Property Bonds	FVTOCI	FVTPL	-	26,682	26,682
Strategic investments	FVTOCI	FVTPL	26,682	-	(26,682)
Irredeemable preference shares	FVTOCI	Amortised Cost	17,400	17,400	-
Other AfS investments	FVTOCI	FVTOCI	332,110	322,110	-
<b>Total Financial Assets in scope of IFRS 9</b>			<b>4,368,392</b>	<b>4,368,392</b>	-

Investments classified as fair value through profit and loss (FVTPL) contain a diversified portfolio of financial assets that are held for trading and managed to maximise taxpayers' equity. The Group has made an irrevocable election to classify strategic equity investments as FVTOCI. Derivative financial instruments continue to be carried at FVTPL as they do not meet the definition of cash flow hedge as per the JFReM. There were no financial assets reclassified to amortised cost or FVTOCI, as a result of the transition to IFRS 9.

The most significant of these changes is the impact on financial assets and especially those disclosed within Note 11 (financial instruments) and Note 13 (trade and other receivables). The key changes are shown in the "Financial Instruments by Category" in Note 11 (a).

No changes are required to the corresponding "Financial liabilities by category" table and the fair value hierarchy tables. The only new requirement in IFRS 9 for financial liabilities relates to the changes in the fair value of an entity's own debt instruments under the fair value option.

Under IFRS 9 a financial asset is impaired using a forward-looking expected credit loss model which replaces the previous incurred loss model under IAS 39.

IFRS 9's impairment requirements of financial assets apply to:

- Debt instruments - loans, trade receivables and debt securities measured at amortised cost or fair value through other comprehensive income (FVTOCI)
- Lease receivables
- Contract assets within the scope of IFRS 15
- Certain financial guarantees and loan commitments

All equity investments, measured at either fair value through profit or loss (FVTPL) or FVTOCI, and other financial instruments measured at FVTPL, are outside the scope of IFRS 9's impairment model. IAS 39's impairment model of "incurred loss" is replaced with a more forward-looking "expected credit loss" (ECL) model. Under IFRS 9, it is no longer necessary for a loss event to have occurred before credit losses are recognised. SOJ is now required to recognise either a 12-month or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition.

The note most affected by the changes to the impairment of financial assets, under IFRS 9 is Note 13 (trade and other receivables). The first-time adoption of IFRS 9 means that the 2019 comparative figures for trade and other receivables compiled under IAS 39 are calculated on a different basis to those shown for 2020 under IFRS 9. Any comparison between the two periods needs to be qualified in these terms.

### **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement. The States has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application 1 January 2020.

IFRS 15 provides a principles-based approach for revenue recognition and introduces the concept of recognising revenue for performance obligations as they are satisfied. The standard requires revenue to be recognised at the point of control passing to the customer, which can be over time or at a single point in time. Furthermore, it requires an assessment to be undertaken for each performance obligation within the contract or service provided and this may impact the timing of when revenue is recognised. Most government income streams are not dependent on satisfying performance obligations within a contractual arrangement; therefore, this new standard has a limited impact on most government entities. Government income relating to taxation, levies, licensing, and fees/penalties and charges (Levied by the States) are not generally dependent upon contractual obligations being met by government. However, there is an impact on some revenue streams, specifically those earned from operations.

In order to apply the principles above, IFRS 15 introduces a five-step model to account for revenues:

1. Identify the contract with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when the performance obligation is satisfied

Interest income and dividend income are outside the scope of IFRS 15. Also, IFRS 15 does not apply to non-exchange transactions such as taxation, fines and penalties. These transactions are covered in IFRS 15 paragraph 15. It states that when a contract with a customer does not meet the criteria in IFRS 15 paragraph 9 and an entity receives consideration from the customer, the entity shall recognise the consideration received as revenue only when either of the following events has occurred:

- The entity has no remaining obligations to transfer goods or services to the customer and all, or substantially all, of the consideration promised by the customer has been received by the entity and is non-refundable; or
- The contract has been terminated and the consideration received from the customer is non-refundable.

The most significant disclosure changes within these accounts related to IFRS 15 is in trade and other receivables in note 13, where current and non-current contract assets are now recognised when an entity has transferred goods and services to a customer and the right to consideration is conditional on something other than the passage of time; such as the fulfilment of other performance criteria specified within the contract. Contract assets are different from trade receivables because a trade receivable is an unconditional right to receive payment subject to the passage of time.

The analysis of changes to the Statement of Changes in Taxpayers Equity as a result of IFRS 9 and 15 is analysed below:

Analysis of Movement restatements	Accumulated Revenue and Other Reserves £'000	Investment Reserve £'000	Narrative
Other AfS investments/ Andium Property Bonds	5,688	(5,688)	Reclassification of Andium housing bonds from FVTOCI to FVTPL.
<b>Total</b>	<b>5,688</b>	<b>5,688</b>	

## 2.4 Accounting standards in issue but not yet effective in the JFRm

The following new standards and amendments to standards have been issued but not yet effective:

Accounting standard	Key dates	Summary and impact
IFRS 16 'Leases'	<ul style="list-style-type: none"> <li>• IASB effective date 1 Jan 2018</li> <li>• EU effective date 1 Jan 2019</li> <li>• FReM 2022-23</li> <li>• Expected in JFRm 2023</li> </ul>	<p>Largely removes the distinction between operating and finance leases for lessees by introducing a single lessee accounting model that requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This is a significant change in lessee accounting and will bring assets formerly not recognised on the statement of financial position on to the statement of financial position.</p> <p><b>Impact:</b> It is not possible to identify the impact of IFRS 16 on SoJ accounts at this stage, as it is subject to further work to be carried out by each entity. The impact is expected to be material.</p>

There are no other IFRS or International Financial Reporting Interpretations Committee (IFRIC) interpretations not yet effective that would be expected to have a material impact on these accounts.

### 3. Basis of consolidation

These accounts consolidate all material entities within the States of Jersey consolidation boundary (the 'accounting boundary') as set out in the JFRoM. The accounting boundary is defined by the JFRoM and is consistent to the concept of control under IFRS. Entities that fall within the accounting boundary, but which are immaterial to the accounts, as a whole, have not been consolidated. Entities that fall within the accounting boundary but not consolidated are listed as Minor Entities in Note 26.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. Where this principle is not met and an entity within the accounting boundary has an investment in an entity outside the accounting boundary, this holding is treated as an investment in the group accounts.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The Statement of comprehensive net expenditure (SOCNE) has been split into Core and Group Entities. The Core comprises all entities except for the subsidiary companies (note 4.26).

## Policies supporting the Consolidated Statement of Comprehensive Net Expenditure

### 4. Revenue recognition

Revenue from transactions arise from interactions between the States of Jersey and other entities, including households, private corporations, the not-for-profit sector and other governments. It excludes gains resulting from changes in price levels and other changes in the volume of assets. These are disclosed separately in Note 11 (b) as '(Gains)/Losses on Financial Asset'. The total States of Jersey revenue and recognition of revenue sources were as follows:

#### Levied by the States of Jersey

Revenue type	Recognition point
Social Security Contributions, Long-term Care Contributions and Personal income tax	Accrued for in the year the assessable income is earned
Corporation tax	Accrued for based on company returns' assessable income. Comprise amounts of tax payable by companies that relate to instalments and final payments received/raised for current and former periods. It does not include estimates of revenue related to the reporting year that will be recognised in annual income tax returns lodged after the reporting date.
Goods and Services Tax (GST) and Stamp Duty	Recognised based on the actual liabilities raised during the year and includes an estimate of amounts outstanding that relate to transactions occurring in the reporting period.
Impôts Duties	Recognised when the goods are landed in Jersey.
Island rates	Accrued in the year the Island Rates are charged for on a calendar year basis. Income is recognised in the period for which the rates are charged.
Fines and penalties	Accrued for when the fines and penalties are imposed.

IFRS 15 does not apply to the non-exchange transactions that are “Levied by the States of Jersey” such as taxation, fines and penalties. These transactions do not meet the requirements of IFRS’ definition of a contract due to no specific performance obligations being set in return for the consideration received. Goods, services and rental income under “Earned through Operations” do meet IFRS 15’s application criteria and therefore the two different types of incomes will detail their accounting policy separately.

#### *Taxation Revenue:*

Taxation revenue is recognised in the period in which the event that generates the revenue occurs. Some of the accrued revenue receivable figures and other items are subject to statistical estimation of forecasts, as tax returns and tax payments can be filed later. Due to the areas of uncertainty involved, actual outcomes could differ from the estimates used. States of Jersey believe that the levels of variation are acceptable, and Revenue Jersey estimate that any total understatement or overstatement is unlikely to exceed 1% of the Statement of Comprehensive Net Expenditure total revenue, which does not significantly impact the reported position. Estimation of some revenues can be difficult due to impacts of economic conditions and the timing of final taxable income; hence the States of Jersey uses the following basis of recognition:

#### *Personal Tax Forecast*

The forecast of personal income tax is driven by forecasts for compensation of employees (CoE), gross operating surplus (GOS), Bank Rate, earnings, employment and inflation. These are provided by the independent Fiscal Policy Panel. Taxable income is broken down and forecast as follows:

Income type	Forecast Approach	Proportion of total
Employment and other earned Income	Employment income equation (supplemented by IT IS data)	70%
Pension Income	Pension income	12%
Shareholder income / distributions	RPIY inflation	5%
Business profits	10 year average growth rate	5%
Property income	5 year average growth rate	4%
Bank interest, dividend income and unearned	Unearned income equation	3%
Income taxed at source	RPIY inflation	1%

A different approach is taken to forecasting taxable income from taxpayers on the High-Value-Residency (HVR) regime. This is because the marginal tax rate for these individuals is different from that for the main taxpayer population. This represents a relatively small amount of the total tax take and is forecast using actual and expected arrivals and departures of these taxpayers; multiplied by the expected tax take per individual.

Tax rates are applied to income forecasts added together, less allowances. Credits are subtracted and adjustments are made for past and future changes to tax rates or allowances. HVR forecasts are added separately.

### *Approach used to account for the impact of Covid-19*

The Income Forecasting Group (IFG) made additional adjustments to account for the impact of the global pandemic and the resultant restrictions on economic activity. These adjustments are set out in the IFG report.

Assumption	£m	Assumption narrative
Pension income	(4)	Pension income is driven in the long run by both demographic change and growth in earnings, there are one-off factors that may result in slower growth in the short term. Specifically, the fall in financial asset valuations will have resulted in a reduction in the size of many pension funds, which may in turn result in new pensions paying out a lower amount than might have otherwise been expected – and could in turn potentially lead to some deferral of retirement.
Personal business profits	(10)	Rather than use recent average growth rates, the IFG has assumed that these income lines would grow in line with the FPP's implied growth rate in non-finance sector profits. This has therefore been adjusted by 25 percentage points, i.e. from 3.5 per cent growth to a 21 per cent fall. This reduces the forecast by around £10m.
Property Income	(4)	The IFG has made a downward adjustment of 15 per cent to property income in 2020, to reflect not only challenging market conditions but also the impact of deferrals and waivers of rents. This reduces the 2020 forecast by £4m.
Investment and other unearned income	(3)	The IFG has considered the global outlook for dividends and investment income and judged that it would be appropriate to assume a 20 per cent fall in both investment income and distributions. This requires an adjustment of 16 per cent on investment income and a 21 per cent adjustment to distributions.
Distributions and taxed-at-source income	(10)	
Average effective tax rate	(8)	The CFPS [Co-Funded Payroll Scheme] does appear to have been successful in reducing job losses, and registered unemployment has fallen back from its peak. However, it now seems likely that there will be a prolonged period of reduced hours and earnings, particularly in non-finance sectors, and this has been incorporated into the FPP forecast for a slower recovery in total earnings. This will put further downward pressure on the average effective tax rate.

Penalties and general interest charges (GIC) arising under taxation legislation are recognised as revenue at the time the penalty and GIC are imposed on the taxpayer and included within the relevant revenue categories. Generally, subsequent remissions and write-offs of such penalties and interest are treated as an expense (mutually agreed write-down) or other economic flow of the period. Penalties and interest that are imposed by law and immediately cancelled are not recognised as revenue or expense.

Taxpayers are entitled to dispute amounts assessed by the States of Jersey. Where the States considers that the probable outcome will be a reduction in the amount of tax owed by a taxpayer, an allowance for credit amendment (if the disputed debt is unpaid) or a provision for refund (if the disputed debt has been paid) will be created and there will be a corresponding reduction in revenue.

### **Earned through operations**

The States of Jersey has applied IFRS 15 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 18.

Revenue from sale of goods and services is measured based on the fair value of the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Sale of goods and services

Below is a summary of the revenue recognition:

Revenue Stream	IFRS 15 Revenue Recognition
School Fees	School fees consists of tuition fees, resource fees, levies, application fees, enrolment fees, waiting list fees and other miscellaneous charges. Tuition/term fees, resource fees and levies are recorded as income in the period when services are provided. Non-refundable enrolment fees and application fees were treated as income on receipt.
Lottery Ticket Sales	The income is derived from the sale of lottery scratch cards through numerous retail outlets across the Island. Revenue recognised at the point that the tickets are sold. The purchase of a ticket creates an agreement between the customer and the States that may be evidenced by a ticket specifying the wager and the odds.
Airport and Harbour Charges	The IFG has made a downward adjustment of 15 per cent to property income in 2020, to reflect not only challenging market conditions but also the impact of deferrals and waivers of rents. This reduces the 2020 forecast by £4m.
Channel Island Control Area (CICA)	There are four distinct performance obligations, these are landing, parking, departing and other charges (i.e. noise and fixed electrical ground power). The revenue from these charges is recognised on the day the movement takes place or services are rendered. Passenger charges levied on passengers on departure; - Aircraft landing and take-off charges levied according to noise certification; - Aircraft parking charges based on a combination of weight and time parked; and - Other charges levied (i.e. fixed electrical ground power) when these services are rendered.
Other fees and services	The States recognises revenue when it transfers control over a product or service to a customer. Grants and similar financing for capital items, to the extent that they have not been eliminated on consolidation, are recognised immediately in the Consolidated Statement of Comprehensive Net Expenditure (SOCNE) unless it is likely that the grant will need to be repaid, in which case the grant is deferred in the Statement of Financial Position (SOPF).

## 5. Staff costs

Staff costs include salaries and wages, the costs of pensions and other employee benefits. Staff costs that can be attributed directly to the construction of an asset have been capitalised. Average staff numbers include staff engaged on capital projects. Public sector pension scheme costs include current service costs and past service costs, both of which are explained in further detail in accounting policy section 22 and note 20/21.

## 6. Social benefits payments

Social benefits payments are accounted for as expenditure in the period to which they relate.

Social benefits payments include income support, which are recognised over the period for which the claim assessed is due. Where under or overpayments are identified, either during the award year or subsequently, adjustments are made to expenditure.

## 7. Grants

Grants made are recognised as Grants and Subsidies Payments within the Consolidated Statement of Comprehensive Net Expenditure (SOCNE) to match the underlying event or activity that gives rise to a liability.

## 8. Finance Cost

Interest expenses are determined using the effective interest rate method, which exactly discounts estimated future cash flows to the instruments initial carrying amount. For variable rate borrowings the current rate applicable to that product is used.

## 9. Investment income

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents and from financial assets at fair value through profit or loss (FVTPL).

Dividend income is recognised when the right to receive a dividend payment is established. Any amount not received by the end of the reporting period is recognised as a current receivable.

## 10. Accounting for Goods and Services Tax (GST)

GST charged/paid is fully recoverable, and so income and expenditure is shown net of GST.

## 11. Foreign currency translation

### Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in British Pounds (GBP), which is the States functional and presentation currency.

### Transactions and balances

Foreign currency transactions undertaken in a foreign currency are translated into GBP at the rate ruling at the date of each transaction. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income (FVOCI).

## Policies supporting the Statement of Financial Position

## 12. Non-current assets: property, plant and equipment

### Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is

capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the States and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Property, Plant and Equipment is recognised where the initial cost or value exceeds £10,000. There is no threshold for the capitalisation of subsequent expenditure on an asset. On completion, Assets Under Course of Construction are transferred into the appropriate asset category.

### Measurement

Assets are initially measured at cost, comprising:

- The purchase price;
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- The cost of dismantling and removing the item and restoring the site on which it is located.

Property, plant and equipment is subsequently measured as follows:

Asset category	Measurement basis
Non-specialised operational assets	Existing Use Value (EUV)
Social housing	Existing Use Value – Social Housing (EUV-SH)
Specialised assets and networked assets	Depreciated Replacement Cost (DRC)
Surplus assets with access to the market	Fair value
Surplus assets with restrictions preventing access to the market	Existing Use Value (EUV)
Assets under Construction	Cost
Short life and low value assets	Depreciated historical cost (DHC)*

\*The States has elected to use DHC as a proxy for fair value for assets with a short useful life or a low value.

Non-specialised assets are valued in accordance with the RICS Valuation Global Standards 2017, as updated for the UK, on a 5-yearly cycle with a 3-year revaluation for higher value assets. The value of assets not revalued in the current year is indexed to the year-end using available property indices. Assets are independently valued by RICS registered valuers, the Valuation Office Agency.

Social housing stock is valued annually at EUV-SH in line with the UK Housing Statement of Recommended Practice (SoRP) using the discounted cashflow approach. The stock is independently valued by RICS registered valuers, Jones Lang LaSalle IP Incorporated.

Specialised assets and networked assets are valued in accordance with the RICS Valuation Global Standards 2017, as updated for the UK, on a 5-yearly cycle with a 3-year revaluation for higher value assets using the modern equivalent basis of DRC valuation.

Subsequent expenditure on assets is capitalised where it enhances or replaces the service potential. Spending that does not replace or enhance service potential is expensed.

## Revaluation

Revaluation gains are recorded in the revaluation reserve and presented in Other Comprehensive Income.

Downward revaluations are recorded in the revaluation reserve to the extent that they reverse previous upward revaluations. Downward revaluations below the historic cost of the asset are recorded as an impairment in Net Revenue Expenditure/Income.

## Depreciation

Depreciation for Property, Plant and Equipment, other than for networked assets, is calculated by amortising the carrying value of the asset less its estimated residual value over its useful economic life on a straight-line basis. Depreciation is recognised in the Statement of Comprehensive Net Expenditure. The principal asset categories and their range of useful economic lives are outlined below:

Asset category	Life
Land	Not depreciated
Buildings	Up to 75 years
Social housing	Up to 80 years
Other structures	Up to 100 years
Plant, machinery, furniture & fittings	3 to 50 years
Transport equipment	2 to 20 years
Information Technology Equipment	3 to 10 years
Antiques and Works of Art	Not depreciated per JFRm 71.40
Networked assets (Road networks, sewer systems and sea defences)	The annual depreciation charge for networked assets is the value of the service potential replaced through the maintenance programme, adjusted for any change in condition as identified by a condition survey. The value of the maintenance work undertaken is used as an indication of the value of the replaced part.

The annual depreciation charge for networked assets is the value of the service potential replaced through the maintenance programme, adjusted for any change in condition as identified by a condition survey. The value of the maintenance work undertaken is used as an indication of the value of the replaced part.

Residual Values and Useful Economic Lives of Property, Plant and Equipment are reviewed annually and, if appropriate, amended at the end of each reporting period.

Where an asset consists of several components which are significant in relation to the overall cost of the asset and with different useful economic lives, these will be componentised.

## Disposal

On disposal of Property, Plant and Equipment, gains or losses on disposal are measured by deducting the carrying value of the asset and any directly attributable transaction costs from the sale proceeds, and are reported in Net Revenue Expenditure/Income.

## 13. Investment properties

Property (land or building or both) is defined as investment property where it is held solely to earn rental income or for capital appreciation or both.

The States of Jersey uses the fair value model to account for investment properties. Investment properties are measured initially at cost and then subsequently at fair value. Investment properties are not depreciated but valuations are subject to annual review by a RICS registered valuer according to market conditions at the year-end.

Net rental income together with any gains or losses arising from changes in valuation or disposal are recognised as Hire & Rental in Revenue Earned from Operations within the Consolidated Statement of Comprehensive Net Expenditure (SOCNE).

