
STATES OF JERSEY



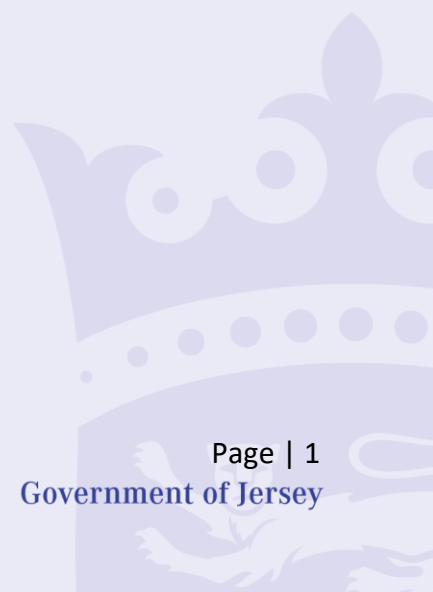
CLASSIFICATION OF THE FUNCTIONS OF GOVERNMENT REPORT 2022

Presented to the States on 21st November 2023
by the Minister for Treasury and Resources

STATES GREFFE



Jersey Classification of the Functions of Government Report 2022





Classification of the Functions of Government (COFOG)

Report for Jersey for the Year Ended 31 December 2022

1. Introduction and Background

- 1.1 In 2019, the States Assembly approved P.94/2019 '*States' expenditure: classification in accordance with international best practice*' which required all States' expenditure to be classified in accordance with the United Nations Classification of the Functions of Government (COFOG) system. The proposition envisaged all government documents presenting financial information, including the Annual Report and Accounts and Government Plan, to be presented using COFOG classifications.
- 1.2 Covid 19 disrupted the implementation of this project. This report is the Government of Jersey's first COFOG report and includes both 2022 and 2021 financial information presented in accordance with the COFOG system.
- 1.3 As the application of COFOG is developed, consideration will be given to how it can be applied in the Government Plan and Accounts process, recognising the differences in scope of those documents and COFOG as set out in section 3.

2. What is COFOG?

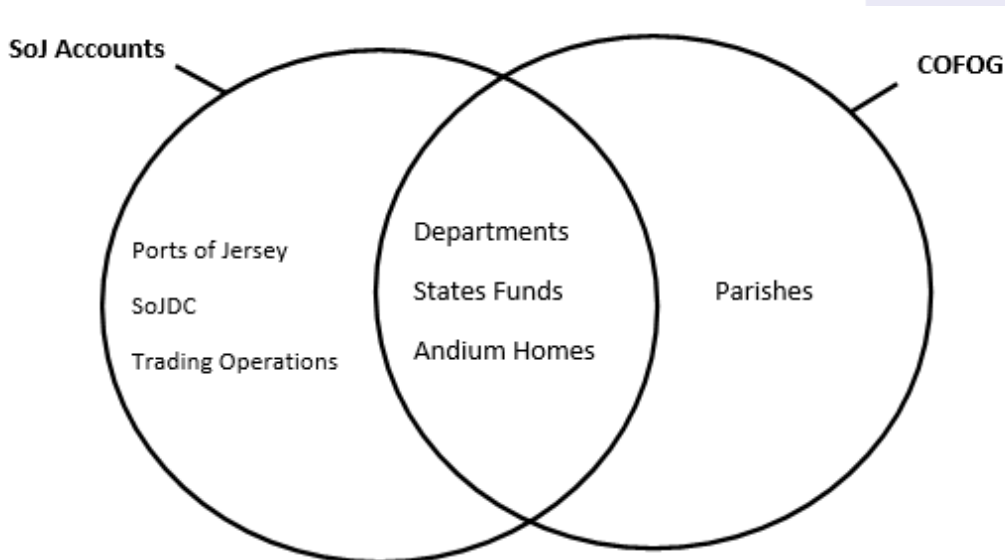
- 2.1 The objective of COFOG is to provide consistent analysis of government spend by set categories such as health and education to enable comparison between jurisdictions and over time.
- 2.2 Presenting spend in this consistent way supports benchmarking and informs decision-making for those making policy decisions around the allocation of resources to competing services.
- 2.3 The COFOG system requires all in-scope government sector expenditure to be presented in accordance with prescribed categories. The [Eurostat Manual on Sources and Methods for the Compilation of COFOG Statistics \(2019 Edition\)](#) is a comprehensive source of information and guidance on these categories and this information was used extensively in the preparation of this report.

