



Minister for Treasury and Resources Foreword

Deputy Elaine Millar

Minister for Treasury and Resources

I am pleased to present the States of Jersey Annual Report and Accounts 2023. The Accounts not only reflect the financial activities of our government but also our commitment to accountability in serving the interests of Islanders.

In 2023, we saw notable developments, amidst continued global geopolitical and financial challenges. While our Group Income increased by £89 million (6%), this was lower than the inflation levels experienced during the year. This is not unexpected, as the measures set out in the mini budget in 2022, designed to put money back into Islanders' pockets came into effect and impacted our tax yield.

At the same time, Group expenditure grew by £177 million (11%), mostly in the form of spending by departments to deliver services to Islanders. In addition to the £59 million relating to inflation, this increase also reflects the States Assembly decisions in the Government Plan to invest £53 million into those services.

The ongoing challenges to our Health Service have been evident, leading to the establishment of a Financial Recovery plan. It was necessary to allocate additional funding of £32 million in the year to meet the financial pressures whilst the plan is implemented.

As a result, before investment returns, the Accounts show a larger deficit in 2023 at a Group level than in previous years. This is to be expected, as we continue to return to balanced finances after the impacts of the COVID-19 pandemic and remain committed to supporting Islanders with the ongoing cost-of-living.

Our investments performed well in 2023, however, with returns of £350 million, more than recouping unrealised reductions in value in 2022. The balance sheet remains strong, with growth in both the Strategic Reserve (to £1.1 billion) and Social Security Reserve (to £2.1 billion).

Throughout 2023, both Government and our group companies continued to invest in the Island's infrastructure, with £255 million spent on vital projects including New Healthcare Facilities, Social Housing (through Andium Homes), the completion of the sewage treatment works, and other key infrastructure.

Looking ahead, the Government Plan 2024-2027 anticipates deficits amid inflationary pressures, but also outlines a path towards balanced budgets, with a targeted return to a surplus in the latter years of the plan. This strategy stresses the importance of sustainable public finances, emphasising tax funded day-to-day expenditure, allowing investment returns to be reinvested to strengthen our reserves and invest in infrastructure.

The 2023 Accounts show the strong position we find ourselves in relative to other jurisdictions. Our finances are moving back into balance following the impacts of COVID and the continued cost-of-living crises.

This strength, combined with prudent stewardship and an ongoing regard for long-term financial sustainability and stability, will be key to retaining and attracting businesses to the Island as well as safeguarding the wellbeing of Islanders into our future.



Deputy Elaine Millar

Minister for Treasury and Resources

Date: 30 April 2024