## 14. Financial instruments

### Classification

The group classifies its financial assets at amortised cost or fair value either through other comprehensive income (FVTOCI) or through profit or loss (FVTPL). The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Category	Criteria for classification	Financial assets
Amortised Cost	Amortised cost for financial assets whose cash flows are solely payments of principal and interest and the business model of which is to hold those financial assets in order to collect contractual cash flows. They are initially recognised at fair value and thereafter at amortised cost using the effective interest method less any impairment. The effective interest rate method is a method of calculating the amortised cost of a financial asset and of recognising and allocating interest income over the relevant period.	Loans and advances, contractual trade receivables and cash and cash equivalents
FVTPL	Fair value through profit or loss (FVTPL) for any financial assets that are not measured at amortised cost or FVTOCI. This category includes derivatives and investments in equity instruments, unless an irrevocable election is made on initial recognition to classify as FVTOCI. The election is only available to equity instruments that are not held for trading. Transactions costs and any subsequent movements in the valuation of assets held at FVTPL are recognised in the Statement of Comprehensive Net Expenditure.	Investments (in the Common Investment Fund or with the States' Cash Manager) excluding equity investments, housing property bonds and derivatives
FVTOCI	Debt instruments whose cash flows are the sole payments of principal and interest and held within the business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets.  Equity instruments that are neither held for trading nor contingent consideration recognised in a business combination.  After initial recognition, these assets are subsequently carried at fair value. Gains and losses in fair value are recognised directly in equity. On derecognition, the cumulative gain or loss previously recognised in equity is recognised in the Statement of Comprehensive Net Expenditure.	Strategic investments and equity investments

The group has made the irrevocable election to present Strategic Investments (as defined in note 11 (a)) as fair value through other comprehensive income (FVTOCI).

Financial assets other than equity instruments and those at FVTPL are assessed for impairment at each reporting date using the expected credit loss model as introduced by IFRS 9, and impairments are recognised in the Statement of Comprehensive Net Expenditure.

Financial assets are derecognised when the rights to receive future cash flows have expired or are transferred and the risks and rewards of ownership have been substantially transferred.

### Impairment of Financial Assets

The group assesses on a forward-looking basis the expected credit losses, and annual assessments for impairment are carried out. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

IFRS 9 impairment requirements for financial assets apply to:

- Debt instruments – loans, trade receivables and debt securities measured at amortised cost or fair value through other comprehensive income (FVTOCI)
- Lease receivables
- Contract assets within the scope of IFRS 15
- Certain financial guarantees and loan commitments

#### *Trade receivables*

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2019 or 1 January 2020 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The group classifies its financial liabilities at either amortised cost or fair value through profit or loss (FVTPL)

Category	Criteria for classification	Financial liability
FVTPL	Meets the IFRS 9 definition of a financial guarantee contract, contingent consideration or financial liability at fair value through profit or loss.  Financial liabilities that arise where a transfer of a financial asset does not qualify for derecognition.  Commitments to provide a loan at a below-market interest rate.	Derivatives
Amortised Cost	Most of the government's financial liabilities are classified at amortised cost.	Bank borrowings, bond, credit facility and contractual trade payables

## Recognition and derecognition

Purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. Differences between derecognised financial instruments' carrying value and cashflows received to transfer ownership are recognised as realised gains/losses in Consolidated Statement of Comprehensive Net Expenditure (SOCNE).

## Measurement

At initial recognition, an entity shall measure FVTPL financial instruments at their fair value. Amortised cost and FVTOCI financial instruments shall be measured at their fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Except for contractual trade receivables which are initially measured at IFRS 15's transaction price.

Subsequent measurement of Financial Assets is as follows:

Category	Subsequent measurement
Amortised Cost	Interest income is calculated using the effective interest rate method. Any gain/(loss) arising on derecognition is presented in finance income or cost.
FVTPL	Changes in fair value movements are recognised through the profit and loss under (Gains)/Losses on Financial Assets.
FVTOCI	Changes in fair value movements are recognised through Other Comprehensive Income (OCI). Impairment losses or reversals, interest income (using the effective interest rate method) and foreign exchange gains and losses, are recognised in profit or loss. On derecognition, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss.

Subsequent measurement of Financial Liabilities is as follows:

Category	Subsequent measurement
Amortised Cost	Interest expenses are included in finance costs using the effective interest rate method. Fees paid to establish loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Any gain/(loss) arising on derecognition or remeasurement is presented in finance income or cost.
FVTPL	Fair value movements are recognised through the profit and loss.

Derivative contracts within the CIF have the legal right of set-off and thus can be settled net.

## 15. Inventory

Inventory includes:

- Raw materials, consumables, work-in-progress and finished goods;
- Development property; and
- Currency not issued.

Inventory comprising raw materials, consumables, work-in-progress and finished goods are valued at the lower of cost and current replacement cost.

In the case of property held as inventory by the States of Jersey Development Company, costs represents the purchase price plus any directly attributable costs including professional fees and expenses incurred directly associated with the land's development since acquisition. Directly attributable costs also include salaries and related expenses. Net realisable value is the estimated selling price in the ordinary course of business less costs to complete redevelopment and selling expenses.

Currency not issued is recognised at cost.

## 16. Tax Receivables

Tax receivables are recognised in the Consolidated Statement of Financial Position (SOFP) on an accruals basis based on individual tax assessments less payments received from the individual taxpayer.

### Impairment of statutory receivables - taxes due

Impairment losses for taxes due are recognised as incurred. Impairment for large tax receivables are estimated on an individual assessment basis, with a default percentage impairment rate (based on historical collectability rates) applied to debts where the taxpayer is insolvent or has entered into a payment arrangement. The remaining tax receivables impairment loss is derived using a model which allows large debt populations to be examined and provides for statistical credibility, in conjunction with interpretive judgement.

## 17. Accrued Income

Taxation revenue is recognised as tax accrued income which is the estimated tax revenue which accrues to the year of economic activity, based on economic forecasts produced by the States' Economic Unit in the case of Personal Income Tax. Other tax revenue is accrued by Revenue Jersey based on relevant taxpayer data.

## 18. Impairment of Non-Financial Assets

Non-financial assets are assessed at the year-end as to whether there is any indication that they may be impaired. Where indications exist and possible differences are estimated to be material, the recoverable amount of the asset is estimated, and where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

## 19. Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and amounts on deposits that are immediately available without penalty. The carrying amount of these assets approximates to their fair value. Cash equivalents are highly liquid investments that mature in no more than three months or less and that are readily convertible to known amounts of cash with low risk of change in value.

## 20. Tax Receipts in Advance

Tax receipts in advance are recognised where cash receipts from the taxpayer exceed the tax assessments processed to date and there are no outstanding appeals on the taxpayers' account. Tax receipts in advance are applied to future year's tax liability.

## 21. Currency in Circulation

Under the "Currency Notes (Jersey) Law 1959" the States produce and issue bank notes and coins. These are accounted for, at cost, as stock until they are formally issued by the States Treasury and Exchequer department. Once issued the liability value of the currency is recognised at its face value in Currency in Circulation in liabilities within the Statement of Financial Position (SOFP). Cash received in payment for this currency is held in the Currency Fund against this liability.

## 22. Employee Benefits

### Benefits payable during employment

Short-term employee benefits are those due to be settled within 12 months of the year-end and include salaries and wages and other employee benefits relating to States Staff, Non-States Staff and other expenditure relating to the employment of Staff. These costs are reported within the Staff Costs Statement of Comprehensive Net Expenditure (SOCNE).

Staff costs that can be attributed directly to the construction of an asset have been capitalised. These are not included in staff costs, but make up the value of assets recognised in Note 9.

The States accrues for the cost of accumulated compensated absences, for example, untaken leave entitlement. This is accounted for when an employee renders services that increase their entitlement to future compensated absences. It is calculated based on salary and allowances.

### Post-employment benefits

As part of the terms and conditions of employment of its staff the States of Jersey makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the States has a commitment to fund the payments (for those benefits) and to disclose them at the time that the employees earn their future entitlement.

The States of Jersey run the following schemes in respect to post employment benefits, all of which are administered by the States of Jersey:

- The Public Employees Pension Fund (PEPF) for non-teaching staff comprising of a final-salary scheme known as the Public Employees Contributory Retirement Scheme (PECRS) for all non-teaching staff which is now closed to new members and a replacement scheme open to all new non-teaching staff which is a career average revalued earnings (CARE) scheme referred to as the Public Employees Pension Scheme (PEPS).
- The Jersey Teachers Superannuation Scheme.

### Defined Contributions Pension Schemes

Both schemes are funded schemes with benefits being paid from a combination of contributions from employees and employers together with returns from the investment of surplus funds.

Both schemes are subject to cost-cap mechanisms which ensure that the States is not liable for future obligations. Consequently, both schemes are accounted for as defined contribution schemes and no liability for future retirement benefits is recognised in the Statement of Financial Position (SoFP).

Departments are charged with employers contributions payable to the Public Employees and Jersey Teachers Pension Schemes in the year and are reported as part of Staff Costs in the SoCNE.

Both principal pension schemes were re-configured in 2007, so that the past service pension provision at that date was crystallised into a bond-like debt to be repaid over a set period of time subject to actuarial review. The past service pension provision is disclosed and reported in the Statement of Financial Position (SOFP) and has been classified as a provision subject to periodic actuarial revaluation. Contributions to the past service pension provision for both schemes are charged to Staff Costs within Net Revenue Expenditure within the SoCNE. Movements arising from re-measurement of the past service pension provision are reported in the Movements in Pension Liability line within Net Revenue Expenditure.

### Defined Benefits Pension Schemes

In addition, the States manages three further pension schemes all of which are closed to new members:

- The Jersey Post Office Pension Fund (JPOPF) providing benefits to employees of Jersey Post International Limited. The scheme is in run-off as the last active member left in 2009;
- The Discretionary Pension Scheme (DPS) which is in run-off as it only has one member; and
- The Civil Service Scheme (CSS) which is a non-contributory scheme predating the formation of the PEPF in 1967. There are no active members remaining in service.

The JPOPF and DPS are funded schemes with scheme assets invested in funds administered by the States of Jersey. The CSS is an unfunded scheme. All three schemes are accounted for as defined benefits schemes under IAS 19.

The liabilities of the defined benefits pensions schemes are recognised in the Statement of Financial Position (SOFP) on an actuarial basis. The basis of calculation of the defined benefit obligation is the projected unit method undertaken by Aon Hewitt, independent actuaries to the States.

The present value of the projected future liability is determined by discounting the future cashflows by reference to market yields for high quality corporate bonds at the year-end date.

The assets of the two funded schemes are included in the Statement of Financial Position (SOFP) at their fair value.

The change in the net pensions liability is analysed into the following components:

- a) Service cost comprising current service and net interest expense of the defined benefit liability both of which are charged to Net Revenue Expenditure with the Consolidated Statement of Comprehensive Net Expenditure (SOCNE)
- b) Remeasurements - charged to Other Comprehensive Income within the Consolidated Statement of Comprehensive Net Expenditure (SOCNE) comprising:
  - The return on plan assets – excluding amounts included in net interest in the net defined benefit liability;
  - Actuarial gains and losses – changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions;
- c) Contributions from the States to the three closed (JPOPF, DPS and CSS) schemes charged to Staff Costs in the Consolidated Statement of comprehensive net expenditure (SOCNE).

## 23. Leases

At their inception, leases are classified as operating or finance leases. Leases in which substantially all of the risks and rewards of ownership are transferred to the lessor are classified as finance leases, other leases are classified as operating leases.

Where a lease covers the right to use both land and buildings, the risks and rewards of the land and the buildings are considered separately. Land is generally assumed to be held under an operating lease unless the title transfers to the States at the end of the lease.

### **The States as lessee**

Operating leases are charged to Net Revenue Expenditure/Income on a straight-line basis over the term of the lease. Where the arrangement includes incentives, such as rent-free periods, the value is recognised on a straight-line basis over the minimum non-cancellable period of the lease.

### **The States as lessor**

Where the States of Jersey is the lessor under an operating lease, leased assets are recorded as assets and depreciated over their useful economic lives in accordance with the relevant accounting policy. Rental income from operating leases is recognised on a straight-line basis over the minimum non-cancellable period of the lease.

## 24. Provisions

Provisions are recognised where the States has a legal or constructive obligation arising from a past event that will probably require settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Statement of comprehensive net expenditure (SOCNE) in the year that the States becomes aware of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date, taking into account relevant risks and uncertainties.

## **Policies supporting the Consolidated Statement of Changes in Taxpayers Equity**

## 25. Taxpayers' equity

Taxpayers' Equity represents the taxpayers' interest in the States of Jersey, which equates to both the total value of Net Assets held by the States, and an accumulation of Net Income and other gains and losses over the years. Reserves are split based on how the interest has arisen (as explained below).

### **Accumulated revenue and other reserves**

The Accumulated Revenue and Other Reserves represent the cumulative balances of surpluses and deficits recorded by the States of Jersey.

### **Revaluation reserve**

The revaluation reserve reflects the unrealised balance of cumulative revaluation adjustments

to Property, Plant and Equipment and Intangible Non-Current Assets other than donated assets. When an asset is disposed any balance in the revaluation reserve is transferred to the Accumulated Revenue and Other Reserves.

#### **Investment reserve**

The investment reserve reflects the cumulative balance of unrealised gains and losses on financial instruments classed as Fair Value through Other Comprehensive Income (FVTOCI) within the Common Investment Fund (CIF). Gains and losses on FVTOCI instruments are only recognised as income within Net Revenue Expenditure when the instruments are disposed of.

### **Other Accounting Policies supporting the Other Notes and disclosures**

#### **26. Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised as liabilities or assets in the statement of financial position (SOFP), but are disclosed in the notes to the accounts.

#### **27. Third Party Assets**

The States of Jersey holds certain monies and other assets on behalf of third parties. These are not recognised in the accounts where the States of Jersey does not have a direct beneficial interest in them.

#### **28. Losses and Special Payments**

Special Payments are those which fall outside the normal day-to-day business of the entity.

Losses are recognised when they occur. Special Payments are recognised when there is a legal or constructive obligation for them to be paid.

#### **29. Related Party Transactions**

For the purpose of disclosure of Related Party Transactions, Key Management Personnel are considered to be the Council of Ministers, Assistant Ministers and members of Executive Leadership Team (ELT) subject to remuneration disclosures. These include short term employee benefits, post-employment benefits (pensions) and termination benefit

## 4.2 Critical Accounting Judgements

### Impacts from the Covid-19 pandemic:

On 11 March 2020, the World Health Organisation declared a global pandemic as a result of the outbreak and spread of Covid-19. The outbreak of Covid-19 has created a significant deterioration in global economic conditions. Governments internationally have responded by implementing policy responses to protect the health of citizens and to support their economies. The States of Jersey introduced a number of measures to support Jersey households, businesses and industries who have been adversely affected by the Covid-19 pandemic. At the same time, tax collections were lower than expected due to the effects of the Covid-19 pandemic. There is also increased uncertainty surrounding the expected value and timing of repayments of tax and other receivables. The downturn in the economy and the fiscal response has resulted in pronounced increases in debt issuance to meet funding requirements.

In preparing financial statements, States of Jersey entities are required to make judgements and estimates that impact:

- income and expenses for the year;
- the reported amounts of assets and liabilities; and
- the disclosure of off-balance sheet arrangements, including contingent assets and contingent liabilities.

Judgements and estimates are subject to periodic review, including through the receipt of actuarial advice. Judgements and estimates are based on historical experience, various other assumptions believed to be reasonable under the circumstances and, where appropriate, practices adopted by other entities.

Judgements and estimates made by States of Jersey entities that have the most significant impact on the amounts recorded in these financial statements include:

Significant accounting estimate / judgement	Note
Taxation revenue - Personal Tax Forecast	4.1.4
Revenue recognition – whether revenue from contracts with customers is recognised over time or at a point in time	4.1.4
Impairment – key assumptions and methodologies used to estimate the recoverability of accounts receivable, statutory debts and inventory	4.1.14/16
Fair value – assumptions used in valuation techniques for the fair value of financial assets and liabilities, including derivatives	4.11

### Recognition of pension schemes:

#### Public Employees Pension Fund (PEPF) and Jersey Teachers Superannuation Fund (JTSTF)

The PEPF comprises a final-salary section known as the Public Employees Contributory Retirement Scheme (PECRS) and a career average section known as the Public Employees' Pension Scheme (PEPS). The schemes are recognised as defined contribution schemes in accordance with IAS 19 on the following basis:

The employer contributions rate to the PEPS is 16% with a legal cap of 16.5% so the States of Jersey cannot legally be required to make additional contributions. Whilst the employer contribution rate is not currently at the cap set in legislation, there is only scope for a 0.5% increase and it is considered to be fixed at the current rate of 16% on the basis that:

- Scheme contribution rates have never been increased;
- Scheme member communication materials clearly inform scheme members that a pension increase in line with Jersey RPI is not guaranteed and is dependent on the performance of the funds; and
- Precedent has demonstrated that employee/scheme member benefits were reduced in 2010, 2011 and 2012 to address actuarial deficits in the scheme. Judgements and estimates are subject to periodic review, including through the receipt of actuarial advice. Judgements and estimates are based on historical experience, various other assumptions believed to be reasonable under the circumstances and, where appropriate, practices adopted by other entities.

The Jersey Teacher Superannuation Fund shares many attributes with the PEP Scheme and has been recognised as a defined contribution scheme accordingly. The employer contribution into JTSF is fixed at 16.4% and defined in the Teachers' Superannuation (New Members) (Jersey) Order 2007 which was introduced at the point in time the Pension Increase Debt was established. There is no facility in Regulations for employers to pay a different amount other than to fund ill-health or early retirement of scheme members.

This judgement has been written in to the JFReM as an interpretation of IAS 19.

### **Investment property:**

The States has assessed the purpose for holding property classed as investment property within its subsidiary companies' accounts and determined that where these are used for an operational or service delivery objective of the States they should be classed as operational assets within the States consolidated accounts. Any investment property held by subsidiary companies but not used for an operational or service objective of the States will remain classed as investment property.

## 4.3 Key sources of estimation uncertainty

Preparing financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the year-end and the amounts reported for income and expenditure during the year. Estimates and assumptions are made taking into account historical experience, current trends and other relevant factors. However the nature of estimation means that the actual results could differ from the assumptions and estimates.

Item	Uncertainties	Effect if actual results differ from assumptions
Valuation of Social Housing	Social Housing is valued using an Existing Use Value for Social Housing (EUV-SH) using a discounted cash flow of future rental streams. A discount rate of 5.75% (7.0% for high rise properties) has been applied by the external valuers Jones Lang LaSalle to reflect their judgement of the risk associated with the long term income.	While the impact has not been quantified, any variation in the discount rate will have a significant impact on the valuation.
Valuation of drainage within networked assets	<p>Due to the age and nature of the Island's drainage network, the records held do not include details of all pipe depths and infrastructure characteristics which can have a significant bearing on replacement cost of these assets. A judgement has been made to apportion the lengths of the drainage network where no depth or pipe characteristic data is held using information available for drains that do have this data on record.</p> <p>The value of drainage assets uses an estimated base cost factor for Jersey. This factor is based on UK replacement costs but inflated to the higher costs of tender prices and professional fees in Jersey.</p>	<p>Drainage assets are valued at £193m in (2019: £192m).</p> <p>If drainage pipes were 5% larger than estimated this would increase the value of drainage assets by £10m. Conversely a 5% reduction in estimated pipe diameter would reduce the value of drainage assets by £10m.</p> <p>An increase/(decrease) to the base cost factor by +/- 5% would increase/(decrease) the value of this asset class by £9.4m.</p>
Valuation of Property, Plant and Equipment - General	<p>Valuations require a number of judgements around key inputs on:</p> <ul style="list-style-type: none"> <li>- Unit material costs for modern equivalent depreciated replacement cost valuations;</li> <li>- Location factors to determine the local prices based on build cost indices;</li> <li>- Useful economic lives;</li> <li>- Condition of assets; and</li> <li>- Dimensions of the networked assets where historical records do not exist</li> </ul>	While the impact has not been quantified, any variation in these inputs will have a significant impact on the valuation.
Past Service Debt	<p>The framework for dealing with the pre-1987 shortfall in the States' contribution to the PECS and JTSF pension schemes is outlined in the Public Employees (Pension Scheme) (Funding and Valuation) (Jersey) Regulations 2015. Under these Regulations, annual repayments are due to be made to cover this shortfall until September 2053.</p> <p>Valuations provided by the scheme actuary are used to measure this provision. Changes in their assumptions can affect the value of the liability included in the Accounts.</p>	<p>A 1% increase in the discount rate used to discount the liabilities would decrease liabilities by £48.4m (14.8%).</p> <p>A 1% decrease in the discount rate used to discount the liabilities would increase liabilities by £60.6m (18.5%).</p>

Item	Uncertainties	Effect if actual results differ from assumptions
Personal income taxation	<p>In recognising personal income taxation (PIT) based on forecasts for the year, there is a degree of uncertainty involved as the actual outcome could differ from the estimate used.</p> <p>The main uncertainty relates to the impact of the Covid-19 pandemic and public health restrictions on the economy. This is partially mitigated by using Revenue Jersey data on earnings reported by employers through the Income Tax Instalment System (ITIS) and by using the latest (October) economic forecasts from the Fiscal Policy Panel (FPP)</p> <p>There is a further degree of uncertainty around how the economic impacts will have impacted the tax take. This has been mitigated by using established statistical relationships and judgement from the IFG on how the economic downturn will have impacted on areas like personal business profits and property income.</p>	<p>Several sensitivity analyses have been carried out.</p> <ol style="list-style-type: none"> <li>1. Statistical analysis indicates that there is a 2/3 likelihood that the impact of any variation in earned income will be within a range of +/- £3.9m around the central forecast (0.9%).</li> <li>2. There is a 2/3 likelihood that the impact of any variation in pension income will be within a range of +/-£1.7m (0.4%)</li> <li>3. There is a 2/3 likelihood that the impact of any variation in investment income will be within a range of +/-£2.8m (0.6%).</li> <li>4. Faster or slower growth in allowances, for example the aggregate value of exemption thresholds varying by +/-2%, that leads to a variation in the average effective rate of 0.1pp would result in a variation in the PIT estimate of +/-£3.2m (0.7%).</li> </ol> <p>Further, the impact of the IFG adjustments is £40m. Therefore a 10% variation from this central estimate would result in a variation in the PIT estimate of +/-£4.0m (0.9%).</p>
Strategic Investments	Company outturn versus forecasts, market multiples and selection of comparable companies	See sensitivity analysis in Note 4.11 (e).
Valuation of level 3 Other Financial Instruments	The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The investment managers use their judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.	For details of the key assumptions used and the impact of changes to these assumptions see note 4.11 (f)/(e)

## 4.4 Segmental analysis

The Segmental analysis split is consistent with the accounting boundary disclosed within note 26 where the majority of segments are broken down except for Social Security Funds at note 27 and the CIF.