3. Scope of COFOG

- 3.1 As all jurisdictions organise themselves differently to deliver services, judgement is required when establishing the scope of COFOG expenditure. This report has interpreted what the COFOG guidance refers to as the 'General Government Sector' to include the expenditure of States of Jersey Departments, Non-Ministerial Departments, States Funds, Andium Homes Limited and the Jersey Parishes.
- 3.2 Jersey Parishes are included in the report because their activities are akin to those normally undertaken by local or central government and they are funded by compulsory payments on residents.



- 3.3 While Andium Homes Limited is a separately incorporated entity run as an arm's length body, it is wholly owned by the government and the housing services it provides are determined by government policy, including requiring property rentals to be at a discount to the market rate.
- 3.4 Some entities wholly owned by the States of Jersey and falling within the States of Jersey accounting boundary were determined not to meet the definition of General Government Sector as they provide services more commonly delivered commercially in other jurisdictions. Specifically, Ports of Jersey Limited operate the airport and harbours which would be run by private operators in the UK and States of Jersey Development Company Limited act as a developer for States-owned land which falls outside of the scope of COFOG classifications.
- 3.5 Below is a diagram illustrating the comparison between the States of Jersey Group accounting boundary and the entities judged to be in-scope for COFOG.



- 3.6 Establishing the COFOG boundary in this way yields a meaningful report, and one that is comparable with other jurisdictions. Further information on the preparation of this report is available in Appendix 4 (Notes on Methodology).

4. Jersey Context and Comparators

- 4.1 While COFOG seeks to provide a methodology and framework for direct comparison of government spending across jurisdictions, there will always be contextual differences that must be considered when interpreting the results.
- 4.2 Finding an appropriate comparable jurisdiction is challenging – neither Guernsey nor the Isle of Man apply the COFOG framework. Based on the broad alignment of service delivery structures and cultural similarities, the UK has been used as the most comparable jurisdiction in this report. However, there are some key differences between these jurisdictions that will affect the results and should be considered when interpreting equivalent data.



- 4.3 In addition to a comparison between Jersey and the UK, Appendix 3 provides additional high-level COFOG data for the following jurisdictions: France, Iceland, Ireland and Luxembourg.
- 4.4 To facilitate the making of international comparisons, General Government Sector expenditure per capita is usually published after making a “purchasing power parity” (PPP) adjustment to standardise the value of unit spends in different countries. The adjusted data is then normally presented in a single currency (US dollars) to further assist comparability. The tables in section 6 present Expenditure per Capita in (i) sterling with no PPP adjustment and (ii) US\$ after making a PPP adjustment.

4.5 Economies of Scale

- 4.6 Jersey is a self-governing Island state with a population equivalent to Woking in Surrey. Given the geographical and administrative separation from mainland UK, public spending in Jersey must cover all aspects of public services that, in some cases, would be spread across a much larger population or managed nationally in the UK. This can lead to poorer economies of scale being available in Jersey and a higher proportion of spend on government support services.

4.7 Incomparable Expenditure

- 4.8 While there are differences across the categories in the scale, nature and classification of some expenditure, there is expenditure incurred by the UK that is not incurred at all in Jersey. For example, the UK reported spending 4.5% of COFOG expenditure on Defence in 2021 compared to 0.1% in Jersey. Likewise, the UK reported 5.9% of expenditure on public debt transactions compared to 1.3% for Jersey.
- 4.9 The absence of significant spend on defence and public debt are the two most significant variations in total expenditure between the two jurisdictions. The impact of this on comparisons will be considered in future report iterations.

4.10 Economic Context

- 4.11 Financial Services account for the largest single share of Jersey’s economic output – [38% of Gross Value Added \(GVA\) in 2021](#). Conversely, Public Administration, Education and Health is the largest sector in the UK with [Financial Services accounting for 12% in 2021](#). Given the nature of Jersey’s economy, total GVA is proportionately higher than the UK. Whilst the unadjusted PPP sterling spend per capita is broadly similar, higher Jersey GVA means that government spend as a proportion of GVA is lower in Jersey.



4.12 The table below provides a comparison of Jersey and UK data:

	Jersey	UK
2021 population	103,267	67,026,000
2021 GVA (£m)	5,058	2,040,499
2021 GVA per capita (£000s)	49.0	30.4
Total 2021 Expenditure (£m)	1,420	1,098,939
2021 Expenditure per capita (£000s and no PPP adjustment)	13.8	16.4
2021 Expenditure per capita (US\$000s with PPP adjustment)	16.9	24.2
2021 Expenditure as % of GVA	28.1%	53.9%

4.13 This comparison is important to recognise when considering or comparing government spend in reference to the size of the economy.

4.14 Availability of Comparable Data

4.15 The UK's COFOG figures for 2022 are not expected to be available before the end of the year so it is not possible to provide a 2022 comparison to Jersey. To address this issue, a comparison of Jersey's COFOG split for 2022 and 2021 has been provided as well as a 2021 comparison between Jersey and the UK to identify trends and baselines.

5. Other

5.1 This report was prepared with assistance of Statistics Jersey.

5.2 Future COFOG reports will be published following the publication of the States of Jersey Annual Accounts and will be published as routine statistical publications.



6. COFOG Data

Jersey 2022 vs 2021 General Government Sector Expenditure

	General Government Sector Expenditure Proportions		General Government Sector Expenditure as % of GVA		Government Sector Exp per Capita (no US\$ or Purchasing Power Parity Adjustment)		Government Sector Exp per Capita (US\$ and Purchasing Power Parity Adjustment made)	
	Jersey 2022	Jersey 2021	Jersey 2022	Jersey 2021	Jersey 2022	Jersey 2021	Jersey 2022	Jersey 2021
	%	%	%	%	£	£	US \$	US \$
01 - General public services	10.3%	9.4%	2.6%	2.6%	1,455	1,286	1,827	1,584
02 - Defence	0.1%	0.1%	0.0%	0.0%	16	16	20	19
03 - Public order and safety	5.8%	5.3%	1.5%	1.5%	817	734	1,026	904
04 - Economics	4.5%	6.8%	1.1%	1.9%	635	936	797	1,153
05 - Environmental protection	3.0%	2.8%	0.8%	0.8%	424	389	532	478
06 - Housing and community amenities	0.6%	0.5%	0.2%	0.1%	86	72	108	88
07 - Health	28.0%	28.5%	7.1%	8.0%	3,955	3,923	4,967	4,832
08 - Recreation, culture and religion	2.6%	2.2%	0.7%	0.6%	374	305	470	375
09 - Education	12.4%	11.6%	3.2%	3.3%	1,751	1,600	2,199	1,971
10 - Social Protection	32.7%	32.7%	8.3%	9.2%	4,624	4,491	5,806	5,531
Total	100.0%	100.0%	25.5%	28.1%	14,136	13,753	17,752	16,937

2021: Jersey vs UK General Government Sector Expenditure

	General Government Sector Expenditure Proportions		General Government Sector Expenditure as % of GVA		Government Sector Exp per Capita (no US\$ or Purchasing Power Parity Adjustment)		Government Sector Exp per Capita (US\$ and Purchasing Power Parity Adjustment made)	
	Jersey 2021	UK 2021	Jersey 2021	UK 2021	Jersey 2021	UK 2021	Jersey 2021	UK 2021
	%	%	%	%	£	£	US \$	US \$
01 - General public services	9.4%	9.7%	2.6%	5.2%	1,286	1,595	1,584	2,358
02 - Defence	0.1%	4.5%	0.0%	2.4%	16	733	19	1,084
03 - Public order and safety	5.3%	4.3%	1.5%	2.3%	734	705	904	1,042
04 - Economics	6.8%	12.0%	1.9%	6.4%	936	1,963	1,153	2,901
05 - Environmental protection	2.8%	1.5%	0.8%	0.8%	389	247	478	365
06 - Housing and community amenities	0.5%	1.7%	0.1%	0.9%	72	283	88	418
07 - Health	28.5%	20.5%	8.0%	11.0%	3,923	3,362	4,832	4,968
08 - Recreation, culture and religion	2.2%	1.3%	0.6%	0.7%	305	210	375	310
09 - Education	11.6%	11.2%	3.3%	6.0%	1,600	1,842	1,971	2,722
10 - Social Protection	32.7%	33.3%	9.2%	17.9%	4,491	5,456	5,531	8,063
Total	100.0%	100.0%	28.1%	53.9%	13,753	16,396	16,937	24,230

UK 2022 data is currently unavailable.