The Executive Leadership team review monthly and quarterly financial reports on the below core segments. This split is based on lines of accountability within the organisation for the income it has collected from the public. These reports differ from the statements below whereby the balances after revenue are shown net of group eliminations for all intergroup transactions inline with our applied accounting accounting policy and the group's accounting policies.

Reporting Segments	Operational activity
Ministerial Departments	This segment provides a range of services which include educational tuition, planning control, healthcare, police, firefighters. Taxation revenue is the main source of funding collected by Revenue Jersey within the Treasury and Exchequer department.
Non-Ministerial Departments and the States Assembly	Primary principle activity of these entities encompass the States' legal system as well as the States assembly. Its main source of income is fines and penalties issued by the courts.
Social Security Funds	Collected by Revenue Jersey, social contributions are disaggregated. This is due to the substance of the receipts not being for the purpose of the departments and instead being due back to the public in the form of benefits. Due to the length time between initial contributions receipts and benefits (support and retirement) paid the surplus contribution receipts are invested in the Social Security Fund to grow in order to maintain the initial value when given against inflation and other factors that affect the time value of money.
Trading Operations	Income consists of fees for the provision of parking services by members of the public that use the service and maintaining a central fleet of vehicles that are leased/hired out to other SOJ departments to gain efficiencies.
Special Funds and the Common Investment Fund	All government funds and surplus cash is invested in to the Common Investment Fund (CIF) to generate growth for future generations.
States Of Jersey Development Company	Purpose is to purchase land and buildings for development to sell.
Andium Homes Limited	Holding and development of property for the purposes of providing islanders sufficient and affordable housing. Income consists of rental income, capital appreciation and development to sell (in combination with housing bonds).
Ports of Jersey Limited	Providing necessary infrastructure to allow Jersey Airport and Harbours' operations to take place. Income sources consist of airport and harbour charges as well as concession fees on retail sales.

The tables below illustrates the disaggregated information presented in the Consolidated Primary Statements.

## 4.4 (a) Statement of Comprehensive Net Expenditure for the year ended 31 December 2020

Reporting Segments	Ministerial Departments	Non-Ministerial Departments and the States Assembly	Social Security Funds	Trading Operations	Special and Common Investment Funds	Total States of Jersey Core Entities	States Of Jersey Development Company	Andium Homes Limited	Ports of Jersey Limited	Total States Of Jersey Group
Primary Revenue Source	Taxation	Fine and Penalties	Social Security Contributions	Parking or Sale of good/ Services	Investment Income		Property Development	Social Housing	Sale of Goods and Services	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Revenue</b>										
Levied by the States of Jersey	(803,206)	(925)	(291,821)	(491)	-	(1,096,443)	-	-	-	(1,096,443)
Earned through Operations	(148,479)	(4,369)	(344)	(9,964)	(31,560)	(194,716)	(3,409)	(55,108)	(30,581)	(283,814)
Less: Internal Core Revenue	16,855	636	50,855	3,736	(25,133)	46,949	-	-	-	46,949
<b>Total Core Entities Revenue</b>	<b>(934,830)</b>	<b>(4,658)</b>	<b>(241,310)</b>	<b>(6,719)</b>	<b>(56,693)</b>	<b>(1,244,210)</b>	<b>(3,409)</b>	<b>(55,108)</b>	<b>(30,581)</b>	<b>(1,333,308)</b>
Less: Internal Subsidiary Revenue										43,331
<b>Total External Revenue</b>	<b>(934,830)</b>	<b>(4,658)</b>	<b>(241,310)</b>	<b>(6,719)</b>	<b>(56,693)</b>	<b>(1,244,210)</b>	<b>(3,409)</b>	<b>(55,108)</b>	<b>(30,581)</b>	<b>(1,289,977)</b>
<b>Expenditure</b>										
Social Benefit Payments	211,608	-	340,859	-	-	552,467	-	-	-	552,467
Staff Costs	407,673	20,031	-	1,480	61	429,245	1,086	3,609	24,725	458,665
Other Operating Expenses	254,170	9,756	2,445	(3,271)	57,979	321,079	964	20,383	11,875	354,301
Grants and Subsidies Payments	48,413	1,127	-	-	1,114	50,654	-	-	59	50,713
Depreciation and Amortisation	46,548	152	718	2,696	13	50,127	44	13,996	19,032	83,199
Impairments & Abortive Costs	20,876	-	1,479	1,642	2	23,999	230	5,127	4,345	33,701
Finance Costs	19,286	5	2	6,219	1,101	26,613	427	549	161	27,750
Net Foreign-Exchange (Gains)/Losses	(20)	-	-	-	786	766	-	-	(6)	760
<b>Total Expenditure</b>	<b>1,008,554</b>	<b>31,071</b>	<b>345,503</b>	<b>8,766</b>	<b>61,056</b>	<b>1,454,950</b>	<b>2,751</b>	<b>43,664</b>	<b>60,191</b>	<b>1,561,556</b>
<b>Operating Net Revenue Expenditure/(Income)</b>	<b>73,724</b>	<b>26,413</b>	<b>104,193</b>	<b>2,047</b>	<b>4,363</b>	<b>210,740</b>	<b>(658)</b>	<b>(11,444)</b>	<b>29,610</b>	<b>271,579</b>
(Gains)/Losses on Disposal of Non-Current Assets	3,916	(1)	-	(62)	-	3,853	(115)	-	-	3,738
(Gains)/Losses on Other Financial Assets	(166)	-	(295)	-	(252,450)	(252,911)	-	(864)	617	(253,158)
Movement in Past Service Liability	-	-	-	2,129	-	2,129	-	-	-	2,129
<b>Net Revenue Expenditure/(Income)</b>	<b>77,474</b>	<b>26,412</b>	<b>103,898</b>	<b>4,114</b>	<b>(248,087)</b>	<b>(36,189)</b>	<b>(773)</b>	<b>(12,308)</b>	<b>30,227</b>	<b>24,288</b>
<b>Other Comprehensive Income</b>										
Revaluation of Property, Plant and Equipment	(7,765)	-	(634)	1,386	-	(7,013)	(118)	(49,000)	(53,614)	(109,745)
Net Defined Benefit Pension Scheme Liability	-	-	-	(359)	-	(359)	-	-	-	(359)
(Gain)/Loss on Revaluation of Financial Instruments held at FVTOCI	(9,490)	-	-	-	-	(9,490)	-	-	-	(9,490)
Other Adjustments	-	-	-	-	-	-	-	-	-	-
<b>Other Comprehensive Income</b>	<b>(17,255)</b>	<b>-</b>	<b>(634)</b>	<b>1,027</b>	<b>-</b>	<b>(16,862)</b>	<b>(118)</b>	<b>(49,000)</b>	<b>(53,614)</b>	<b>(119,594)</b>
<b>Total Comprehensive Expenditure/(Income)</b>	<b>60,219</b>	<b>26,412</b>	<b>103,264</b>	<b>5,141</b>	<b>(248,087)</b>	<b>(53,051)</b>	<b>(891)</b>	<b>(61,308)</b>	<b>(23,387)</b>	<b>(95,306)</b>

## 4.4 (b) Statement of Comprehensive Net Expenditure for the year ended 31 December 2019

Reporting Segments	Ministerial Departments	Non-Ministerial Departments and the States Assembly	Social Security Funds	Trading Operations	Special and Common Investment Funds	Total States of Jersey Core Entities	States Of Jersey Development Company	Andium Homes Limited	Ports of Jersey Limited	Total States Of Jersey Group
Primary Revenue Source	Taxation	Fine and Penalties	Social Security Contributions	Parking or Sale of good/ Services	Investment Income		Property Development	Social Housing	Sale of Goods and Services	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Revenue</b>										
Levied by the States of Jersey	(803,204)	(914)	(347,927)	(614)	-	(1,152,659)	-	-	(24)	(1,152,683)
Earned through Operations	(155,710)	(2,709)	(728)	(13,883)	(29,011)	(202,041)	(5,393)	(52,914)	(49,095)	(309,443)
Less: Internal Core Revenue	29,789	720	113,441	3,919	(31,936)	115,933	-	-	-	115,933
<b>Total Core Entities Revenue</b>	<b>(929,125)</b>	<b>(2,903)</b>	<b>(235,214)</b>	<b>(10,578)</b>	<b>(60,947)</b>	<b>(1,238,767)</b>	<b>(5,393)</b>	<b>(52,914)</b>	<b>(49,119)</b>	<b>(1,346,193)</b>
Less: Internal Subsidiary Revenue										41,484
<b>Total External Revenue</b>	<b>(929,125)</b>	<b>(2,903)</b>	<b>(235,214)</b>	<b>(10,578)</b>	<b>(60,947)</b>	<b>(1,238,767)</b>	<b>(5,393)</b>	<b>(52,914)</b>	<b>(49,119)</b>	<b>(1,304,709)</b>
<b>Expenditure</b>										
Social Benefit Payments	86,709	-	327,146	-	-	413,855	-	-	-	413,855
Staff Costs	369,537	18,912	-	1,441	-	389,890	1,782	3,533	22,374	417,579
Other Operating Expenses	216,708	11,396	2,339	558	47,862	278,863	3,273	13,011	10,717	305,864
Grants and Subsidies Payments	45,685	76	-	-	(1,132)	44,629	-	1	110	44,740
Depreciation and Amortisation	44,376	153	751	2,639	13	47,932	26	13,446	11,204	72,608
Impairments	11,610	5	458	31	31	12,135	-	14,542	79	26,756
Finance Costs	18,114	9	-	7,478	158	25,759	938	105	31	26,833
Net Foreign-Exchange (Gains)/Losses	15	-	-	-	2,581	2,596	-	-	(728)	1,868
<b>Total Expenditure</b>	<b>792,754</b>	<b>30,551</b>	<b>330,694</b>	<b>12,147</b>	<b>49,513</b>	<b>1,215,659</b>	<b>6,019</b>	<b>44,638</b>	<b>43,787</b>	<b>1,310,103</b>
<b>Operating Net Revenue Expenditure/(Income)</b>	<b>(136,371)</b>	<b>27,648</b>	<b>95,480</b>	<b>1,569</b>	<b>(11,434)</b>	<b>(23,108)</b>	<b>626</b>	<b>(8,276)</b>	<b>(5,332)</b>	<b>5,394</b>
(Gains)/Losses on Disposal of Non-Current Assets	(56)	-	-	(43)	-	(99)	-	(1)	(9)	(109)
(Gains)/Losses on Financial Assets	(245)	-	(845)	-	(390,859)	(391,949)	(10,097)	(62)	(197)	(402,305)
Movement in Past Service Liability	-	-	-	29,024	-	29,024	-	-	-	29,024
<b>Net Revenue Expenditure/(Income)</b>	<b>(136,672)</b>	<b>27,648</b>	<b>94,635</b>	<b>30,550</b>	<b>(402,293)</b>	<b>(386,132)</b>	<b>(9,471)</b>	<b>(8,339)</b>	<b>(5,538)</b>	<b>(367,996)</b>
<b>Other Comprehensive Income</b>										
Revaluation of Property, Plant and Equipment	(52,452)	-	-	-	-	(52,452)	(1,199)	(31,821)	-	(85,472)
Net Defined Benefit Pension Scheme Liability	-	-	-	(235)	-	(235)	-	-	-	(235)
(Gain)/Loss on Revaluation of Financial Instruments held at FVTOCI	20,978	-	-	-	-	20,978	-	-	-	20,978
Other Adjustments	-	-	-	-	-	-	-	-	-	-
<b>Other Comprehensive Income</b>	<b>(31,474)</b>	<b>-</b>	<b>-</b>	<b>(235)</b>	<b>-</b>	<b>(31,709)</b>	<b>(1,199)</b>	<b>(31,821)</b>	<b>-</b>	<b>(64,729)</b>
<b>Total Comprehensive Expenditure/(Income)</b>	<b>(168,146)</b>	<b>27,648</b>	<b>94,635</b>	<b>30,315</b>	<b>(402,293)</b>	<b>(417,841)</b>	<b>(10,670)</b>	<b>(40,160)</b>	<b>(5,538)</b>	<b>(432,725)</b>

## 4.5 - 4.8

# Notes supporting the Consolidated Statement of Comprehensive Net Expenditure

## 4.5 Revenue

	Notes	2020 £'000	2019 £'000
Levied by the States of Jersey			
<b>Taxation Revenue</b>			
Personal Income Tax		462,800	475,000
Corporation Tax		120,381	116,342
Goods and Services Tax (GST)		93,941	90,202
<b>Total Taxation Revenue</b>		<b>677,122</b>	<b>681,544</b>
Social Security Contributions		239,592	233,217
<b>Island rates, duties, fees, fines and penalties</b>			
Impôts Duty		74,258	62,877
Stamp Duty and Land Transfer Tax		37,148	34,898
Island Wide Rates		13,286	13,895
Fines and Penalties		3,558	13,035
<b>Total Island rates, duties, fees, fines and penalties</b>		<b>128,250</b>	<b>124,705</b>
<b>Total Levied by the States of Jersey</b>		<b>1,044,964</b>	<b>1,039,466</b>
Earned through operations			
<b>Revenue from Contracts with Customers</b>			
Sale of Goods		7,913	9,996
Sale of Services		94,785	108,593
Other Fees and Charges		8,266	-
<b>Total Revenue from Contracts with Customers</b>		<b>110,964</b>	<b>118,589</b>
<b>Investment Income</b>			
Interest Income		1,177	4,188
Dividend Income		38,816	47,586
<b>Total Investment Income</b>		<b>39,993</b>	<b>51,774</b>
<b>Other Revenue</b>			
Hire & Rentals		73,672	77,790
Other Income	i	20,384	17,090
<b>Total Other Revenue</b>		<b>94,056</b>	<b>94,880</b>
<b>Total Earned through operations</b>		<b>245,013</b>	<b>265,243</b>
<b>Total Revenue</b>		<b>1,289,977</b>	<b>1,304,709</b>

Note

i. Other income includes: Recovered costs, Criminal Offences Confiscations Fund grants received, coverage payments and other income that does not fall into any other category.

IFRS 15 came into effect for the 2020 financial year. Further details on the implementation of IFRS 15 can be found in Note 2. The overall effect on the recognition of income has not been material, since most income streams for government are single transactions that do not require income to be allocated across performance obligations.

## 4.6 Social Benefit Payments

	Notes	2020 £'000	2019 £'000
<b>Social Benefits</b>			
Income Support		81,833	72,877
Pensions		209,597	203,613
Incapacity Allowance, Pensions and Survivors' Benefits		47,280	46,028
Health Benefits		30,497	29,312
Long Term Care Benefits		53,909	48,807
Children, Young People, Education and Skills and Other: Allowances and Student Grants		17,234	13,218
Covid-19 Related Benefit Payments	i	112,117	-
<b>Total Social Benefits</b>		<b>552,467</b>	<b>413,855</b>

Note

i. Covid-19 benefit payments relate to co-funding of wages arrangements, emergency support payments, stimulus payments and vouchers.

## 4.7 Staff Costs

2020

Department	Notes	Salaries and Wages £'000	Pension £'000	Social Security £'000	Total £'000
Department & Trading Operations		356,912	49,901	20,855	427,668
Subsidiary Companies	i	26,487	2,933	1,374	30,794
Non-States Staff Costs	ii	20,876	-	-	20,876
States Members Remuneration		2,517	-	-	2,517
Other Staff Costs	iii	1,785	-	-	1,785
Capitalised Staff Costs		(2,746)	-	-	(2,746)
Elimination of Social Security Contributions	iv	-	-	(22,229)	(22,229)
<b>Total</b>		<b>405,831</b>	<b>52,834</b>	<b>-</b>	<b>458,665</b>

2019

Department	Notes	Salaries and Wages £'000	Pension Contributions £'000	Social Security £'000	Total £'000
Department & Trading Operations		322,985	44,239	19,263	386,487
Subsidiary Companies	i	24,111	3,356	1,270	28,737
Non-States Staff Costs	ii	22,034	-	-	22,034
States Members Remuneration		2,374	-	-	2,374
Other Staff Costs	iii	1,823	-	-	1,823
Capitalised Staff Costs		(3,343)	-	-	(3,343)
Elimination of Social Security Contributions	iv	-	-	(20,533)	(20,533)
<b>Total</b>		<b>369,984</b>	<b>47,595</b>	<b>-</b>	<b>417,579</b>

### Notes

i. Further details can be found in the separately published SOJDC / Andium / PoJ accounts.

ii. Non-States staff costs includes the costs of individuals who do not hold an employment contract with the States, but who are acting as States Employees.

iii. Other staff costs include redundancy, voluntary redundancy, severance payments and adjustments for the cost of accumulated compensated absences.

iv. Social Security Contributions paid by States Entities to the Social Security Fund and Health Insurance Fund are internal to the States Accounts, and so eliminated on consolidation. This note has been drafted to show the full staff costs as well as the consolidated position.

## 4.8 Grants

### Significant Grants made during 2020

The note below summarises grants of £75,000 and over made by the States of Jersey in 2020. Some organisations below may have also received grants below £75,000.