Commentary

6.1 General Public Services (Category 01) – % of total government sector expenditure

General Public Services (01)	Jersey 2022	Jersey 2021	UK 2021
	10.3%	9.4%	9.7%

Overall, Jersey’s expenditure on General Public Services compared to the UK data is broadly consistent, though there are significant differences in some sub-categories. One area where Jersey’s spend is significantly less as a percentage of total general government sector expenditure is the COFOG sub-category 1.7 (Public Debt Transactions) which typically consists of the payment of debt interest. Jersey’s spend on public debt transactions in 2021 is 1.3% of total government spend compared to the UK figure of 5.9%¹. This is a consequence of Jersey’s relatively low stock of public debt and low rates of interest on debt that is issued.

For some COFOG sub-categories of General Public Services, Jersey’s spend as a percentage of total government sector expenditure is greater than that of the UK. In particular, Jersey’s expenditure in 2021 on the COFOG sub-category 1.1 (Executive, Financial, Fiscal and External Affairs), is 3.9% of total government spend compared to the UK’s figure of 2.0% and Jersey’s expenditure in 2021 on the COFOG sub-category 1.3 (General Government Services) is 3.3% compared to the UK’s figure of 1.1%. Jersey’s relatively greater expenditure on these categories is partly explained by the relative unavailability of economies of scale in a small island economy.

Jersey also has greater centralised expenditure compared to the UK where government departments account for own assets and functions. This report has sought to address some of these issues by including adjustments to apportion centralised human resource and information technology expenditure to a functional level. Future work will explore the extent to which greater general government and parish costs can be absorbed at a functional level.

The data for COFOG sub-categories is in Appendix 2.

6.2 Defence (Category 02)

Defence (02)	Jersey 2022	Jersey 2021	UK 2021
	0.1%	0.1%	4.5%

The difference in this functional area reflects that Jersey does not maintain a formal standing defence force, though payments are made to the UK for defence.

6.3 Public Order and Safety (Category 03)

Public Order and Safety (03)	Jersey 2022	Jersey 2021	UK 2021
	5.8%	5.3%	4.3%

¹ Appendix 2 has the data table for the COFOG sub-categories.



One area contributing to the difference between Jersey and UK expenditure for the Public Order and Safety category is the COFOG sub-category 3.4 (Prisons) where Jersey’s expenditure in 2021 is 1.0% of total government spend compared to the UK’s figure of 0.5%. A number of factors may account for this difference, though the lack of economies of scale available to a small island is likely to be an important one.

6.4 Economics (Category 04)

Economics (04)	Jersey 2022	Jersey 2021	UK 2021
	4.5%	6.8%	12.0%

Category 04 includes government sector expenditure on general economic affairs and labour relations (category 4.1) and financial support for specific industries, for example, agriculture (category 4.2), transport (category 4.5).

The UK reported the following historic data for this category: 12.0% (2021), 15.8% (2020), 8.2% (2019). The data for this functional category therefore varies significantly - both Jersey versus the UK data and as a time series over recent years. These variations reflect the introduction and withdrawal of Covid 19 financial support schemes.

6.5 Environmental Protection (Category 05)

Environmental Protection (05)	Jersey 2022	Jersey 2021	UK 2021
	3.0%	2.8%	1.5%

One factor accounting for the difference between the Jersey and UK data is due to how waste-water management expenditure is accounted for by these administrations. Following the privatisation of the UK water companies, the UK general government sector reflects no expenditure on waste-water, whereas in Jersey this service is provided by government.

6.6 Housing and Community Amenities (Category 06)

Housing and Community Amenities (06)	Jersey 2022	Jersey 2021	UK 2021
	0.6%	0.5%	1.7%

The COFOG sub-category Housing Development (COFOG 6.1) includes the “... *administration of housing development affairs ... and development and regulation of housing standards ...*”. It was not practicable to extract financial information from government and parish accounts to split out costs relating to this area, which are reflected in General Government Services (COFOG sub-category 1.3).

Please note the expenditure of Andium Homes Limited is not reflected in the Housing and Community Amenities category but instead as the provision of social housing and therefore included in the category Social Protection: Housing (COFOG 10.6). There is less difference when the categories are considered together.

6.7 Health (Category 07)



Health (07)	Jersey 2022 28.0%	Jersey 2021 28.5%	UK 2021 20.5%
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Unsurprisingly, this functional category accounts for a significant proportion of government sector expenditure.