Issuing Dept	Grantee	2020 £'000	2019 £'000	Reason for Grant (Strategic Priority)
C&LS	Jersey Employment Trust (JET)	1,030	1,030	Assisting people with disabilities by providing sheltered work and additional training and development for the most severely disabled (2, 4)
C&LS	Jersey Employment Trust (JET) - Workforce Solutions Ltd (VDS)	800	800	To provide employment opportunities for those with learning difficulties or on the Autistic Spectrum (2, 4)
CYPES	Beaulieu Convent School	2,209	2,170	To support the operation of Beaulieu School (3)
CYPES	De La Salle College	1,911	1,771	To support the operation of De La Salle College (3)
CYPES	FCJ Primary School	328	331	To support the operation of FCJ Primary School (3)
CYPES	Jersey Child Care Trust	134	134	To support the operation of Jersey Child Care Trust (2, 3)
CYPES	Digital Jersey	539	1,100	To support the running of the Digital Jersey Academy (3)
HCS	Citizen's Advice Bureau	271	264	1) Provision of advice and support which enables people to take more responsibility for their own lives and wellbeing, and gives individuals the knowledge to access services available to them (2) 2) Provision of the Jersey Online Directory (2)
IHE	Serco (Jersey) Limited	583	425	To assist with the running of the Waterfront Pool (2)
IHE	Autism Jersey	1,000	-	To assist with the cost of building a new dedicated facility (1, 2, 4)
J&HA	Victim Hub	79	-	BaSS Seedcorn Projects (2)
JOA	Overseas Aid Grants	6,715	-	Grant Aid - Humanitarian aid provided in response to sustainable grant projects (N/A)
JOA	Overseas Aid Grants	1,939	-	Local Charities - Community work project initiatives (N/A)
JOA	Overseas Aid Grants	3,076	-	Disaster Fund - Disaster and emergency relief (N/A)
JOA	Overseas Aid Grants	-	10,093	Humanitarian aid provided in response to sustainable grant projects, disaster and emergency relief and community work project initiatives (N/A)
Non Mins	Bailiff's Covid-19 Appeal Trn	1,035	-	To support trauma focused therapy for HCS staff and acquisition of new equipment, including a ventilator for the intensive care unit and significant numbers of patient respiratory monitoring devices and suctioning equipment.
OCE	Government of Jersey London Office	553	550	Grant for the operation of the Government of Jersey London Office (3)
OCE	Channel Islands Brussels Office	357	291	Grant for the operation of the Channel Islands Brussels Office (3)
OCE	Jersey Finance Limited	5,100	5,120	Market and promote the Finance Industry and provide technical assistance to Government (3)
OCE	Digital Jersey Ltd	1,725	1,663	To market and promote the Digital sector on/off-Island and provide technical assistance to Government (3)
OCE	Jersey Competition Regulatory Authority	-	150	Work with the JCRA to create a more competitive commercial environment through the application of the Competition (Jersey) Law (3)
OCE	Jersey Financial Services Commission	-	623	Assist with the costs of the Anti Money Laundering Unit (3)
OCE	Association Bureaus des Iles Anglo-Normandes	-	111	Development of Jersey/France relations promoting French language and culture (3)
OCE	Data Protection Commissioner	-	1,670	Data Protection Grant (3)
OCE	Jersey Island Genetics Ltd	180	-	Cattle Testing (3)
OCE	Jersey Products Promotion (2017) Ltd	215	205	Rural Initiative Scheme provides support for innovation and business diversification (3)
OCE	Jersey National Park Ltd	100	-	Safeguarding and developing the Jersey National Park (2, 5)
OCE	Jersey Arts Trust	386	358	To support the operations of the Jersey Arts Trust (3)
OCE	Jersey Arts Trust	-	572	To repay the Opera House refurbishment loan (3)
OCE	Jersey Arts Centre Association	511	530	Grant support to cover operating costs (3)
OCE	Jersey Opera House	555	529	Grant support to cover operating costs (3)
OCE	Jersey Heritage	4,405	2,818	To support the operations of the Jersey Heritage Trust (3, 5)
OCE	Jersey Battle of Flowers (Events) Ltd	84	155	Battle of Flowers - Event grant (3)
OCE	Jersey Rugby Football Club	250	125	Grant to fund running of team (3)

## 4.8 Grants (continued)

Issuing Dept	Grantee	2020 £'000	2019 £'000	Reason for Grant (Strategic Priority)
OCE	Art House Jersey	301	-	To support the operations of the Art House Jersey (3)
OCE	Jersey Business Ltd	1,437	738	Grant support to cover operating costs and deliver business plan objectives plus additional CV19 top ups (3)
OCE	Jersey Sport	897	1,327	Delivery of sport development and physical literacy in Jersey (1, 2)
OCE	Jersey Consumer Council	91	-	Grant to fund the Council's obligations contained within their constitution, partnership agreement and deliver business plan objectives (3, 4)
OCE	Visit Jersey Ltd	4,627	4,899	Grant support to cover operating costs plus additional grant support in 2020 (3)
OCE	Fisheries Scheme	251	-	Grant support to Fisheries in Jersey (3)
OCE	Super League Triathlon	-	250	Support hosting of the Super League Triathlon in Jersey (2, 3)
OCE	Jersey Consumer Council	-	87	To provide wide ranging consumer advice and support to local citizens (3,4)
OCE	Royal Jersey Agricultural and Horticultural Society	-	163	Services to support the dairy industry, e.g. bull proving and artificial insemination (3,5)
SPPP	Jersey Advisory and Conciliation Service (JACS)	355	355	To provide a free employment relations service to help employers, employees and trade unions work together for the prosperity of Jersey business and the benefit of employees (2)
T&E Funds	Charities Commissioner Costs	192	-	Costs of the Charity commissioner.
T&E Funds	The Jersey Community Foundation Limited	539	-	JCFL distribute the cash for charitable purposes which is used to reimburse costs incurred in the past or related to expenditure in the future.
T&E Funds	Association of Jersey Charities	374	-	Channel Islands Lottery
<b>Total significant grants awarded</b>		<b>45,134</b>	<b>41,407</b>	

## 4.8 Grants (continued)

### Payments made under Significant Grant Schemes during 2020

The note below summarises payments under Government of Jersey Grant Schemes where total payments exceeded £25,000 in 2020.

Issuing Dept	Name of Scheme	2020 £'000	2019 £'000	Reason for Grant (Strategic Priorityi)
IHE	Countryside Enhancement Scheme	133	134	Environmental financial support to land owners for the benefit of the Island's population (3,5)
IHE	Area Payments to Individuals	1,509	568	Support to underpin a base level of farming activity in the countryside (3,5)
OCE	Quality Milk Payments to Individuals	542	399	Transitional support to allow the industry to implement their Dairy Industry Recovery Programme (3,5)
CYPES	Nursery Education Fund	1,605	1,706	Provide pre-school learning through the Nursery Education Fund (3)
CYPES	Grants to individuals (Jersey College for Girls)	202	208	To assist students in the payment of fees (3)
CYPES	Grants to individuals (Victoria College)	134	44	To assist students in the payment of fees (3)
C&LS	Various employment schemes	217	283	Additional employment opportunities for the unemployed - includes Back to Work, Enhanced Workzone, Advance Plus (2, 3)
<b>Total significant grants awarded under Government of Jersey Grant Schemes</b>		<b>4,342</b>	<b>3,342</b>	
<b>Total other Grants and Subsidies under £75k</b>		<b>767</b>	<b>1,137</b>	
<b>Grand Total - Grants and Subsidies awarded</b>		<b>50,243</b>	<b>45,886</b>	
Adjustment to accrued grants in prior year		470	(1,146)	
<b>Total Grants and Subsidies expense recorded</b>		<b>50,713</b>	<b>44,740</b>	

iStrategic Priorities Notes

Information on which of the Government of Jersey Strategic Priorities are supported in awarding each grant is provided in the table above. The Priorities as set out in the Strategic Plan are:

1. Put children first.
2. Improve Islanders' wellbeing and mental and physical health.
3. Create a sustainable, vibrant economy and skilled local workforce for the future.
4. Reduce income inequality and improve the standard of living.
5. Protect and value our environment.

# 4.9 - 4.21

## Notes supporting the Consolidated Statement of Financial Position

## 4.9 Property, Plant and Equipment

### a) Reconciliation

2020

	Land	Buildings	Social Housing (inc Land)	Networked Assets (inc Land)	Other Structures	Transport Equipment	Plant and Machinery, Furniture and Fittings	Information Technology Equipment	Antiques and Works of Art	Assets Under Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>											
At 1 January 2020	400,080	913,897	947,114	1,400,180	353,707	20,034	256,357	10,055	823	204,392	4,506,639
Additions	-	-	3,972	-	-	-	44	37	-	147,238	151,291
Disposals	-	(3,775)	-	-	-	(125)	(3,045)	(1,149)	-	-	(8,094)
Transfers	235	50,669	44,793	(26,542)	38,056	(2,833)	16,442	(3,261)	-	(117,559)	-
Revaluations**	1,497	29,405	52,736	(2,062)	28,161	-	-	-	-	-	109,737
Assets reclassified (to)/from Intangibles	-	-	-	-	-	-	-	-	-	(616)	(616)
Assets reclassified (to)/from Non-Current Assets Held For Sale	-	-	(24,983)	-	-	-	-	-	-	-	(24,983)
At 31 December 2020	401,812	990,196	1,023,632	1,371,576	419,924	17,076	269,798	5,682	823	233,455	4,733,974
<b>Accumulated Depreciation</b>											
At 1 January 2020	(64,092)	(233,593)	(83,898)	(27,047)	(66,572)	(12,613)	(141,048)	(5,496)	(52)	-	(634,411)
Depreciation charge	-	(33,331)	(13,632)	(7,426)	(10,147)	(1,370)	(15,321)	(581)	(3)	-	(81,811)
Disposals	-	-	-	-	-	105	3,014	1,151	-	-	4,270
Transfers	-	-	-	-	-	3,159	(4,229)	1,070	-	-	-
Impairment *	(5,843)	(17,239)	(8,991)	(161)	3,250	-	-	-	-	-	(28,984)
At 31 December 2020	(69,935)	(284,163)	(106,521)	(34,634)	(73,469)	(10,719)	(157,584)	(3,856)	(55)	-	(740,936)
<b>Net Book Value: 31 December 2020</b>	<b>331,877</b>	<b>706,033</b>	<b>917,111</b>	<b>1,336,942</b>	<b>346,455</b>	<b>6,357</b>	<b>112,214</b>	<b>1,826</b>	<b>768</b>	<b>233,455</b>	<b>3,993,038</b>
<b>Net Book Value: 1 January 2020</b>	<b>335,988</b>	<b>680,304</b>	<b>863,216</b>	<b>1,373,133</b>	<b>287,135</b>	<b>7,421</b>	<b>115,309</b>	<b>4,559</b>	<b>771</b>	<b>204,392</b>	<b>3,872,228</b>
<b>Asset Financing</b>											
Purchased	289,783	697,799	915,670	1,336,942	346,455	6,269	111,680	1,826	46	233,455	3,939,925
Donated	32,684	34	-	-	-	88	534	-	722	-	34,062
Leased	9,410	8,200	1,441	-	-	-	-	-	-	-	19,051
<b>Net Book Value: 31 December 2020</b>	<b>331,877</b>	<b>706,033</b>	<b>917,111</b>	<b>1,336,942</b>	<b>346,455</b>	<b>6,357</b>	<b>112,214</b>	<b>1,826</b>	<b>768</b>	<b>233,455</b>	<b>3,993,038</b>

\*The £5.8m impairment charge for Land is a downward revaluation.

\*\* Date of revaluation is 31 December 2020.

## 4.9 Property, Plant and Equipment (continued)

### a) Reconciliation

2019

	Land	Buildings	Social Housing (inc Land)	Networked Assets (inc Land)	Other Structures	Transport Equipment	Plant and Machinery, Furniture and Fittings	Information Technology Equipment	Antiques and Works of Art	Assets Under Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>											
At 1 January 2019	414,413	890,503	925,879	1,330,601	383,696	20,639	250,569	7,978	822	115,632	4,340,732
Additions	-	434	4,571	-	26	81	214	-	-	139,548	144,874
Disposals	(67)	(14)	-	-	(676)	(1,321)	(2,880)	(122)	-	-	(5,080)
Transfers	-	10,330	(3,731)	8,110	1,749	636	9,529	2,198	-	(50,871)	(22,050)
Reclassification to investment property	(17,340)	-	-	-	-	-	-	-	-	-	(17,340)
Revaluations	6,519	16,343	23,200	14,683	9,540	-	(1,077)	-	-	-	69,208
Asset Class Adjustment and net Reclassification to Accumulated Depreciation	(3,445)	(3,699)	(2,805)	46,786	(40,628)	(1)	2	1	1	83	(3,705)
At 31 December 2019	400,080	913,897	947,114	1,400,180	353,707	20,034	256,357	10,055	823	204,392	4,506,639
<b>Accumulated Depreciation</b>											
At 1 January 2019	(64,092)	(204,529)	(76,898)	(18,739)	(58,117)	(11,877)	(132,455)	(4,680)	(46)	-	-571,433
Depreciation charge	-	(27,973)	(13,039)	(6,656)	(9,538)	(1,722)	(11,290)	(957)	(3)	-	(71,178)
Disposals	-	60	-	-	631	986	2,697	122	-	-	4,496
Adjustment Reclassification Adjustment from Cost	-	(1,151)	6,039	(1,652)	452	-	-	19	(3)	-	3,705
At 31 December 2019	(64,092)	(233,593)	(83,898)	(27,047)	(66,572)	(12,613)	(141,048)	(5,496)	(52)	-	(634,411)
<b>Net Book Value: 31 December 2019</b>	<b>335,988</b>	<b>680,304</b>	<b>863,216</b>	<b>1,373,133</b>	<b>287,135</b>	<b>7,421</b>	<b>115,309</b>	<b>4,559</b>	<b>771</b>	<b>204,392</b>	<b>3,872,228</b>
<b>Net Book Value: 1 January 2019</b>	<b>350,321</b>	<b>685,974</b>	<b>848,981</b>	<b>1,311,862</b>	<b>325,579</b>	<b>8,762</b>	<b>118,114</b>	<b>3,298</b>	<b>776</b>	<b>115,632</b>	<b>3,769,299</b>
<b>Asset Financing</b>											
Purchased	294,384	651,530	861,822	1,373,133	280,468	7,304	114,649	4,559	47	204,392	3,792,288
Donated	32,064	36	-	-	-	117	660	-	724	-	33,601
Leased	9,540	28,738	1,394	-	6,667	-	-	-	-	-	46,339
<b>Net Book Value: 31 December 2019</b>	<b>335,988</b>	<b>680,304</b>	<b>863,216</b>	<b>1,373,133</b>	<b>287,135</b>	<b>7,421</b>	<b>115,309</b>	<b>4,559</b>	<b>771</b>	<b>204,392</b>	<b>3,872,228</b>

## 4.9 Property, Plant and Equipment (continued)

### b) Capital Commitments

This amount includes the following amounts which are committed via a contractual arrangement, but not yet incurred/provided for.

	2020 £'000	2019 £'000
<b>Tangible</b>		
SoJDC: Horizon development	68,727	-
Andium: Ann St. Brewery	63,249	-
Andium: La Collette Low Rise	36,317	12,159
HCS: Our Hospital	27,113	-
Andium: Ann Crt	25,215	29,535
IHE: Liquid Waste Strategy	18,345	36,687
Andium: Le Marais	17,719	-
Andium: Summerland	8,300	12,905
Andium: Le Squez Phase 4	8,206	20,823
Andium: Convent Low Rise	3,167	-
IHE: Grainville Phase 5	3,119	9,055
JCP: Anne Court Car Park	2,888	-
Other Tangible	15,404	4,569
<b>Intangible</b>	<b>297,769</b>	<b>154,695</b>
T&E: Taxes Office System Renewal	1,133	3,543
Non-Mins: Court Digitisation	310	-
Other Intangible	65	1,807
<b>Total Capital Commitments</b>	<b>299,277</b>	<b>160,045</b>

## 4.10 Investment Property

The following table summarises the movement in the fair value of investment properties over the year:

Non-current assets - at fair value	2020 £'000	2019 £'000
Balance at 1 January	17,340	-
Asset reclassified from Property, Plant and Equipment	-	17,340
Balance at 31 December	17,340	17,340

The States have reclassified the Waterfront Leisure Centre as investment property holdings as the property is being held for long-term rental yields and capital appreciation. Investment properties are carried at fair value with changes in fair values are presented in Consolidated Statement of Comprehensive Net Expenditure (SOCNE) as part of (Gains)/Losses on Financial Assets.

There are no restrictions on the States' ability to realise the value inherent in its investment property or on the States' right to the income and proceeds from any disposals.

There are contractual obligations on the States to repair and maintain certain investment properties and these have been reflected in the relevant property valuations.

	2020 £'000	2019 £'000
Rental income from investment property	2,170	1,161
<b>Net Rental Income</b>	<b>2,170</b>	<b>1,161</b>

The future minimum lease rentals receivable are as follows:

	2020 £'000	2019 £'000
Within one year	1,313	1,182
Within two to five years	4,870	4,791
Later than five years	2,138	1,214
<b>Total future lease rentals due under existing contracts</b>	<b>8,321</b>	<b>7,187</b>

## 4.11 Financial Instruments

### a) Financial Instruments by Category

	2020		2019*	
	Long-term £'000	Short-term £'000	Long-term £'000	Short-term £'000
<b>Financial Assets</b>				
<b>Amortised Cost</b>				
Cash and cash equivalents (Note 14)	-	302,524	-	494,113
Loans and advances	21,570	813	18,356	1,074
Trade and other receivables (Note 13)	2,870	34,927	3,525	128,032
Short Term Liquid Investments	1,758	88,944	-	104,866
Preference shares	17,400	-	17,400	-
	43,598	427,208	39,281	728,085
<b>Fair value through OCI</b>				
Strategic investments	341,600	-	332,110	-
	341,600	-	332,110	-
<b>Fair value through profit and loss assets</b>				
Housing Bonds	30,162	-	26,682	-
Investments	3,106,469	20,620	2,971,460	255,293
Derivatives***	-	14,368	-	15,481
	3,136,631	34,988	2,998,142	270,774
<b>Total financial assets**</b>	<b>3,521,829</b>	<b>462,196</b>	<b>3,369,533</b>	<b>998,859</b>
<b>Financial Liabilities</b>				
<b>Amortised cost</b>				
Trade and other payables (Note 15)	(73)	(26,040)	(270)	(284,704)
Finance leases (Note 18)	-	-	-	(431)
External borrowing (Note 16)	(253,984)	(687)	(255,826)	(658)
	(254,057)	(26,727)	(256,096)	(285,793)
<b>Fair value through profit and loss assets</b>				
Derivatives	-	-	-	-
	-	-	-	-
<b>Total financial liabilities</b>	<b>(254,057)</b>	<b>(26,727)</b>	<b>(256,096)</b>	<b>(285,793)</b>

### Loans and advances

Loans and advances comprises loans from the States of Jersey Development Company to the joint venture they are engaged with to develop the Horizon site at the Waterfront, loans to assist first time house buyers from the Dwelling Houses Loan Fund, loans to housing associations from the Housing Development Fund and other smaller loans from specific Funds (see Summary of Key Funds page 141).

\* The States has adopted IFRS 9 and chosen not to restate the prior year numbers, however this note has been prepared on an IFRS 9 basis for comparative purposes. Refer to Note 2.3 for IFRS 9 impact on prior year.

\*\* Long-term is equal to: Total of Other Financial Assets > 1 year and Trade and Other Receivables > 1 year on the Statement of Financial Position (SOFP).

\*\*\* The balances stated above are recorded as a net derivative basis. The gross derivative asset value is £635,093 and the gross liability value is £620,725.

## Strategic Investments

Strategic Investments comprises investment holdings in utility companies (JT Group, Jersey Electricity and Jersey Water) and a logistic company (Jersey Post) summarised below. The irredeemable preference shares are a separate holding in Jersey Water and JT Group.

Strategic Investments	Shareholding	2020 £'000	2019 £'000
Jersey Electricity PLC	62% (19,000,000 Ordinary Shares of 5p)	100,230	85,310
JT Group Limited	100% (20,000,000 £1 Ordinary shares)	182,290	192,000
Jersey Waterworks Company Limited	74% (4,620,000 (100%) "A" Ordinary Shares, 2,520,000 (50%) Ordinary Shares, 900,000 (100%) 10% Cumulative Fifth Preference shares)	28,500	28,500
Jersey Post International Limited	100% (5,000,000 £1 Ordinary shares)	30,580	26,300
<b>Total Jersey Strategic Investments</b>		<b>341,600</b>	<b>332,110</b>

## Investments

Investments are those held across various investment managers and asset classes in the Common Investment Fund. See Note 4.11(c) for further detail on the breakdown.

## Derivatives

Derivatives primarily comprise the special hedging arrangement which was entered into to protect some of the gains from mainly US Dollar equity and Euro holdings following the devaluation of Sterling following the EU referendum in 2016.

The Level of USD hedging continues to be subject to a hedging ladder increasing the level of hedging as Sterling depreciates. The trigger matrix remains in place to further increase the level of protection should the exchange rate deteriorate beyond predetermined triggers.

Whilst these instruments offset foreign exchange risk, they have not been designated as hedging instruments and are accounted for at Fair Value through the Statement of Comprehensive Net Expenditure (SOCNE). More details on the management of Foreign Exchange risk is given in Note 4.11(f). Details of gains and losses recognised on these instruments are given in Note 4.12(b).