Health care requires significant fixed cost expenditure, and the Jersey health service is required to provide a comprehensive level of service. Jersey's relatively small population means that reduced economies of scale will be available compared to the health care spend of a larger UK city, though this analysis assumes other factors remain equal. The relative importance of economies of scale and other factors have not been investigated or quantified.

In 2022, Jersey expenditure on Hospital Services (COFOG 7.3) includes an impairment charge relating to the Our Hospital project of £8.4m (2021: £nil).

6.8 Recreation, Culture and Religion (Category 08)

Recreation, Culture and Religion (08)	Jersey 2022 2.6%	Jersey 2021 2.2%	UK 2021 1.3%
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Consideration of the COFOG sub-categories in Appendix 2 indicates the main difference between Jersey's spend in 2021 of 2.2% compared to the UK's figure of 1.3% is Jersey's spend on recreational, cultural and religious activities. This would appear to be a consequence of reduced economies of scale as well as the Jersey spend including financial support for specific leisure facilities.

6.9 Education (Category 09)

Education (09)	Jersey 2022 12.4%	Jersey 2021 11.6%	UK 2021 11.2%
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Another significant category of government sector expenditure. The slight increase in 2022, reflects post-Covid educational support schemes.

6.10 Social Protection (Category 10)

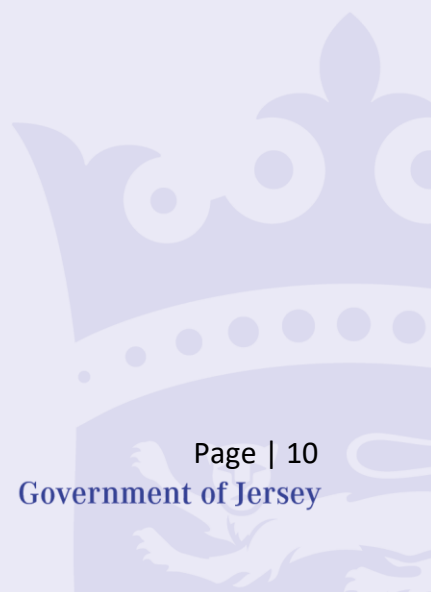
Social Protection (10)	Jersey 2022 32.7%	Jersey 2021 32.7%	UK 2021 33.3%
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This functional category reflects welfare expenditure. Neither Jersey nor the UK provide a specific social security benefit to the unemployed. Instead, an income support benefit is provided to individuals on low income. As income support payments are not paid exclusively to individuals that are unemployed, Jersey has followed UK guidance to present income support expenditure in the COFOG sub-category, Social



Exclusion Not Elsewhere Classified (category 10.7), rather than the sub-category Social Protection Unemployment (COFOG 10.5).

As noted in paragraph 3.3 above, the costs of Andium Homes Limited which represent 2.6% of general government sector spend in 2022 (2021: 3.6% of general government spend) are treated as the provision of social housing and included in the category Social Protection: Housing (COFOG 10.6). The higher Andium spend in 2021 reflected one-off property impairment charges recognised when a general property valuation was undertaken.





Appendix 1

Financial Data

General Government Sector Expenditure:

Jersey expenditure in scope 2022 £m	1,469
Jersey expenditure in scope 2021 £m	1,420
UK expenditure in scope 2021 £m	1,098,939

Population:

Jersey population 2022	103,928
Jersey population 2021	103,267
UK population 2021	67,026,307

Gross Value Added (GVA):

Jersey GVA 2022 £m	5,761
Jersey GVA 2021 £m	5,058
UK GVA 2021 £m	2,040,499
Jersey GVA per capita 2022 £	55,430
Jersey GVA per capita 2021 £	48,981
UK GVA per capita 2021 £	30,443

Revenues:

Jersey General Government Sector revenue 2022 £m	1,502.6
Jersey General Government Sector revenue 2021 £m	1,417.6
UK General Government Sector revenue 2021-22 £bn	919.9
Jersey General Government Sector revenue % of GVA 2022	26.1%
Jersey General Government Sector revenue % of GVA 2021	28.0%
UK General Government Sector revenue % of GVA 2021	45.1%

Note: UK 2022 data is currently unavailable.