Settlement	Currency bought	Local value	Currency sold	Local Value	Asset Value	Liability Value
		£'000		£'000	£'000	£'000
1-6 months	GBP	514,176	USD	(683,113)	14,672	0
	GBP	117,039	EUR	(130,671)	0	(65)
	USD	91	GBP	(67)	0	0
	USD	160	EUR	(130)	2	0
	USD	5,359	CHF	(4,730)	89	0
	EUR	13,435	GBP	(12,012)	0	(330)
Open forward contracts at 31 December 2020					14,763	(395)
<b>Net forward contracts at 31 December 2020</b>						<b>14,368</b>

## Financial guarantee contracts

### Jersey Business Disruption Loan Guarantee Scheme

The Jersey Business Disruption Loan Guarantee Scheme was introduced in response to fears that the COVID-19 might result in temporary shortages in funding to otherwise viable local businesses, causing avoidable longer term damage to the economy. The method of the scheme is to guarantee qualifying bank lending by 80% for a limited period of time, enabling £50 million of new lending capacity by local banks. The scheme was live on 1 April 2020 and ended on 30 September 2020. There are five banks participating: RBSI; HSBC; Lloyds; Barclays; and Santander. Each bank has a £5 million limit on the amount of loans they can issue under the scheme (with the exception of Santander which agrees amounts per customer as required).

On 25 September 2020 the Scheme participation was further extended to 31 December 2020 allowing for guarantees to be issued up to a total amount of £3 million in a financial year. This was on a separate basis to any guarantees issued under the Scheme up to and including 30 September 2020, which were issued under emergency legislation.

As at 31 December 2020, 58 facilities have been approved with a value of £3.3m of which 57 are drawn down with a value of £3.2m and no defaults as at the year end. No new facilities were approved or drawn down during the extended participation period to 31 December 2020. Default rates in equivalent non-pandemic Business & Commercial loans have been historically very low (1%), reflecting a conservative lending appetite of all the banks. No liability has been recorded in the accounts as at 31 December 2020.

### Students Loans Scheme

The States of Jersey has provided financial guarantees to four banks in respect of student loans under its Students' Loans scheme. The loan scheme provided loans of up to £1,500 per year towards tuition fees. The scheme was stopped in the academic year 2018/19 to new students but remains in place for students who were already in the scheme. The total value of loans guaranteed is £1.8 million (2019: £1.8 million). There has been insignificant default on the Jersey scheme. The equivalent scheme in the UK experiences default of around 1% per annum on the balance.

### The Jersey New Waterworks Company Limited

"The States of Jersey has provided a guarantee to HSBC PLC up to a maximum of £16.2 million (2019: £16.2 million) in respect of loans to The Jersey New Waterworks Company Limited totalling £14.9 million (2019: £14.9 million) which mature in 2025. The guarantee was issued in 1999, and historically no amounts have been drawn down in relation to it.

Due to the stability of the company and the resulting low likelihood of default, the current value of total expected outflows under this guarantee is very low and so no liability is recognised in the Statement of Financial Position.

### Jersey Arts Trust

The States of Jersey provided a guarantee to Barclays Bank PLC in July 1999 for £5.5 million in respect of a loan to the Trust for works at the Jersey Opera House. The balance outstanding on the loan is £0.4 million matured and was settled in July 2020. There has been no history of default and consequently no liability is recognised in the Statement of Financial Position.

## Other Financial Liabilities

### Housing Trusts Letters of Comfort

The States of Jersey has provided 31 letters of comfort to four Housing Trusts covering loans totalling £88.4 million (2019: £88.4 million). The letters of comfort provide that the States will provide a subsidy (through the Housing Development Fund) to the housing trusts if interest rates exceed an agreed threshold. The subsidy payable would be equal to the excess interest payable. The letters of comfort provide a range of periods up to 2034.

No subsidies have been paid since 2009, and with current low interest rates, it is not expected that the interest rates will exceed the thresholds triggering subsidy payments and therefore no amounts have been recognised in the States of Jersey accounts.

## 4.11 Financial Instruments (continued)

### b) Amounts Recognised in the SOCNE

2020

	2020					Total £'000
	Financial assets			Financial liabilities		
	Amortised Cost £'000	Fair value through OCI £'000	Fair value through profit and loss assets £'000	Amortised cost £'000	Fair value through profit and loss assets £'000	
Interest income	(809)	-	(368)	-	-	(1,177)
Dividend income/distributions	-	(11,247)	(27,569)	-	-	(38,816)
<b>Total Investment Income</b>	<b>(809)</b>	<b>(11,247)</b>	<b>(27,937)</b>	<b>-</b>	<b>-</b>	<b>(39,993)</b>
Net Realised Financial Asset Gain	-	-	(116,889)	-	-	(116,889)
Net Unrealised Financial Asset Gain	-	-	(136,269)	-	-	(136,269)
<b>Total (Gains)/Losses on Financial Asset</b>	<b>-</b>	<b>-</b>	<b>(253,158)</b>	<b>-</b>	<b>-</b>	<b>(253,158)</b>
Interest expense	-	-	-	11,146	-	11,146
Fee expense	-	-	-	2,071	-	2,071
<b>Total Finance Costs<sup>i</sup> relating to Financial Instruments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,217</b>	<b>-</b>	<b>13,217</b>
Impairment loss	4,718	-	-	-	-	4,718
<b>Total Impairment<sup>ii</sup> relating to Financial Instruments</b>	<b>4,718</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,718</b>
<b>Total Income/Expenditure in Net Revenue Expenditure relating to Financial Instruments</b>	<b>3,909</b>	<b>(11,247)</b>	<b>(281,095)</b>	<b>13,217</b>	<b>-</b>	<b>(275,216)</b>
Gains on Other Financial Assets	-	(9,490)	-	-	-	(9,490)
Surplus/deficit on revaluation of assets in Other Comprehensive Income	-	(9,490)	-	-	-	(9,490)
<b>Net (Gain)/Loss for the year</b>	<b>3,909</b>	<b>(20,737)</b>	<b>(281,095)</b>	<b>13,217</b>	<b>-</b>	<b>(284,706)</b>

2019

	2019					Total £'000
	Financial assets			Financial liabilities		
	Amortised Cost £'000	Fair value through OCI £'000	Fair value through profit and loss assets £'000	Amortised cost £'000	Fair value through profit and loss assets £'000	
Interest income	(3,984)	-	(204)	-	-	(4,188)
Dividend income/distributions	-	(12,609)	(34,977)	-	-	(47,586)
<b>Total Investment Income</b>	<b>(3,984)</b>	<b>(12,609)</b>	<b>(35,181)</b>	<b>-</b>	<b>-</b>	<b>(51,774)</b>
Net Realised Financial Asset Gain	-	(62)	(121,891)	-	-	(121,953)
Net Unrealised Financial Asset (Gain)/Loss	-	-	(280,352)	-	-	(280,352)
<b>Total (Gains)/Losses on Financial Asset</b>	<b>-</b>	<b>(62)</b>	<b>(402,243)</b>	<b>-</b>	<b>-</b>	<b>(402,305)</b>
Interest expense	-	-	-	10,727	-	10,727
Fee expense	-	-	-	401	-	401
<b>Total Finance Costs<sup>i</sup> relating to Financial Instruments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,128</b>	<b>-</b>	<b>11,128</b>
Impairment loss	4,925	-	-	-	-	4,925
<b>Total Impairment<sup>ii</sup> relating to Financial Instruments</b>	<b>4,925</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,925</b>
<b>Total Income/Expenditure in Net Revenue Expenditure relating to Financial Instruments</b>	<b>941</b>	<b>(12,671)</b>	<b>(437,424)</b>	<b>11,128</b>	<b>-</b>	<b>(438,026)</b>
(Gains)/Losses on Other Financial Assets	-	24,190	(3,212)	(235)	-	20,743
Surplus/deficit on revaluation of assets in Other Comprehensive Income	-	24,190	(3,212)	(235)	-	20,743
<b>Net (Gain)/Loss for the year</b>	<b>941</b>	<b>11,519</b>	<b>(440,636)</b>	<b>10,893</b>	<b>-</b>	<b>(417,283)</b>

## 4.11 Financial Instruments (continued)

Reconciliation to SoCNE Finance Costs		
	2020	2019
Expenses Breakdown	£'000	£'000
Interest Expense	11,146	10,727
Fee Expense	2,071	401
Pension Past Service Liabilities Interest	14,533	15,705
<b>Finance Costs</b>	<b>27,750</b>	<b>26,833</b>

Reconciliation to SoCNE Impairments & Abortive Costs		
	2020	2019
Expenses Breakdown	£'000	£'000
Impairment Loss / (Reversals)	4,718	4,925
Impairment of PPE	28,983	21,831
<b>Impairments &amp; Abortive Costs</b>	<b>33,701</b>	<b>26,756</b>

## 4.11 Financial Instruments (continued)

### c) Fair Value Hierarchy

#### Fair values of financial and non-financial assets and financial liabilities

The following table combines information about:

- (a) classes of financial instruments and non-financial assets based on their nature and characteristics;
- (b) the carrying amounts of financial instruments and non-financial assets;
- (c) fair values of financial instruments and non-financial assets; and
- (d) fair value hierarchy levels of financial instruments and non-financial assets for which fair value is disclosed.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### Transfers between levels

The States' policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

2020

31 December 2020	Carrying value						Fair value			
	Financial and non-financial assets			Financial liabilities			Level			Total
	Fair value through profit and loss	Fair value through OCI	Amortised cost	Fair value through profit and loss	Liabilities at amortised cost	Total	1	2	3	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Financial Assets</b>										
<b>Amortised Cost</b>										
Loans and advances	-	-	22,383	-	-	22,383	-	22,383	-	22,383
Trade and other receivables (Note 13)	-	-	37,797	-	-	37,797	37,797	-	-	37,797
Cash and cash equivalents (Note 14)	-	-	302,524	-	-	302,524	302,524	-	-	302,524
Short-term liquid investments	-	-	90,702	-	-	90,702	90,702	-	-	90,702
Preference shares	17,400	-	-	-	-	17,400	-	17,400	-	17,400
<b>Fair value through OCI</b>										
Strategic investments**	-	341,600	-	-	-	341,600	100,230	-	241,370	341,600
<b>Fair value through profit and loss</b>										
Housing Bonds	30,162	-	-	-	-	30,162	-	-	30,162	30,162
Government Bond Class	130,339	-	-	-	-	130,339	130,339	-	-	130,339
Corporate Bond Class	11,198	-	-	-	-	11,198	-	11,198	-	11,198
Absolute Return Bond Class	314,242	-	-	-	-	314,242	-	314,242	-	314,242
Equity Class	1,844,583	-	-	-	-	1,844,583	1,280,853	563,717	13	1,844,583
Property Class	104,024	-	-	-	-	104,024	-	-	104,024	104,024
Absolute Return Class	460,182	-	-	-	-	460,182	-	-	460,182	460,182
Opportunities Class	144,377	-	-	-	-	144,377	448	-	143,929	144,377
Alternative Risk Premia Class	118,144	-	-	-	-	118,144	-	118,144	-	118,144
Derivatives - Forward foreign exchange	14,368	-	-	-	-	14,368	14,368	-	-	14,368
<b>Total financial assets</b>	<b>3,189,019</b>	<b>341,600</b>	<b>453,406</b>	<b>-</b>	<b>-</b>	<b>3,984,025</b>	<b>1,957,261</b>	<b>1,047,084</b>	<b>979,680</b>	<b>3,984,025</b>
<b>Non-Financial assets</b>										
Investment Property	17,340	-	-	-	-	17,340	-	-	17,340	17,340
<b>Total financial and non-financial assets</b>	<b>3,206,359</b>	<b>341,600</b>	<b>453,406</b>	<b>-</b>	<b>-</b>	<b>4,001,365</b>	<b>1,957,261</b>	<b>1,047,084</b>	<b>997,020</b>	<b>4,001,365</b>
<b>Financial liabilities</b>										
<b>Liabilities at amortised cost *</b>										
Trade and other payables (Note 15)	-	-	-	-	(26,113)	(26,113)	(26,113)	-	-	(26,113)
External borrowing (Note 16)	-	-	-	-	(254,671)	(254,671)	-	(254,671)	-	(254,671)
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-280,784</b>	<b>-280,784</b>	<b>-26,113</b>	<b>-254,671</b>	<b>-</b>	<b>-280,784</b>

2019

31 December 2019	Carrying value						Fair value			
	Financial and non-financial assets			Financial liabilities			Level			Total
	Fair value through profit and loss	Available for sale	Loans and receivables	Fair value through profit and loss	Liabilities at amortised cost	Total	1	2	3	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Financial assets</b>										
<b>Loans and receivables*</b>										
Loans and advances	-	-	19,430	-	-	19,430	-	10,260	-	10,260
Trade and other receivables (Note 13)	-	-	131,557	-	-	131,557	131,557	-	-	131,557
Cash and cash equivalents (Note 14)	-	-	494,113	-	-	494,113	494,113	-	-	494,113
Short-term liquid investments	-	-	104,866	-	-	104,866	104,866	-	-	104,866
<b>Available for sale</b>										
Strategic investments**	-	332,110	-	-	-	332,110	85,310	-	246,800	332,110
Other AfS investments	-	26,682	-	-	-	26,682	-	-	26,682	26,682
Preference shares	-	17,400	-	-	-	17,400	-	17,400	-	17,400
<b>Fair value through profit and loss</b>										
Equity Class	1,686,792	-	-	-	-	1,686,792	1,143,014	543,765	13	1,686,792
Government Bond Class	176,934	-	-	-	-	176,934	176,934	-	-	176,934
Corporate Bond Class	17,929	-	-	-	-	17,929	-	17,929	-	17,929
Absolute Return Bond Class	391,387	-	-	-	-	391,387	-	391,387	-	391,387
Cash Class	209,370	-	-	-	-	209,370	209,370	-	-	209,370
Property Class	108,830	-	-	-	-	108,830	-	-	108,830	108,830
Absolute Return Class	405,528	-	-	-	-	405,528	-	-	405,528	405,528
Opportunities Class	95,613	-	-	-	-	95,613	-	-	95,613	95,613
Alternative Risk Premia Class	134,370	-	-	-	-	134,370	-	134,370	-	134,370
Derivatives - Forward foreign exchange	15,481	-	-	-	-	15,481	-	15,481	-	15,481
<b>Total financial assets</b>	<b>3,242,234</b>	<b>376,192</b>	<b>749,966</b>	<b>-</b>	<b>-</b>	<b>4,368,392</b>	<b>2,345,164</b>	<b>1,130,592</b>	<b>883,466</b>	<b>4,359,222</b>
<b>Non-Financial assets</b>										
Investment Property	17,340	-	-	-	-	17,340	-	-	17,340	17,340
<b>Total financial and non-financial assets</b>	<b>3,259,574</b>	<b>376,192</b>	<b>749,966</b>	<b>-</b>	<b>-</b>	<b>4,385,732</b>	<b>2,345,164</b>	<b>1,130,592</b>	<b>900,806</b>	<b>4,376,562</b>
<b>Financial liabilities</b>										
<b>Liabilities at amortised cost*</b>										
Trade and other payables (Note 15)	-	-	-	-	(284,974)	(284,974)	(284,974)	-	-	(284,974)
Finance leases (Note 18)	-	-	-	-	(431)	(431)	-	(431)	-	(431)
External borrowing (Note 16)	-	-	-	-	(256,484)	(256,484)	-	(256,484)	-	(256,484)
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(541,889)</b>	<b>(541,889)</b>	<b>(284,974)</b>	<b>(256,915)</b>	<b>-</b>	<b>(541,889)</b>

\* Loans and receivables and liabilities at amortised cost are disclosed in this Note in accordance with IFRS 7, but are carried at amortised cost in the Statement of Financial Position.

\*\* The States' Strategic Investments are held through instruments that are unlisted. Therefore, they are all classified as Level 3 instruments following the fair value basis of "Unquoted Strategic Investments" described in 14b except for Jersey Electricity PLC which has been valued using unheld quoted ordinary share price therefore being deemed as level 1.

## Valuation processes

The Treasury and Investments Team of the Treasury & Exchequer Department is responsible for obtaining valuations of financial instruments used for financial reporting, including level 3 fair values. Separately the Board of Jersey Development Company is responsible for obtaining valuations of directly held investment property.

Discussions of valuation processes and results for financial instruments are held between the Director of Treasury and Investment Management, the Head of Treasury and Investment Management and the Treasury Advisory Panel at least quarterly.

Valuation of pooled investments at level 3 are based on the latest manager valuation reports adjusted for any capital calls and distributions since the valuation report. Valuations are subject to a layered assurance process comprising:

- (a) independent review of valuations applied by the custodian, Northern Trust;
- (b) review of the valuation process by the independent investment advisor, Aon;
- (c) where they are available, review of the SOC1 internal controls reports for fund managers, custodian and administrators; and
- (d) back testing to validate manager valuations to compare published audited outturn results against the valuations.

The valuation of Strategic Investments is supervised by the Director of Treasury and Investment Management including the selection of appropriate comparable companies in similar sectors and the calculation of the income multiples. The valuation for Jersey Post International Ltd, JT Global Ltd and Jersey New Waterworks Ltd is based on a "market pricing" approach using the comparable companies technique. The valuation of Jersey Electricity plc is based on the quoted share price.

The valuation of investment property is undertaken by D2 Real Estate, independent valuers appointed by Jersey Development Company. At each financial year-end, the Executive Directors:

- (a) verify all major inputs to the valuation report;
- (b) assess property valuation movements against the previous year valuation report; and
- (c) discuss the results with the independent valuer.

## 4.11 Financial Instruments (continued)

### d) Sensitivity of assets valued at Level 3

Having analysed historical data and current market trends, and consulted with independent investment advisors, the States has determined that the valuation methods described above are likely to be accurate to within the following ranges, and has set out opposite the consequent potential impact on the closing value of investments held at 31 December 2020.

Description of asset	Assessed valuation range		Value at 31 December 2020	Value on increase	Value on decrease
	+%	-%			
Global Equities	19%	-19%	13	15	11
Absolute Return Bonds	8%	-8%	460,182	496,536	423,828
Property	13%	-13%	104,024	117,235	90,813
Opportunities	15%	-15%	143,929	165,374	122,484
			<b>708,148</b>	<b>779,160</b>	<b>637,136</b>

2020	Opening balance	Transfers into Level 3	Transfers out of Level 3	Net Purchases/ (Sales)	Unrealised gains/(losses)	Realised gains/ (losses)	Closing balance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Common Investment Fund							
Property Pool	108,830	-	-	909	(5,500)	(215)	104,024
Absolute Return Pool	405,528	-	-	(9,026)	69,356	(5,676)	460,182
Opportunities Pool	95,613	-	-	45,596	2,419	301	143,929
<b>Total movements within the Common Investment Fund</b>	<b>609,971</b>	<b>-</b>	<b>-</b>	<b>37,479</b>	<b>66,275</b>	<b>(5,590)</b>	<b>708,135</b>
Unquoted Strategic Investments	246,800	-	-	-	(5,430)	-	241,370
Housing bonds	26,682	-	-	4,955	(1,474)	-	30,163
Investment Property	17,340	-	-	-	-	-	17,340
	<b>290,822</b>	<b>-</b>	<b>-</b>	<b>4,955</b>	<b>(6,904)</b>	<b>-</b>	<b>288,873</b>

There were no transfers of assets between levels 1 or 2 and level 3 during the year.