Appendix 2

Detailed COFOG Table – Jersey vs United Kingdom

	Code	Jersey Expenditure £000s		Jersey %		UK COFOG %		
		2022	2021	2022	2021	2021	2020	2019
01 - General public services								
Executive, financial, fiscal and external affairs	1.1	58,328	55,593	4.0%	3.9%	2.0%	4.2%	2.6%
Foreign economic aid	1.2	14,730	12,100	1.0%	0.9%	0.6%	0.9%	1.1%
General government services	1.3	54,430	46,560	3.7%	3.3%	1.1%	1.2%	1.4%
Basic research	1.4	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
R&D general public services	1.5	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
General public services nec	1.6	441	37	0.0%	0.0%	0.1%	0.1%	0.1%
Public debt transactions	1.7	23,241	18,540	1.6%	1.3%	5.9%	3.8%	5.4%
Transfers between different levels of government	1.8	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
		151,170	132,830	10.3%	9.4%	9.7%	10.2%	10.7%
02 - Defence								
Military defence	2.1	1,204	1,192	0.1%	0.1%	4.1%	3.8%	4.5%
Civil defence	2.2	429	440	0.0%	0.0%	0.0%	0.0%	0.0%
Foreign military aid	2.3	-	-	0.0%	0.0%	0.1%	0.0%	0.0%
R&D defence	2.4	-	-	0.0%	0.0%	0.3%	0.2%	0.2%
Defence nec	2.5	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
		1,633	1,633	0.1%	0.1%	4.5%	4.1%	4.8%
03 - Public order and safety								
Police services	3.1	37,818	36,455	2.6%	2.6%	2.4%	2.1%	2.4%
Fire-protection services	3.2	6,565	5,974	0.4%	0.4%	0.3%	0.3%	0.4%
Law courts	3.3	20,635	17,463	1.4%	1.2%	0.9%	0.8%	0.9%
Prisons	3.4	14,343	13,745	1.0%	1.0%	0.5%	0.4%	0.4%
R&D Public order and safety	3.5	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Public order and safety nec	3.6	5,529	2,203	0.4%	0.2%	0.2%	0.2%	0.2%
		84,890	75,840	5.8%	5.3%	4.3%	3.9%	4.4%
04 - Economics (Econ)								
General economic, commercial and labour affairs	4.1	21,851	57,403	1.5%	4.0%	3.9%	7.4%	1.7%
Econ - agriculture, forestry, fishing and hunting	4.2	3,073	2,460	0.2%	0.2%	0.6%	0.5%	0.3%
Econ - fuel and energy	4.3	68	-	0.0%	0.0%	0.7%	0.8%	0.9%
Econ - mining, manufacturing and construction	4.4	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Econ - transport	4.5	28,290	23,819	1.9%	1.7%	4.5%	4.3%	4.0%
Econ - communication	4.6	443	592	0.0%	0.0%	0.0%	0.0%	0.0%
Econ - other industries	4.7	12,247	12,428	0.8%	0.9%	0.0%	0.0%	0.0%
Econ - R&D Economic affairs	4.8	-	-	0.0%	0.0%	1.6%	1.5%	1.2%
Econ - economic affairs nec	4.9	-	-	0.0%	0.0%	0.6%	1.4%	0.0%
		65,972	96,703	4.5%	6.8%	12.0%	15.8%	8.2%
05 - Environmental protection (EP)								
EP - waste management	5.1	21,644	19,674	1.5%	1.4%	1.2%	1.1%	1.3%
EP - waste water management	5.2	13,958	13,302	1.0%	0.9%	0.0%	0.0%	0.0%
EP - pollution abatement	5.3	389	499	0.0%	0.0%	0.1%	0.0%	0.0%
EP - protection of biodiversity and landscape	5.4	5,398	4,165	0.4%	0.3%	0.0%	0.0%	0.0%
EP - R&D Environment protection	5.5	-	-	0.0%	0.0%	0.1%	0.1%	0.0%
EP - environment protection nec	5.6	2,628	2,482	0.2%	0.2%	0.2%	0.2%	0.2%
		44,016	40,123	3.0%	2.8%	1.5%	1.4%	1.6%



	Code	Jersey Expenditure £000s		Jersey %		UK COFOG %		
		2022	2021	2022	2021	2021	2020	2019
06 - Housing and community amenities								
Housing development	6.1	-	4	0.0%	0.0%	0.5%	0.4%	0.7%
Community development	6.2	3,107	2,908	0.2%	0.2%	0.8%	0.7%	0.9%
Water supply	6.3	-	-	0.0%	0.0%	0.1%	0.0%	0.0%
Street lighting	6.4	288	171	0.0%	0.0%	0.1%	0.1%	0.1%
R&D Housing and community amenities	6.5	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Housing and community amenities nec	6.6	5,566	4,321	0.4%	0.3%	0.3%	0.2%	0.2%
		8,961	7,404	0.6%	0.5%	1.7%	1.5%	1.9%
07 - Health								
Medical products, appliances and equipment	7.1	25,112	23,956	1.7%	1.7%	1.1%	1.0%	1.2%
Outpatient services	7.2	80,264	76,441	5.5%	5.4%	2.3%	2.2%	2.5%
Hospital services	7.3	243,215	222,365	16.6%	15.7%	15.6%	14.4%	13.5%
Public health services	7.4	32,200	56,959	2.2%	4.0%	0.5%	0.5%	0.5%
R&D Health	7.5	138	125	0.0%	0.0%	0.3%	0.3%	0.4%
Health nec	7.6	30,130	25,299	2.1%	1.8%	0.7%	0.5%	0.7%
		411,059	405,146	28.0%	28.5%	20.5%	18.9%	18.7%
08 - Recreation, culture and religion								
Recreational and sporting services	8.1	17,719	16,058	1.2%	1.1%	0.4%	0.3%	0.4%
Cultural services	8.2	13,924	9,568	0.9%	0.7%	0.5%	0.5%	0.6%
Broadcasting and publishing services	8.3	-	-	0.0%	0.0%	0.4%	0.4%	0.5%
Religious and other community services	8.4	7,040	5,606	0.5%	0.4%	0.0%	0.0%	0.0%
R&D Recreation, culture and religion	8.5	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Recreation, culture and religion nec	8.6	218	254	0.0%	0.0%	-0.1%	0.0%	-0.1%
		38,902	31,486	2.6%	2.2%	1.3%	1.2%	1.5%
09 - Education								
Pre-primary and primary education	9.1	66,284	59,066	4.5%	4.2%	2.2%	2.1%	2.5%
Secondary education	9.2	68,743	61,863	4.7%	4.4%	5.0%	4.5%	5.2%
Post secondary non-tertiary education	9.3	18,825	18,580	1.3%	1.3%	0.4%	0.4%	0.8%
Tertiary education	9.4	15,703	15,859	1.1%	1.1%	1.5%	1.7%	1.6%
Education not definable by level	9.5	623	267	0.0%	0.0%	1.1%	1.0%	0.8%
Subsidiary services to education	9.6	1,765	1,702	0.1%	0.1%	0.1%	0.1%	0.1%
R&D Education	9.7	-	-	0.0%	0.0%	0.2%	0.2%	0.2%
Education nec	9.8	10,083	7,927	0.7%	0.6%	0.7%	0.6%	0.8%
		182,027	165,264	12.4%	11.6%	11.2%	10.7%	12.0%
10 - Social Protection								
SP - sickness and disability	10.1	71,482	65,691	4.9%	4.6%	5.0%	5.0%	5.7%
SP - old age	10.2	229,335	214,135	15.6%	15.1%	17.9%	17.3%	20.2%
SP - survivors	10.3	799	716	0.1%	0.1%	0.1%	0.1%	0.1%
SP - family and children	10.4	40,468	33,187	2.8%	2.3%	2.6%	2.6%	3.0%
SP - unemployment	10.5	390	383	0.0%	0.0%	0.1%	0.1%	0.1%
SP - housing	10.6	40,233	53,335	2.7%	3.8%	1.6%	1.6%	2.1%
SP - social exclusion nec	10.7	80,225	80,389	5.5%	5.7%	5.2%	4.8%	4.2%
SP - R&D social protection	10.8	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Social protection nec	10.9	17,604	15,959	1.2%	1.1%	0.7%	0.6%	0.7%
		480,537	463,795	32.7%	32.7%	33.3%	32.2%	36.2%
Total		1,469,167	1,420,224	100.0%	100.0%	100.0%	100.0%	100.0%



Appendix 3

OECD High Level COFOG Data – Comparison of Jersey, United Kingdom, France, Iceland, Ireland and Luxembourg

Share of General Government Expenditure (2021 Year)