## 4.11 Financial Instruments (continued)

### e) Fair value - Basis of valuation

The basis of the valuation of each class of asset and liability measured at fair value is set out below. There has been no change in the valuation techniques used during the year. All assets and liability have been valued using fair value techniques based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

Description of asset or liability	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities
Cash and cash equivalents, trade and other receivables, and trade and other payables	1	Carrying value is deemed to be fair value, because of the short-term nature of the instruments.	Not required.	Not required.
Quoted bonds and equity *	1	Quoted price.	Not required.	Not required.
Quoted strategic investments	1	Share price.	Not required.	Not required.
Loans and advances, finance leases and external borrowing	2	fair values have been estimated by discounting the remaining cashflows of the instruments using the rates from the Public Works Loans Board as a proxy for the rates at which the States might lend and borrow.	Observable inputs: rates vary from 1.98% to 3.75% depending on the remaining period of the financial instrument. Unobservable inputs: remaining period of the financial instruments varies from 1 to 34 years.	Not required.
Pooled equity *	2	Closing price where bid and offer prices are published.	NAV based pricing though pricing underlying listed equity.	Not required.
Corporate bonds	2	Closing price where bid and offer prices are published.	NAV based pricing though pricing underlying listed debt.	Not required.
Emerging market pooled fund	2	Closing price where bid and offer prices are published.	NAV based pricing though pricing underlying listed equity.	Not required.
Special equity pooled fund	2	Closing price where bid and offer prices are published.	NAV based pricing though pricing underlying listed equity.	Not required.
Forward Foreign Exchange derivatives	2	Market forward exchange rates at the year-end.	Exchange rates.	Not required.
Alternative Risk Premia	2	Closing bid price where bid and offer price are published.	NAV based on third party valuation of underlying assets, all of which are level 1/2.	Not required.
Absolute Return bond	2	Closing bid price where bid and offer price are published.	NAV based on third party valuation of underlying assets, all of which are level 1/2.	Not required.
Pooled property fund	3	Valuations are calculated monthly by the manager on the basis of the open market value as defined in the 'Appraisal and Valuation Manual' of the Royal Institution of Chartered Surveyors.	NAV based on unaudited quarterly valuation statement, which is valued by the Manager.	The Fund holds a diversified portfolio of UK property, but is exposed to the material events impacting the UK property market.  Valuations will be impacted by factors such as occupancy rates, lease terms, covenant terms, transactional activity in sector
Absolute Return Pool	3	Valued monthly at NAV based on manager valuation models.	Investment valuations are determined by the Manager.	
Opportunities Fund	3	Valued quarterly at NAV based on manager valuation models. Valuations are adjusted to capital calls / distributions in the quarter.	Investment valuations are determined by the Manager.  The fair values of assets for which there is an active market are obtained from observable market prices.  Where there is no active market in existence, the manager will utilise mark to model values which are derived from a variety of asset models.	Valuation models apply numerous subjective judgments by the Investment Manager.  These are subject to assumptions around recent arm's length transactions, referring to other instruments that are substantially the same and/or discounted cash flow analysis.
Investment property	3	All risk yield comparison.	Unobservable inputs: expected net income of £1.161m per annum and expected yield of 6.5%.	Yield sensitivity: -0.5% increases value by £1.409m +0.5% decreases value by £1.211m
Unquoted strategic investments	3	Priced using income multiples based on similar companies.	Forecast EBITDA of the companies.  Industry valuation multiples.  Financial results of the comparable companies.	Valuations are primarily influenced by the income multiple and the discount factor. Increase/(decrease) of income multiple increases/(decreases) the value by £48.585m 5% increase/(decrease) in discount rate (decreases)/increases the value by £18.844m

## 4.11 Financial Instruments (continued)

### f) Financial Risks

#### Risk and Risk Management

The primary long-term risk to the States is that it fails to meet its investment objectives. The States recognises that risk is inherent in any investment activity. The objective of risk management is to identify, manage and control risk exposure within acceptable parameters, whilst optimising the return on that risk. The States has an active risk management programme in place and the measures it uses to control key risks are set out in the States of Jersey Investment Strategies (October 2019) document (ISD).

The ISD is subject to ongoing review by the Treasury Advisory Panel (TAP) who recommend its adoption to the Minister. On approval by the Minister the Strategy is presented to the States. The most recent review of the ISD was presented to the States in October 2019.

The ISD sets out the investment strategies for all the participant States' funds invested in the Common Investment Fund (the CIF). The CIF is a pooling arrangement allowing States' Funds together with charitable funds administered by the States, to be managed as a cohesive whole to maximise investment opportunity and reduce risk, while recognising that participant Funds have different investment objectives depending on their purpose.

The overall approach is to reduce risk to a minimum where it is possible to do so without compromising returns (e.g. in operational matters), and to limit risk to prudently acceptable levels otherwise (e.g. in investment matters). The means by which the States minimises operational risk and constrains investment risk is set out in further detail in its ISD.

In addition, the States has controlling interests in seven subsidiary companies, four of which are referred to as Strategic Investments. The purpose for holding these investments is to provide security of key utility services for the Island and to assist with the delivery of Government policy.

These companies will face many of the same risks to which the States is exposed but these are managed directly by the individual Boards and Executive Management teams. Details on how these risks are managed can be found in each company's own annual report.

#### Market risk

Market risk is the level of volatility in returns on investments caused by changes in market expectations, interest rates, credit spreads, foreign exchange rates and other factors. Market risk is inherent in all asset classes but is considered to be higher in the more volatile asset classes such as equity.

The States seeks to limit its exposure to market risk through diversification and through active management by its underlying portfolio of managers. The level of exposure to market volatility is determined at a Fund level and controlled through the asset allocation set in individual Funds strategies.

*i) Price Risk*

Price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The States is exposed to price risk from the equity securities held in investments (note 11(a)) held by the group.

To manage its price risk arising from investments in equity securities, the States diversifies its Equity Class portfolio. Diversification of the portfolio is done in accordance with the limits set by the Treasurer. Price risk is managed via asset allocation at the strategic level but also managed by Investment Managers at the operational level through tools such as diversification and selection of individual securities. The operational controls employed by the managers are included within their investment management agreements, scheme rules or equivalent.

In consultation with its investment advisors, the States has determined that the following movements in market price risk are reasonably possible for 2021, assuming that all other variables, in particular foreign exchange rates and interest rates, remain the same:

## 2020

Asset type	Value at 31 December 2020 £000	Potential market movements (+/-)	Value on increase £000	Value on decrease £000
Equity Class	1,844,583	18%	2,176,608	1,512,558
Strategic investments	341,600	1%	341,600	337,159
<b>Total</b>	<b>2,186,183</b>		<b>2,522,649</b>	<b>1,849,717</b>

## 2019

Asset type	Value at 31 December 2019 £000	Potential market movements (+/-)	Value on increase £000	Value on decrease £000
Equity Class	1,686,792	19%	1,998,849	1,374,735
Strategic investments	332,110	1%	334,767	329,453
<b>Total</b>	<b>2,018,902</b>		<b>2,333,616</b>	<b>1,704,188</b>

## ii) Interest Rate Risk

Fixed interest securities and cash are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The States is exposed to interest rate risk through holdings in interest bearing assets held both directly or indirectly through Fund structures such as: UK Corporate Bonds, Absolute Return Bonds and the Opportunities class.

UK Government Bonds are held directly within the Short-Term Government Bond and Index Linked Government Bond Pool of the CIF, which are passively managed and interest rate risk managed by limiting the duration of the States holdings.

Cash, UK Corporate Bond, Absolute Return Bond and Opportunities class assets are actively managed by external managers within the scope of their respective investment management agreements. Some managers may utilise derivative instruments such as futures, options and swap agreements to modify duration, subject to restrictions.

The table below demonstrates the change in value of these assets had the interest rate increased or decreased by 1%.

### 2020

Assets exposed to interest rate risk	Value at 31 December 2020 £'000	Potential movement on 1% change in interest rates £'000	Value on increase £'000	Value on decrease £'000
Alternative Risk Premia class	118,144	1,181	119,325	116,963
Absolute Return class	460,182	4,602	464,784	455,580
Bonds	455,779	4,558	460,337	451,221
<b>Total change in assets available</b>	<b>1,034,105</b>	<b>10,341</b>	<b>1,044,446</b>	<b>1,023,764</b>

### 2019

Assets exposed to interest rate risk	Value at 31 December 2019 £'000	Potential movement on 1% change in interest rates £'000	Value on increase £'000	Value on decrease £'000
Cash and cash equivalents	209,370	2,094	211,464	207,276
Alternative Risk Premia class	134,370	1,344	135,714	133,026
Absolute Return class	405,528	4,055	409,583	401,473
Bonds	586,250	5,863	592,113	580,388
<b>Total change in assets available</b>	<b>1,335,518</b>	<b>13,356</b>	<b>1,348,874</b>	<b>1,322,163</b>

### iii) Currency Risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates.

The States is exposed to currency risk on financial instruments denominated in currencies other than Sterling. Exposure to currency risk is controlled in line with the Statement on Currency Hedging included within the ISD. The ISD aims to mitigate this risk as follows:

- Exposure to currency risk is typically managed by the underlying investment managers whose performance is linked to a Sterling benchmark.
- Where a non-sterling share class is utilised, a hedging decision will be made on investment under the advice of the TAP and will typically see 95% of the exposure hedged.
- Following the result of the EU referendum, Sterling suffered a significant devaluation against all major foreign currencies resulting in a substantial rise in the value of foreign denominated assets within the CIF.
- Under advice of the TAP a special hedging arrangement was entered into to protect some of these gains from a sudden recovery in Sterling and remains in place.

The following table demonstrates the change in value of the States investments had there been a 6% strengthening/weakening of the pound against foreign currencies.

#### 2020

Assets exposed to currency risk	Value at 31 December 2020 £'000	Potential market movement £'000	Value on increase £'000	Value on decrease £'000
Overseas quoted equities	1,246,643	74,799	1,321,442	1,171,844
<b>Total change in assets available</b>	<b>1,246,643</b>	<b>74,799</b>	<b>1,321,442</b>	<b>1,171,844</b>

#### 2019

Assets exposed to currency risk	Value at 31 December 2019 £'000	Potential market movement £'000	Value on increase £'000	Value on decrease £'000
Overseas quoted equities	1,686,792	100,016	1,786,808	1,586,776
<b>Total change in assets available</b>	<b>1,686,792</b>	<b>100,016</b>	<b>1,786,808</b>	<b>1,586,776</b>

## Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation.

The main exposure to credit risk arises from investment in fixed income and cash class assets, which includes cash and cash equivalents held for operational purposes. Credit risk is managed as follows:

- UK Gilts are held within the Short-Term Government Bond Pool and Index Linked Gilt Pool and depend on the solvency of the UK Government. The credit rating of the UK Government is Aa (Moody's). Credit rating is monitored regularly by the States;
- UK Corporate bonds and absolute return bonds are invested via collective investment vehicles, which indirectly expose the States to credit risk. Credit risk within the vehicles is managed through diversification and selection of securities/counterparty which is delegated to individual Investment Managers. Risk management within the collective investment vehicles is undertaken in line with the investment mandate for each Manager, which may also include use of derivatives for hedging purposes, subject to restrictions.
- Cash held for investment purposes is managed on the States' behalf by Ravenscroft Asset Management (RAM) on a daily basis. RAM operate within a mandate which manages credit risk through limits on counterparty rating, concentration and maturity.
- Loans and advances comprise of Andium Housing Limited Bonds. Housing bonds are issued to eligible purchasers of housing stock initially valued as the difference between the agreed cash price and the fair market value of the property. The bond is repaid to the company when the property is next conveyed. Subsequently the bond value is measured at fair value which is linked to the fair value of the underlying housing property. All housing bonds are fully backed by collateral.
- Following the adoption of IFRS 9 Expected credit loss (ECL) "forward-looking model", it is no longer necessary for a loss event to have occurred before credit losses are recognised. States of Jersey entities are now required to recognise either a 12-month or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. The ECL model applies to both debt instruments accounted for at amortised cost and at FVTOCI. Significant judgement may be involved where there is an absence of market comparisons.

## Liquidity risk

Liquidity risk represents the risk that the States will not be able to meet its financial obligations as they fall due.

Cashflows are forecast for relevant States Funds to ensure that sufficient short-term cash is available to meet monthly cash requirements. Sufficient liquid assets are maintained in the Consolidated Fund to meet all States' short-term requirements. Liquidity requirements are monitored regularly by the TAP throughout the year.

The State's Financial Liabilities as at 31 December 2020 and 2019, stated at their gross, contractual and undiscounted amounts, fall due as indicated in the following table:

### 2020

Financial Liabilities	Less than one year	Between one to five years	Greater than 5 years	Total
	£'000	£'000	£'000	
Trade and other payables (Note 15)	(26,040)	(73)	-	(26,113)
External borrowing (Note 16)	(10,440)	(41,758)	(525,704)	(577,902)
<b>Total</b>	<b>(36,480)</b>	<b>(41,831)</b>	<b>(525,704)</b>	<b>(604,015)</b>

### 2019

Financial Liabilities	Less than one year	Between one to five years	Greater than 5 years	Total
	£'000	£'000	£'000	
Trade and other payables (Note 15)	(284,704)	(270)	-	(284,974)
Finance leases (Note 18)	(431)	-	-	(431)
External borrowing (Note 16)	(10,440)	(41,758)	(535,878)	(588,076)
<b>Total</b>	<b>(295,575)</b>	<b>(42,028)</b>	<b>(535,878)</b>	<b>(873,481)</b>

## 4.12 Inventories

### Analysed by Type:

	2020 £'000	2019 £'000
Raw Materials, Consumables, Work in Progress and Finished Goods	12,270	12,502
Development Property Inventories	20,075	18,998
<b>Total Inventories</b>	<b>32,345</b>	<b>31,500</b>

During the year the following amounts relating to Inventory were recognised as expenditure.

	Raw Materials, Consumables, Work in Progress and Finished Goods £'000	Development Property Inventories £'000
Inventory used during the year	29,276	24,232
Inventory written off	595	1,426
Reclassifications	13	-
<b>As at 31 December 2020</b>	<b>29,884</b>	<b>25,658</b>

## 4.13 Trade and Other Receivables

### Amounts falling within one year

	2020 £'000	2019 £'000
<b>Levied by the States of Jersey Receivables: Amounts falling due within one year</b>		
Income Tax Receivables	195,838	30,829
Income Tax Accrued Income	313,743	437,662
GST Receivables	24,775	1,222
GST Accrued Income	27,500	24,936
Social Security Receivables	18,742	15,203
Social Security Accrued Income	53,971	49,672
Island Rates, Duties, Fines and Penalties Receivables	25,529	19,415
Island Rates, Duties, Fines and Penalties Accrued Income	304	1,526
Provision for Levied by the States of Jersey Receivables	(14,186)	(12,559)
<b>Total Levied by the States of Jersey Receivables</b>	<b>646,216</b>	<b>567,906</b>
<b>Earned Through Operations Receivables: Amounts falling due within one year</b>		
Trade Receivables	17,851	25,981
Prepayments and Accrued income	12,022	21,755
Contract Assets	7,756	-
Expected Credit Loss Allowance for Earned through Operations Receivables	(2,702)	(1,578)
<b>Total Earned Through Operations Receivables</b>	<b>34,927</b>	<b>46,158</b>
<b>Total Receivables due within one year</b>	<b>681,143</b>	<b>614,064</b>
<b>Levied by the States of Jersey Receivables: Amounts falling due after more than one year</b>		
Social Security Receivables	14,882	-
<b>Total Levied by the States of Jersey Receivables due after more than one year</b>	<b>14,882</b>	<b>-</b>
<b>Earned Through operations Receivables: Amounts falling due after more than one year</b>		
Trade and Other Receivables	2,870	3,525
<b>Total Earned Through Operations Receivables due after more than one year</b>	<b>2,870</b>	<b>3,525</b>
<b>Total Receivables due after more than one year</b>	<b>17,752</b>	<b>3,525</b>
<b>Total Receivables</b>	<b>698,895</b>	<b>617,589</b>



Tax receivables have increased by £165 million in 2020. This is a combination of: the move from Prior Year Basis (PYB) to Current Year Basis (CYB) Personal Tax payers delaying payments on account from the end of 2020 to apply them in 2021 as part of the transition; delays in receiving ITIS returns and payments from companies in respect of employee personal income tax deductions and deferrals of GST payments as part of the measures to support businesses through the pandemic.

As the removal of PYB Personal Income Taxpayers takes effect from January 2021, a whole year of tax debt in respect of 2019 Year Of Assessment for PYB taxpayers will be 'frozen' with payment to be deferred as agreed by the States Assembly in accordance with a repayment plan to be confirmed. This does not affect the 2020 Accounts but will result in a long-term receivable of over £300 million in 2021.

## 4.13 Trade and Other Receivables (continued)

The first-time adoption of IFRS 9 means that the 2019 comparative figures compiled under IAS 39 are calculated on a different basis to those shown for 2020 under IFRS 9. IFRS 9 does not require the prior year comparatives to be restated.

Contract assets are being shown for the first time due to the implementation of IFRS 15. A contract asset is recognised when an entity has transferred goods and services to a customer and the right to consideration is conditional on something other than the passage of time; such as the fulfilment of other performance criteria specified within the contract. Contract assets are different from trade receivables because a trade receivable is an unconditional right to receive payment subject to the passage of time.

ECL allowances on contractual receivables and accrued revenue are estimated using the simplified approach through the use of provision matrices based on historical credit loss experience within invoice ageing categories, adjusted for forward-looking estimates of recovery conditions based on macroeconomic data.

The provision for impairment of receivables is analysed below:

	2020 £'000	2019 £'000
Income Tax Receivables	8,150	8,184
GST Receivables	434	434
Social Security Receivables	4,812	3,362
Island Rates, Duties, Fines and Penalties Receivables	790	579
Trade Receivables	1,200	1,578
Contract Assets	1,502	-
<b>Total provision for impairment of receivables</b>	<b>16,888</b>	<b>14,137</b>

## 4.14 Cash and cash equivalents

	31 Dec 2020 £'000	31 Dec 2019 £'000
Bank Deposit Accounts	147,399	227,564
Bank Current Accounts	22,750	28,230
Cash in hand and in transit	449	426
Cash Equivalents <sup>i</sup>	131,926	237,893
<b>Total Cash and Cash Equivalents</b>	<b>302,524</b>	<b>494,113</b>



Cash balances reduced by £192 million in 2020. There were some reductions in operational cash but the biggest single movement related to a cash deposit held in the Civil Asset Confiscation Fund in respect of the Abacha case which was repatriated to the USA and Nigeria in 2020. A corresponding payable was recognised at the end of 2019 in respect of the payment to be made in 2020 so the payables balance has also decreased in 2020 as that payment has now been made.

## 4.15 Trade and other payables

	2020 £'000	2019 £'000
<b>Levied by the States of Jersey Payables: Amounts falling due within one year</b>		
Income Tax Payables and Receipts in Advance	91,224	58,792
GST Payables and Receipts in Advance	16,659	9,196
Social Security Payables and Receipts in Advance	23,504	5,320
<b>Total Levied by the States of Jersey Payables falling due within one year</b>	<b>131,388</b>	<b>73,308</b>
<b>Earned Through Operations Payables: Amounts falling due within one year</b>		
Trade Payables	26,040	287,163
Accruals and Deferred Income	38,002	33,300
Receipts in Advance	7,495	6,851
Contract liabilities	10,193	-
<b>Total Earned Through Operations Payables falling due within one year</b>	<b>81,730</b>	<b>327,314</b>
<b>Total Payables falling due within one year</b>	<b>213,118</b>	<b>400,622</b>
<b>Amounts falling due after more than one year</b>		
Trade Payables	73	270
<b>Total Payables due after more than one year</b>	<b>73</b>	<b>270</b>
<b>Total Payables</b>	<b>213,191</b>	<b>400,892</b>

The average credit period taken for purchases in 2020 was 23 days (2019: 24 days).

The States considers that the carrying value of trade payables approximates to their fair value.

Contract liabilities are recognised where an entity has received consideration from a customer prior to the transfer of goods and services. These items would have previously been recognised as deferred income in the prior year.



A payable was recognised at the end of 2019 in respect of the confiscation held in the Civil Assets Confiscation Fund related to the Abacha case which was repatriated to the USA and Nigeria in 2020.

The trade payables balance has decreased in 2020 as that payment has now been made.

## 4.16 External borrowings

	31-Dec-20 £'000	31-Dec-19 £'000
<b>Amounts falling due within one year</b>		
Jersey Development Company (JDC) Limited Bank Borrowings	687	658
<b>Total borrowings due within one year</b>	<b>687</b>	<b>658</b>
<b>Amounts falling due after more than one year</b>		
Jersey Development Company (JDC) Limited Bank Borrowings	10,408	11,100
External Bond	243,576	244,726
<b>Total borrowings due after more than one year</b>	<b>253,984</b>	<b>255,826</b>
<b>Total Borrowings Due</b>	<b>254,671</b>	<b>256,484</b>

JDC have bank borrowings secured on inventory and investment property at a floating rate of interest and bears average interest of approx. 3.56% (2019: 2.75%).

A Bond was issued in June 2014, the proceeds of which are to be used to fund a programme of affordable housing through providers such as Andium Homes Limited. The unsecured Bond was issued at £244 million (nominal amount of £250 million, issued at a discount) with a coupon rate of 3.75%, and a final maturity of 40 years, with the final instalment due to be repaid in 2054. The effective interest rate for the Bond is 3.9%.

No hedging has been undertaken for this Bond as the interest rate is fixed with bi-annual coupon payments.