	Jersey %	UK %	France %	Iceland %	Ireland %	Luxembourg %
01 - General public services	9.4%	9.7%	9.8%	14.3%	9.3%	10.9%
02 - Defence	0.1%	4.5%	3.0%	0.2%	0.8%	1.0%
03 - Public order and safety	5.3%	4.3%	2.9%	3.3%	3.4%	2.8%
04 - Economics	6.8%	12.0%	11.6%	12.2%	12.6%	12.6%
05 - Environmental protection	2.8%	1.5%	1.8%	1.5%	1.4%	2.2%
06 - Housing and community amenities	0.5%	1.7%	2.1%	1.3%	2.3%	1.4%
07 - Health	28.5%	20.5%	15.6%	18.2%	21.2%	12.6%
08 - Recreation, culture and religion	2.2%	1.3%	2.4%	6.6%	1.8%	2.7%
09 - Education	11.6%	11.2%	8.9%	15.6%	12.0%	11.0%
10 - Social Protection	32.7%	33.3%	41.9%	26.9%	35.2%	42.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Government Sector Expenditure per Capita (no US\$ or Purchasing Power Parity Adjustment) (2021)

	Jersey £	UK £	France £	Iceland £	Ireland £	Luxembourg £
01 - General public services	1,286	1,595	1,911	3,529	1,686	4,580
02 - Defence	16	733	578	42	152	427
03 - Public order and safety	734	705	563	827	611	1,179
04 - Economics	936	1,963	2,266	3,007	2,294	5,289
05 - Environmental protection	389	247	343	365	255	901
06 - Housing and community amenities	72	283	414	312	423	594
07 - Health	3,923	3,362	3,038	4,485	3,863	5,289
08 - Recreation, culture and religion	305	210	464	1,639	336	1,138
09 - Education	1,600	1,842	1,727	3,857	2,191	4,589
10 - Social Protection	4,491	5,456	8,158	6,642	6,407	17,851
Total	13,753	16,396	19,463	24,704	18,219	41,838

Population	103,267	67,026,307	65,450,000	370,300	5,010,000	639,300
Government Sector Exp as a share of GDP/GVA (2021)	28.1%	48.4%	59.0%	49.3%	24.4%	42.9%



Appendix 4

Notes on Methodology

The 2022 States of Jersey group accounts were the starting point for this report. The accounts consolidate the financial information of public sector departments and state-owned businesses including: Andium Homes Limited, States of Jersey Development Company Limited and Ports of Jersey Limited. Approximately 40,000 expenditure balances were extracted from this trial balance.

The data was then adjusted to remove States' businesses that do not qualify as falling within the COFOG definition of the "General Government Sector". This sector is defined as consisting of "*resident institutional units which are non-market producers whose output is intended for individual and collective consumption*", and all institutional units engaged in the redistribution of national income and wealth.² This requirement was interpreted as excluding business activities essentially managed on an arm's length basis and where economically significant prices are charged. As a consequence, the following States owned businesses were extracted from the dataset:

- Ports of Jersey Limited,
- States of Jersey Development Company Limited,
- Jersey Car Parks,
- Jersey Fleet Management, and
- Channel Islands (Jersey) Lottery Fund.

Expenditure was then apportioned that could not be mapped to a unique COFOG category. For example, primary and secondary pupil numbers were used to apportion the total education spend of a school providing both primary and secondary education and where the separate costs for primary education (COFOG category 9.1) and secondary education (COFOG category 9.2) were unavailable.

Another adjustment made was to apportion long-term care costs between home care (COFOG 7.2) and nursing home residential care (COFOG 7.3) and to split centralised human resource and information technology expenditure at a functional level. The basis for this latter adjustment was full time equivalent staff numbers.

Depreciation and impairments are a significant, centralised expense. Asset impairments are recognised when a general valuation is undertaken. To reflect these costs at a functional level, costs were apportioned to functional groups according to asset values and use made of assets. A valuation exercise was undertaken for the 2022 SoJ accounts and an adjustment was made to spread impairment charges over the period between valuations – approximately three years.

Jersey parishes, though independent of the Jersey government, are regarded as falling within the General Government Sector. Parish expenditure included in this report was extracted from parish accounts and added to the dataset. A future area of work will be to obtain more detailed functional analysis of this expenditure. Approximately half of parish expenditure has been reflected in the category, General Government Services (COFOG category 1.3).

² Page 25, Manual on Sources and Methods for the Compilation of COFOG Statistics (2019 edition)



The costs and revenues relating to the management of investments held in the States funds have been extracted from the data. These transactions are not regarded as falling within the scope of COFOG as they relate to an arm's length investment activity.

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