On 7 May 2020, a £500 million revolving credit facility was entered into with HSBC Bank PLC, Jersey Branch, Barclays Bank PLC, The Royal Bank of Scotland International Limited, Lloyds Bank Corporate Markets PLC and Butterfield Bank (Jersey) Limited for an equal £100 million commitment each.

The initial termination of the facility is 7 May 2022 with the option to extend for a two further 1 year periods.

The primary purpose is to:

- a) financing the delivery of the policy of the government of Jersey intended to:
  - i. manage and/or eliminate the threat to the health or safety of the inhabitants of Jersey, to the stability of Jersey's economy or to the environment, in each case, caused directly or indirectly by the Covid-19 pandemic; and
  - ii. support any other capital expenditure, investments, public services or economic policy of the government of Jersey or to provide general working capital and operational funding; and
- b) the payment of costs and expenses incurred in connection with the arrangement, negotiation and execution of the Finance Documents.

At the year end, no amounts are drawn down from the facility.

## 4.17 Currency in Circulation

	2020 £'000	Movement £'000	2019 £'000
Jersey Notes issued	129,711	16,223	113,488
Less: Jersey Notes held	(24,138)	(14,086)	(10,052)
<b>Total Jersey Notes in Circulation</b>	<b>105,573</b>	<b>2,137</b>	<b>103,436</b>
Jersey Coinage issued	10,305	10	10,295
Less: Jersey Coinage held	(687)	94	(781)
<b>Total Jersey Coinage in Circulation</b>	<b>9,618</b>	<b>104</b>	<b>9,514</b>
<b>Total Currency in Circulation</b>	<b>115,191</b>	<b>2,241</b>	<b>112,950</b>

## 4.18 Leasing

### Finance Lease Obligations

The States of Jersey had entered into finance lease and sale and lease back arrangements to finance the development of capital projects, Maritime House. At 31 December 2020 the States had no outstanding commitments to make payments under these arrangements.

	2020 £'000	2019 £'000
Within one year	-	488
Within two to five years	-	-
Later than five years	-	-
Gross Minimum Lease Payments	-	488
Less: future finance charges	-	(57)
<b>Total Finance Lease Obligations</b>	<b>-</b>	<b>431</b>

### States as lessee

#### *Operating leases*

The States of Jersey has a number of properties and equipment held under operating leases. The future minimum lease payments due under non-cancellable leases in future years are:

	2020 £'000	2019 £'000
Within one year	3,784	2,820
Within two to five years	18,307	10,229
<b>Total</b>	<b>22,091</b>	<b>13,049</b>

### States as lessor

#### *Operator leases*

The States leases out property and equipment under operating leases for the following purposes:

- (a) for the provision of affordable housing through its subsidiary, Andium Homes Limited;
- (b) to utilise existing property and other assets for the direct provision of services or to supplement the funding of services.

The future minimum lease payments receivable under non-cancellable leases in future years are:

	2020 £'000	2019 £'000
Within one year	22,630	18,726
Within two to five years	50,941	37,258
Later than five years	6,824	15,061
<b>Total</b>	<b>80,395</b>	<b>71,045</b>

## 4.19 Provisions

Provisions as at 31 December 2020 and 2019 were made up of:

	2020 Balance b/f	Increase in provision	Used in year	Written back	2020 Balance c/f	Due within 12 months	Due after 12 months
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Dormant Bank Accounts	18,376	1,377	(743)	-	19,010	-	19,010
Insurance Provision	4,777	598	-	-	5,375	-	5,375
Decommissioning Provision	1,003	-	-	-	1,003	-	1,003
Other Provisions	1,794	1,215	(165)	(150)	2,694	1,209	1,485
<b>Total</b>	<b>25,950</b>	<b>3,190</b>	<b>(908)</b>	<b>(150)</b>	<b>28,082</b>	<b>1,209</b>	<b>26,873</b>

### Dormant bank accounts

Under the Dormant Bank Accounts (Jersey) Law 2017 monies meeting dormancy conditions may be transferred by banks into the Jersey Reclaim Fund. These sums have been fully provided for.

### Insurance provision

A provision has been made to meet known and anticipated liabilities on claims under the States' insurance arrangements. This is assessed by a professional insurance advisor on an annual basis.

### Decommissioning provision

This is a provision for the costs of de-commissioning the Energy from Waste plant at the La Collette site at the end of its useful life.

### Other provisions

Other provisions include redundancies scheduled as a result of workforce reorganisation, Court decisions and other potential liabilities.

## 4.20 Past service liabilities

### (a) PECRS pre-1987 debt

The framework for dealing with the pre-87 debt is outlined in the Public Employees (Pension Scheme) (Funding and Valuation) (Jersey) Regulations 2015. Under the Regulations, annual repayments are due to be paid until September 2053. The amount payable increases each year in line with the average pay increase of Scheme members who are States employees. This means that the repayment of the debt is weighted towards the end of the loan period.

Due to the relative size of the annual payment the States does not consider that this liability leads to any significant liquidity risk.

The debt is valued as a salary-like bond and the long term nature of this arrangement means that the level of the debt is sensitive to changes in the market conditions that are used to value the debt. It is possible for the level of the debt to increase or decrease over the course of a financial year due to changes in market conditions. During 2020 the value of the pre-87 debt increased by £3.7 million.

	2020 £'000	2019 £'000
Balance at 1 January	322,958	290,835
Finance Charge	14,533	15,705
Payment in Year	(8,529)	(8,156)
Movement in Liability Amount	(2,321)	24,574
<b>Balance at 31 December</b>	<b>326,641</b>	<b>322,958</b>
Amounts falling due:		
Within one year	8,603	8,245
After one year	318,038	314,713
<b>Balance at 31 December</b>	<b>326,641</b>	<b>322,958</b>

The calculation of the Closing Liability amount uses the following assumptions:

	2020 %	2019 %
Average future increase in staff expenditure	5.15	5.15
Discount rate	4.45	4.50

## 4.20 Past service liabilities (continued)

### (b) JTSTF Past Service Liability

The Teachers' Superannuation Scheme was restructured in April 2007 and as a result a provision for past service liability, similar to the PECRS pre-87 past service liability, was recognised. In 2012 the Scheme's Management Board made a proposal to the States on the treatment of the pension increase debt.

On the basis of the Management Board proposal the Scheme Actuary has calculated the value of this past service debt at the actuarial valuation date and an updated value as at 31 December 2020. As a result the provision has increased from £124.4 million to £128.8 million, with the movement being recognised within the "Movement in Pension Liabilities" line in the SoCNE.

This represents the expected amount that will be required to settle the liability, based on the latest information available in the Management Board proposal.

	2020 £'000	2019 £'000
Balance at 1 January	124,413	120,097
Finance Charge	7,971	7,698
Payment in Year	(3,608)	(3,382)
<b>Balance at 31 December</b>	<b>128,776</b>	<b>124,413</b>

The calculation of the liability uses the following assumptions:

	2020	2019
	%	%
Rate of salary increases (Jersey inflation plus 1% p.a. plus promotional increases of 1.3% p.a.)	5.60	5.60
Discount rate	6.50	6.50

The liability had not been formally agreed as at 31 December 2020, but it is planned that this will be completed following a review of the Jersey Teachers' Superannuation Fund. This will lead to a proposition being taken to the Government to amend the relevant orders to formally recognise the liability. In subsequent years the liability would then be valued in a similar way to the PECRS Pre-1987 Debt.

Actuarial Gains and Losses on both scheme assets and liabilities are recognised through Other Comprehensive Income.

## 4.21 Defined benefit pension schemes

The States of Jersey operates three defined benefits pension schemes closed to new members which operate under the following legislation. All three schemes are final salary schemes and all current members of these schemes are receiving pension benefits.

Scheme	Governing Legislation
Jersey Post Office Pension Fund	Civil Service Administration (Pensions)(Jersey) Rules 1963
Civil Service Scheme	
States of Jersey Employment Board Discretionary Pension Scheme	

### Risks associated with the Schemes

#### *Changes in bond yield*

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes.

#### *Inflation risk*

Pension liabilities are linked to price inflation. Higher inflation, or higher expectations of future inflation, will lead to a higher liability value.

#### *Life expectancy*

The obligations under each Scheme are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

### Transactions relating to post-employment benefits

The following transactions have been recognised in the Consolidated Statement of Net Expenditure

	2020 £'000	2019 £'000
<b>Net Revenue Expenditure</b>		
Current service cost	1	1
Net interest expense	85	134
<b>Total Post-Employment Benefits charged to Net Revenue Expenditure</b>	<b>86</b>	<b>135</b>
<b>Other Comprehensive Income</b>		
Remeasurement of the net defined benefit liability comprising:		
- the return on plan assets, excluding the amount included in the net interest expense	(76)	(20)
- Actuarial gains/(losses) arising from changes in demographic assumptions	114	(476)
- Actuarial gains/(losses) arising from changes in financial assumptions	(397)	536
- Other (if applicable)	-	(275)
<b>Total Remeasurement of Defined Benefit Pension Scheme Liability recognised in Other Comprehensive Income</b>	<b>(359)</b>	<b>(235)</b>
<b>Total charged to the Consolidated Statement of Net Expenditure</b>	<b>(273)</b>	<b>(100)</b>

The amount included in the Statement of Financial Position (SOFP) arising from the States' obligation in respect of its defined benefits plans is as follows:

2020

	2020		
	Asset £'000	Liability £'000	Net Liability £'000
Jersey Post Office Pension Fund	5,813	(6,451)	(638)
Discretionary Pension Scheme	237	(609)	(372)
Jersey Civil Service Scheme (pre-1967)	-	(2,994)	(2,994)
<b>Total defined benefits schemes</b>	<b>6,050</b>	<b>(10,054)</b>	<b>(4,004)</b>

2019

	2019		
	Asset £'000	Liability £'000	Net Liability £'000
Jersey Post Office Pension Fund	6,202	(6,650)	(448)
Discretionary Pension Scheme	230	(577)	(347)
Jersey Civil Service Scheme (pre-1967)	-	(3,843)	(3,843)
<b>Total defined benefits schemes</b>	<b>6,432</b>	<b>(11,070)</b>	<b>(4,638)</b>

## Reconciliation of the movements in scheme assets

	2020 £'000	2019 £'000
Opening fair value of asset	6,432	6,823
Interest income	117	176
Remeasurement gain/(loss):		
- the return on plan assets, excluding the amount included in the net interest expense	76	20
Contributions from employer	361	14
Net benefits paid out	(936)	(601)
<b>Closing fair value of assets</b>	<b>6,050</b>	<b>6,432</b>

## Reconciliation of the movements in scheme liabilities

	2020 £'000	2019 £'000
Opening present value of liabilities	(11,070)	(11,955)
Current service cost	(1)	(1)
Interest cost	(202)	(310)
Remeasurement gain/(loss):		
- Actuarial gains/(losses) arising from changes in demographic assumptions	(114)	476
- Actuarial gains/(losses) arising from changes in financial assumptions	(446)	(536)
- Other (if applicable)	843	275
Benefits paid	936	981
<b>Closing present value of liabilities</b>	<b>(10,054)</b>	<b>(11,070)</b>

## Scheme assets comprised

	2020 £'000	2019 £'000
Index-linked gilts	4,868	6,159
Cash and net current assets	944	21
Other	0	22
Secured pension (Annuity)	238	230
<b>Total</b>	<b>6,050</b>	<b>6,432</b>

The annuity is the sole asset of the defined benefits pensions schemes. All the remaining assets are in respect of the Jersey Post Office Pension Fund.

## Basis for estimating assets and liabilities

All scheme liabilities have been estimated by Aon Hewitt Ltd, an independent firm of actuaries, based on the latest full valuation of each scheme which was 31 December 2016.

Liabilities have been assessed on an actuarial basis using the projected unit credit method, using the following main assumptions:

	2020	2019
<b>Demographic assumptions:</b>	<b>Years</b>	<b>Years</b>
Longevity of pensioners after 65		
Men	22	22
Women	23	24
<b>Financial assumptions:</b>	<b>% p.a.</b>	<b>% p.a.</b>
Inflation	3	3
Pensions increase	3	3
Discount rate	2	3

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the schemes, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Impact on the defined benefit obligation	2020		2019	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
	£'000	£'000	£'000	£'000
Discount rate (increase/decrease of 0.1%)	(89)	89	(97)	97
Rate of increase in pensions (increase/decrease of 0.1%)	88	(89)	96	(97)
Post retirement mortality assumption (increase/decrease of 1 year)	(552)	565	(610)	625

# 4.22 - 4.29

## Other Notes and disclosures

## 4.22 Contingent assets and liabilities

### Contingent assets

There are no contingent assets as at 31 December 2020 (2019: nil).

### Contingent liabilities

The following contingent liabilities exist as at 31 December 2020.

There are several cases where a possible obligation may exist (as a result of past events), and where the existence of the liability will be confirmed only by future events outside of the States control.

Civil claims against the States of Jersey continue to be a present obligation. These claims relate to the failure of children's services to protect children from harm and abuse in the past. Claims include those that submitted to the historic abuse redress scheme launched in 2012 and an extended scheme agreed in principle by the Council of Ministers. Although the quantum for each claim will fall within agreed maximum and minimum bands, the number of claims and the banding of those claims is not known. A provision for this liability cannot be made in the Accounts because the amount of the obligation cannot be measured with sufficient accuracy.

The Government is also actively considering the potential impact of the Supreme Court judgement in June 2019 regarding the case of CN vs Poole Borough Council. The potential for additional claims is not known at this time and therefore cannot be measured with sufficient accuracy.

In 2018, professionals allied to medicine (which includes social workers) received confirmation from the States Employment Board that their Hay re-gradings, conducted in November 2017, had been rescinded. Consequently these professionals have started a collective grievance process against the SEB. There is a potential liability in 2019 of £494,000 and in 2020 of £684,000.

A number of other potential liabilities may exist, but details are not included in these accounts as they may prejudice the outcome of the actions in question.

These include potential claims in the following areas:

- Health and Safety
- Employment issues
- Contract Terms
- Medical Claims
- Public Liability Claims

Departments have been making preparations for the impact of Brexit and consideration has been given to any associated financial implications. No contingent liabilities have been recognised in this respect.

## 4.23 Losses and Special Payments

	2020 £'000	2019 £'000
<b>Losses</b>		
Losses of cash		
Overpayment of Social Benefits	210	80
<b>Total losses of cash</b>	<b>210</b>	<b>80</b>
Bad debts and claims abandoned		
Uncollectible Tax	256	1,127
Other Tax Receivables written off	54	230
Other claims abandoned	519	1,307
<b>Total bad debts and claims abandoned</b>	<b>829</b>	<b>2,664</b>
Damage or loss of inventory		
Write off of expired stock	341	186
Other inventory write offs	213	840
<b>Total damage or loss of inventory</b>	<b>554</b>	<b>1,026</b>
<b>Special Payments</b>		
Total compensation payments	-	1,650
Total ex gratia and extra contractual payments	1,168	992
Total Severance Payments <sup>1</sup>	773	132
Total Regulatory Payments	55	-
<b>Total Special Payments</b>	<b>1,996</b>	<b>2,774</b>
<b>Total Losses and Special Payments</b>	<b>3,589</b>	<b>6,544</b>

<sup>1</sup> Severance payments in 2020 include the following amounts over £50,000:

£192,500 in respect of the Director General - Growth, Housing and Environment paid on 31 March 2020.

£500,000 in respect of the Chief Executive Officer and Head of the Public Service paid on 29 January 2021 but accrued in 2020.

## 4.24 Related Party Transactions

The definition of 'related party' applied in this disclosure is provided in the Glossary. The related parties disclosed are based on the public declarations of interest for each States Member (which do not currently include close family members) and the annual register of interests submissions made by each Accountable Officer.

Transactions between entities within the States of Jersey Group have been eliminated on consolidation and are not disclosed in this note.

Transactions relating to salaries and statutory amounts such as taxes are excluded. Transactions in respect of the Payroll Co-Funding and other economy support schemes are also excluded as there is universal access for eligible parties.

Where the party is related through a Minister or Assistant Minister, only transactions occurring whilst they were in office are included.

Further to the transactions listed in this note, the States of Jersey acts as an agent in some cases to administer transactions with related parties. For example, there are cases where recipients of benefits instruct the States to pay their designated care provider directly rather than receive the benefit and pass it on to the provider. These transactions with the care provider do not form part of the balances included in the States of Jersey financial statements but the associated benefits expenditure does.

2020

Organisation	Note	Income £'000	Expenditure £'000	Balances Due to the States £'000	Balances Due by the States £'000	Notes
<b>Directly Controlled Entities - Strategic Investments</b>						
Jersey Electricity plc		5,476	10,046	67	-	Income includes dividends of £3.8 million
Jersey Post International Limited		258	888	147	-	No dividend income received for 2020
JT Group Limited		5,568	2,732	223	-	Income includes dividends of £5.3 million
The Jersey New Waterworks Company Limited		2,267	2,417	35	-	Income includes dividends of £2 million
<b>Directly Controlled Entities - Other</b>						
Victoria College		-	37	-	-	
Victoria College Prep		-	5	-	-	
Les Quennevais School Fund		-	-	-	-	
Jersey College for Girls School Fund		-	13	-	-	
Haute Vallee School		-	-	-	-	
Hautlieu School		-	7	-	-	
<b>Indirectly Controlled Entities - Subsidiaries of Strategic Investments</b>						
JE Building Services		-	152	-	-	Subsidiary of JEC
Jersey Deep Freeze Ltd		-	219	-	-	Subsidiary of JEC
Jersey Energy		-	-	-	-	Subsidiary of JEC
<b>Indirectly Controlled Entities - Joint Ventures</b>						
Group Legendre (States of Jersey Development Company)		-	-	-	-	
<b>Retirement Schemes</b>						
PECRS		493	-	-	-	Income related to services provided by the Treasury Department.
JTSF		267	-	-	-	Income related to services provided by the Treasury Department.
PEPF		168	-	-	-	Income related to services provided by the Treasury Department.
<b>Controlled or influenced by Key Management Personnel or members of their close family</b>						
Channel Islands Brussels Office		-	297	-	-	K Halls-Nutt, Group Director for External Affairs, is a Director.
Millar Software and Consulting Limited		-	10	-	-	E Millar, Viscount, is the spouse of the owner.

2019

Organisation	Income £'000	Expenditure £'000	Balances Due to the States £'000	Balances Due by the States £'000	Notes
<b>Directly Controlled Entities - Strategic Investments</b>					
Jersey Electricity plc	3,689	335	59	10	Income includes dividends of £3.6 million
Jersey Post International Limited	503	145	72	-	Income includes dividends of £0.1 million
JT Group Limited	6,502	380	102	-	Income includes dividends of £6.1 million
The Jersey New Waterworks Company Limited	2,391	104	37	1	Income includes dividends of £2.2 million
<b>Directly Controlled Entities - Other</b>					
Hautlieu School Fund	-	5	-	-	
Les Landes School Fund	1	5	-	-	
Jersey College for Girls School Fund	-	39	-	-	
Les Quennevais School Fund	-	5	-	-	
Springfield School Fund	1	10	-	-	
Victoria College School Fund	-	56	-	-	
<b>Indirectly Controlled Entities - Subsidiaries of Strategic Investments</b>					
JE Building Services	2	214	-	13	Subsidiary of JEC
Jersey Deep Freeze Ltd	-	56	-	-	Subsidiary of JEC
Jersey Energy	-	5	-	-	Subsidiary of JEC
<b>Retirement Schemes</b>					
PECRS	932	-	-	-	Income related to services provided by the Treasury Department.
JTSF	368	-	-	-	Income related to services provided by the Treasury Department.
PEPF	111	-	-	-	Income related to services provided by the Treasury Department.
<b>Controlled or influenced by Key Management Personnel or members of their close family</b>					
Channel Islands Brussels Office	-	291	-	-	K Halls-Nutt, Group Director for External Affairs, is a Director. Expenditure includes grants of £291k.
The Law Society of Jersey	-	174	-	-	R Renouf, Minister for Health & Community Services, is a member.
Millar Software and Consulting Limited	-	16	-	-	E Millar, Viscount, is the spouse of the owner.
LWR Law Jersey Advocates	-	8	-	-	R Renouf, Minister for Health & Community Services, is employed as a consultant.

## 4.25 Third Party Assets

The States of Jersey, in the course of its normal activities, has reason to hold assets on behalf of third parties.

The Viscount of the Royal Court undertakes a number of activities that give rise to holding assets on behalf of third parties. The majority of these are held as part of the anti-money laundering regime. The main activities that give rise to this are:

- Désastres: assets relating to bankruptcy cases for onward payment to creditors;
- Curatorship: funds held on behalf of those who cannot manage their own affairs;
- Enforcement: judgements and compensation monies for onward payment to creditors and beneficiaries;
- Criminal injuries: funds held on behalf of minors until age of maturity;
- Bail: monies held on behalf of bailors;

Saisies Judiciaires: assets seized pending investigation and court cases relating to drug trafficking and proceeds of crime. Following a conviction, property adjudged to represent the benefit or proceeds of crime is remitted to the Criminal Offences Confiscations Fund; if a third party is found not guilty, property is returned.

Monies held on behalf of third parties are set out below:

Liquid Assets	2020 £'000	2019 £'000
Viscount's	36,083	22,986
Health and Community Services	190	215
Justice and Home Affairs	22	-
Charitable Funds	42,958	41,909
<b>Total Liquid Assets held on behalf of third parties</b>	<b>79,253</b>	<b>65,110</b>

In addition to the liquid assets listed above the Viscount's Department holds property and contents with an approximate total value of £17 million (2019: £35 million).

In addition to monies listed above the Health and Community Services Department holds equipment on trial and various consignment stocks, valued at £0.2 million (2019: £0.2 million).

In addition to the items listed above the Non Ministerial Department holds various works of art, valued at £0.7 million.

The States arrangement to pool funds for investment purposes is known as the 'Common Investment Fund' (CIF). Included within the CIF are monies held on behalf of entities outside of the States of Jersey group boundary, referred to as Out of Group Funds.

## 4.26 Entities within the Accounting Boundary

For the purpose of this note entities are defined as those which can independently own assets and incur liabilities.

The Government of Jersey manages a number of Funds as part of its activities but these do not meet the definition of entity, hence are not listed below.

The Accounting Boundary is set out in the JFRm based on direct control of entities as evidenced by the Government, Council of Ministers or a Minister exercising in year control over operating practices, income, expenditure, assets of liabilities of the entity.

### Entities consolidated within the States accounting boundary

Government Departments	Non-Ministerial Bodies
Customer and Local Services	Bailiff's Chambers
Infrastructure, Housing and Environment	Law Officers' Department
Children, Young People, Education and Skills	Judicial Greffe
Health and Community Services	Viscount's Department
Office of the Chief Executive	Office of the Lieutenant Governor
Justice and Home Affairs	Probation Department
Strategic Policy, Planning and Performance	Official Analyst
Treasury and Exchequer	Office of the Comptroller and Auditor General
Chief Operating Office	
The States Assembly and its Services	Other
Assemblée Parlementaire de la Francophonie - Jersey Branch	Jersey Overseas Aid
Commonwealth Parliamentary Association - Jersey Branch	
Funds	Trading Operations
Special Funds for specific purposes	Jersey Car Parking
Dwelling Houses Loan Fund	Jersey Fleet Management
Assisted House Purchase Scheme	States Funds
99 Year Leaseholders Fund	Strategic Reserve
Agricultural Loans Fund	Stabilisation Fund
Tourism Development Fund	Currency Fund (comprising Jersey Currency Notes and Jersey Coinage)
Channel Islands Lottery (Jersey) Fund	Insurance Fund
Jersey Innovation Fund	Social Security Funds
Housing Development Fund	Social Security Fund
Criminal Offences Confiscation Fund	Health Insurance Fund
Civil Asset Recovery Fund	Social Security (Reserve) Fund
Ecology Fund	Long-Term Care Fund
Fishfarmer Loan Scheme (Dormant)	Jersey Dental Scheme
Jersey Reclaim Fund	Strategic Investments (not consolidated however elected to be held at Fair Value through other Comprehensive Income)
Hospital Construction Fund	For further information in regards to the accounting principles behind recognition of these entities are detailed in the accounting policy.
Climate Emergency Fund	Jersey Electricity PLC
Hospital Construction Fund	JT Group Limited
Climate Emergency Fund	Jersey Waterworks Company Limited
Hospital Construction Fund	Jersey Post International Limited
Consolidated Subsidiary Companies	
For further information in regards to the accounting principles behind recognition of these entities are detailed in the accounting policy.	
Andium Homes Limited (and its subsidiaries)	
Ports of Jersey Limited (and its subsidiaries)	
States of Jersey Development Company (and its subsidiaries)	

Core Entities

Whole Group

## Minor Entities not consolidated but within the accounting boundary

There are a number of smaller entities which fall within the accounting boundary of the States of Jersey but which are not consolidated as they are immaterial to the financial statements as a whole. These are referred to as "Minor Entities" and comprise:

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Government of Jersey London Office	Jersey Sport Limited
Digital Jersey Limited	Jersey Legal Information Board
Jersey Business limited	Bureau des Iles Anglo-Normandes
Jersey Finance Limited	Channel Islands Brussels Office
Visit Jersey Limited	

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## 4.27 Social Security Funds

### Statements of Comprehensive Net Expenditure

	2020					2019				
	Social Security Fund	Health Insurance Fund	Social Security (Reserve) Fund	Long Term Care Fund	Jersey Dental Scheme	Social Security Fund	Health Insurance Fund	Social Security (Reserve) Fund	Long Term Care Fund	Jersey Dental Scheme
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Revenue</b>										
Social Security Contributions	(191,796)	(34,527)	-	(35,579)	-	(196,519)	(35,923)	-	(21,307)	-
States Grants to Social Security Funds	-	-	-	(29,919)	-	(65,300)	-	-	(28,879)	-
Sales of goods and services	-	-	-	-	-	-	-	-	-	-
Investment income	(182)	(5,836)	(164,631)	(329)	-	(474)	(10,278)	(266,630)	(457)	-
Other revenue	(1)	-	-	-	(145)	(4)	-	-	-	(175)
<b>Total Revenue</b>	<b>(191,979)</b>	<b>(40,363)</b>	<b>(164,631)</b>	<b>(65,827)</b>	<b>(145)</b>	<b>(262,297)</b>	<b>(46,201)</b>	<b>(266,630)</b>	<b>(50,643)</b>	<b>(175)</b>
<b>Expenditure</b>										
Social Benefit Payments	256,521	30,429	-	53,909	-	249,094	29,244	-	48,807	-
Other Operating expenses	5,141	4,122	-	1,342	132	5,665	3,305	-	1,167	172
Grants and Subsidies payments	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation	693	-	-	25	-	726	-	-	25	-
Impairments	1,225	249	-	5	-	-	(27)	-	10	-
Finance costs	1	-	-	-	1	-	-	-	-	-
Foreign Exchange Gain	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>263,581</b>	<b>34,800</b>	<b>-</b>	<b>55,281</b>	<b>133</b>	<b>255,485</b>	<b>32,522</b>	<b>-</b>	<b>50,009</b>	<b>172</b>
<b>Net Revenue Expenditure/(Income)</b>	<b>71,602</b>	<b>(5,563)</b>	<b>(164,631)</b>	<b>(10,546)</b>	<b>(12)</b>	<b>(6,812)</b>	<b>(13,679)</b>	<b>(266,630)</b>	<b>(634)</b>	<b>(3)</b>
<b>Total Comprehensive Expenditure/(Income)</b>	<b>71,602</b>	<b>(5,563)</b>	<b>(164,631)</b>	<b>(10,546)</b>	<b>(12)</b>	<b>(6,812)</b>	<b>(13,679)</b>	<b>(266,630)</b>	<b>(634)</b>	<b>(3)</b>

## 4.27 Social Security Funds (continued)

### Statements of Financial Position

	2020					2019				
	Social Security Fund	Health Insurance Fund	Social Security (Reserve) Fund	Long Term Care Fund	Jersey Dental Scheme	Social Security Fund	Health Insurance Fund	Social Security (Reserve) Fund	Long Term Care Fund	Jersey Dental Scheme
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Non-Current Assets</b>										
Property, Plant and Equipment	6,554	-	-	-	-	6,916	-	-	46	-
Intangible Assets	983	-	-	107	-	369	-	-	60	-
Investments held at Fair Value through Profit or Loss	-	95,492	2,096,371	16,609	-	-	94,978	1,986,739	16,293	-
Trade and Other Receivables	-	-	-	2,295	-	-	-	-	2,011	-
<b>Total Non-Current Assets</b>	<b>7,537</b>	<b>95,492</b>	<b>2,096,371</b>	<b>19,011</b>	<b>-</b>	<b>7,285</b>	<b>94,978</b>	<b>1,986,739</b>	<b>18,410</b>	<b>-</b>
<b>Current Assets</b>										
Trade and Other Receivables	54,583	4,953	25	15,994	26	42,381	5,417	0	6,453	13
Amounts due from the Consolidated Fund	-	9,911	-	-	-	-	-	-	2,677	-
Cash and Cash Equivalents	34,302	-	-	11,768	44	52,646	-	-	392	47
<b>Total Current Assets</b>	<b>88,885</b>	<b>14,864</b>	<b>25</b>	<b>27,762</b>	<b>70</b>	<b>95,027</b>	<b>5,417</b>	<b>-</b>	<b>9,522</b>	<b>60</b>
<b>Total Assets</b>	<b>96,422</b>	<b>110,356</b>	<b>2,096,396</b>	<b>46,773</b>	<b>70</b>	<b>102,312</b>	<b>100,395</b>	<b>1,986,739</b>	<b>27,932</b>	<b>60</b>
<b>Current Liabilities</b>										
Trade and Other Payables	(505)	(2,458)	(25)	(2,554)	(43)	(440)	(1,846)	(24)	(1,920)	(46)
Amounts due to the Consolidated Fund	(19,672)	-	(3,482)	(7,662)	-	(9,660)	9,108	(3,457)	-	-
<b>Total Current Liabilities</b>	<b>(20,177)</b>	<b>(2,458)</b>	<b>(3,507)</b>	<b>(10,216)</b>	<b>(43)</b>	<b>(10,100)</b>	<b>7,262</b>	<b>(3,481)</b>	<b>(1,920)</b>	<b>(46)</b>
<b>Assets Less Liabilities</b>	<b>76,245</b>	<b>107,898</b>	<b>2,092,889</b>	<b>36,557</b>	<b>27</b>	<b>92,212</b>	<b>107,657</b>	<b>1,983,258</b>	<b>26,012</b>	<b>14</b>
<b>Taxpayers' Equity</b>										
Accumulated Revenue and Other Reserves	70,633	107,898	2,092,889	36,557	27	87,234	107,657	1,983,258	26,012	14
Revaluation Reserve	5,612	-	-	-	-	4,978	-	-	-	-
<b>Total Taxpayers' Equity</b>	<b>76,245</b>	<b>107,898</b>	<b>2,092,889</b>	<b>36,557</b>	<b>27</b>	<b>92,212</b>	<b>107,657</b>	<b>1,983,258</b>	<b>26,012</b>	<b>14</b>

## 4.28 Events after the reporting period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Audit Report in section 2.4.

## 4.29 Publication and Distribution of the Annual Report and Accounts

In accordance with the Public Finances (Jersey) Law 2019, the Annual Report and Accounts for the year ended 31 December 2020 have been approved by the Minister for Treasury and Resources and were presented to the States for publication and distribution.

## Glossary

### ACCOUNTING POLICIES

The rules and practices adopted by the States of Jersey that determine how transactions and events are reflected in the accounts.

### ACCRUALS

Amounts included in the accounts for income or expenditure in relation to the financial year but not received or paid as at 31 December.

### ACTUARIAL GAINS AND LOSSES

In respect of defined benefit pension schemes, these arise where actual events have not coincided with the actuarial assumptions made for the last valuations (known as experience gains and losses) or the actuarial assumptions have been changed.

### AMORTISATION

A measure of the cost of economic benefits derived from intangible fixed assets that are consumed during the period.

### AVAILABLE-FOR-SALE ASSETS

Non-derivative assets classified as “available for sale” or not classified as any of the other three categories of financial assets.

### CAPITAL EXPENDITURE

Payments for the acquisition, construction, enhancement or replacement of tangible fixed assets such as land, buildings, roads, and computer equipment, and intangible assets.

### CONTINGENT LIABILITY

A contingent liability is a possible liability arising from past events whose existence will be confirmed only by uncertain future events or it is a present obligation arising from past events that are not recognised because either an outflow of economic benefit is not probable or the amount of the obligation cannot be reliably estimated.

### CONTINGENT ASSET

A contingent asset is a possible asset whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the States.

### DEFINED CONTRIBUTION PENSION SCHEMES

These are pension schemes where the employer pays fixed amounts into the scheme and has no obligation to pay further amounts if the scheme does not have sufficient assets to pay employee benefits. Examples include the Public Employees Pension Scheme and the Jersey Teachers Superannuation Scheme.

### DEFINED BENEFITS PENSION SCHEMES

These are pension schemes where post-employment benefits are determined independently of the investments in the scheme and employers have obligations to make contributions where assets are insufficient to meet employee benefits. Examples include the Public Employees Contributory Retirement Scheme (PECRS), the Jersey Post Office Pension Fund (JPOPF), the Discretionary Pension Scheme (DPS) and the Civil Service Scheme (CSS).

### DEPRECIATION

A measure of the cost of the economic benefits of the tangible fixed assets consumed during the period.

**DERIVATIVE**

A derivative is a financial instrument or other contract within the scope of IAS 32 and IAS 39 with all three of the following characteristics:

- its value changes in response to the change in an underlying variable (e.g. interest rates, equity share prices, exchange rates etc.);
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- it is settled at a future date.

**EVENTS AFTER THE REPORTING DATE**

These events, both favourable and unfavourable, occur between the financial year-end (31 December) and the date on which the statement of accounts are signed.

**FAIR VALUE**

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**FAIR VALUE THROUGH PROFIT AND LOSS**

Financial assets (including derivatives) held for trading or designated as at fair value through profit and loss.

**FINANCE LEASE**

A lease that substantially transfers the risks and rewards of a fixed asset to the lessee. With a Finance Lease, the present value of the lease payments would equate to the fair value of the leased asset.

**FINANCIAL GUARANTEES**

These are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified receivable fails to make payments when due, in accordance with the terms of a debt instrument.

**FINANCIAL INSTRUMENTS**

Financial instruments are contracts giving rise to a financial assets of one entity and a financial liability or equity instrument of another entity.

**FIXED ASSETS**

Assets that yield benefit to the States of Jersey and the services it provides for a period of more than one year.

**FIXED ASSETS**

Assets that yield benefit to the States of Jersey and the services it provides for a period of more than one year.

**GENERAL REVENUE INCOME**

This represents the areas of income approved by the States Assembly in the Budget Statement Summary Table A (Government Plan from 2020) to include income tax, GST, Impots, Stamp Duty, Island Rates and other income. Figures in these approvals are generally presented net of direct expenditure.

**HERITAGE ASSETS**

Heritage assets are tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. They are assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. They are held by the States of Jersey entity in pursuit of its overall objectives in relation to the maintenance of the heritage of the island.

**IMPAIRMENT**

A reduction in the carrying value of a fixed asset below its carrying value (due to obsolescence, damage or an adverse change in the statutory environment).

**INTEREST**

For defined benefit pension schemes the interest cost is the present value of the liabilities during the year as a result of moving one year closer to being paid.

For all other transactions interest is consideration for the time value of money associated with the principal outstanding during a particular period of time, adjusted for risk and costs where applicable.

**INTANGIBLE ASSETS**

'Non-financial' fixed assets that do not have physical substance but are identifiable and are controlled by the States of Jersey through custody or legal rights. Purchased intangibles, such as software licences, are capitalised at cost whilst internally developed intangibles are only capitalised where there is a readily ascertainable market value for them.

**INTERNATIONAL FINANCIAL REPORTING STANDARDS**

International Financial Reporting Standards (IFRS) are a set of accounting standards developed by an independent, not-for-profit organisation called the International Accounting Standards Board (IASB).

**LEASES**

Leases are agreements whereby the lessor conveys the right to use an asset for an agreed period in return for payments.

**LOANS AND RECEIVABLES**

Non-derivative assets with fixed at determinable payments that are not traded in an active market.

**LONG TERM RECEIVABLES**

These debtors represent the capital income still to be received, for example, from the sale of an asset or the granting of a mortgage or a loan.

**NEAR CASH**

Near Cash Expenditure represents amounts that transacted in cash during the year, or will be shortly after (e.g. departmental income charged that will be collected after the year end). It excludes amounts relating to the use of Fixed Assets, such as depreciation and impairments. Accountable Officers are accountable for Near-Cash expenditure.

**NET BOOK VALUE**

The amount at which fixed assets are included in the Balance Sheet, i.e. their historical cost or current value, less the cumulative amount provided for depreciation.

**NET REALISABLE VALUE**

The amount at which an asset could be sold after the deduction of any direct selling costs.

**NETWORKED ASSETS**

Networked assets comprise assets that form part of an integrated network servicing a significant geographical area. These assets usually display some or all of the following characteristics:

- they are part of a system or network;
- they are specialised in nature and do not have alternative uses;
- they are immovable; and
- they may be subject to constraints on disposal.

Examples include the road network, the foul and surface water network and the Island's sea defence network.

**NON-CASH**

Other areas of income and expenditure that are reported through the SoCNE that are not included in Near Cash. For example, depreciation, amortisation and impairments.

**NON-OPERATIONAL ASSETS**

Fixed assets held by the States of Jersey but not directly occupied, used or consumed in the delivery of services. Examples of non-operational assets are investment properties and assets that are surplus to requirements, pending sale or redevelopment.

**OPERATING LEASE**

A lease other than a finance lease. This is a method of financing assets which allows the States of Jersey to use, but not own the asset and therefore is not capital expenditure. A third party purchases the asset on behalf of the States of Jersey, who then pays the lessor an annual rental charge for the use of the asset.

**OPERATIONAL ASSETS**

Assets held for their service potential used to deliver either front line services or back officer functions.

**PAST SERVICE COST**

In relation to defined benefit pension schemes, this is a cost arising from decisions taken in the current year but whose financial effect is derived from years of service earned in earlier years.

**PRIOR YEAR ADJUSTMENT**

A material adjustment applicable to prior years arising from changes in accounting policies or correction of fundamental errors.

**PROJECTED UNIT METHOD – PENSION FUND VALUATION**

In relation to defined benefit pension schemes, this is an accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

- the benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependents, allowing where appropriate for future increases, and
- the accrued benefits for members in service on the valuation date.

**PROVISIONS**

A liability that is of uncertain timing or amount which is to be settled by transfer of economic benefits and for which a reasonable estimate can be made of the sum required to settle the obligation.

**RELATED PARTIES**

A related party is a person or entity that is related to the States of Jersey.

(a) A person or a close member of that person's family is related to the States of Jersey if that person:

- (i) has control or joint control of the States;
- (ii) has significant influence over the States; or
- (iii) is a member of the key management personnel of the States.

(b) An entity is related to the States if any of the following conditions applies:

- (i) The entity and the States are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.

- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the States or an entity related to the States.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the States.

#### RELATED PARTY TRANSACTION

A related party transaction is the transfer of assets or liabilities or the performance of services by, to, or for a related party, irrespective of whether a charge is made. Examples of related party transactions include:

- the purchase, sale, lease, rental or hire of assets between related parties;
- the provision of services to a related party; and
- transactions with individuals who are related parties of the States of Jersey, except those applicable to other members of the community, such as tax, rents and payments of benefits.

#### RETURN ON PLAN ASSETS

For a defined benefit scheme, this is interest, dividends and other income derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less:

- any costs of managing plan assets; and
- any tax payable by the plan itself, other than tax included in the actuarial assumptions used to measure the present value of the defined benefit obligation.

#### REVENUE EXPENDITURE

Day to day payments on the running of States services including salaries, wages, contract payments, supplies and capital financing costs.

#### SOCIAL BENEFIT PAYMENTS

Social benefit payments are statutory entitlements payable to private individuals and households, including the state pension.

#### STAFF

**States Staff** are defined as: Persons employed under an employment contract directly with the States of Jersey, Persons holding an office or appointment in the States (by crown appointment or otherwise), and States Members.

**Non-States Staff** are defined as: Persons who do not qualify as States Staff (defined above), but are acting as employees of the States of Jersey.

#### STRATEGIC INVESTMENTS

Companies outside the accounting boundary, but in which the States of Jersey has a controlling interest, namely:

- Jersey Telecom Group Limited
- Jersey Post International Limited
- Jersey Electricity PLC; and
- The Jersey New Waterworks Company Limited