

STATES OF JERSEY

OFFICIAL REPORT

MONDAY, 8th DECEMBER 2025

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[9:30]

The Roll was called and the Dean led the Assembly in Prayer.

QUESTIONS

1. Written Questions

1.1 Deputy M.B. Andrews of St. Helier North of the Minister for Treasury and Resources regarding Blue Islands' debts (WQ.444/2025):

Question

In relation to Blue Islands, will the Minister –

- (a) advise if it is anticipated that the £9.1 million owed to the Government will not be returned (whether in full or partially); and
- (b) explain why loans totalling £1.7 million were recently provided to the firm when it had been unable to pay off its existing debt?

Answer

I addressed these matters in my statement to the Assembly on Tuesday 25 November. You can view the full statement and appendices here: [States Assembly | Statement by the Minister for Treasury and Resources regarding Blue Islands.](#)

1.2 Deputy D.J. Warr of St. Helier South of the Minister for Education and Lifelong Learning regarding Plat Douet, St. Luke's and Springfield primary schools (WQ.445/2025):

Question

Will the Minister state the number of children enrolled each year from September 2022 to date at Plat Douet, St. Luke's, and Springfield primary schools, and also at each school's nursery?

Answer

Reception to Year 6:

Autumn term	Plat Douet	Springfield	St Luke's
2022/23	414	197	171
2023/24	363	169	166
2024/25	346	177	166
2025/26	358	177	171

Nursery:

Autumn term	Plat Douet	Springfield	St Luke's
2022/23	25	25	17
2023/24	31	25	18
2024/25	19	23	20
2025/26	32	26	18

1.3 Deputy R.S. Kovacs of St. Saviour of the Minister for External Relations regarding increasing the bank deposit protection offered to Jersey bank customers (WQ.446/2025):

Question

Following the UK bank account [increase of deposit protection](#) from £85,000 to £120,000 from December 2025, will the Minister advise what plans, if any, he has to increase the protection offered

to Jersey bank customers and, if he has such plans, provide the timeline for its implementation and the amount by which it will be increased; and if no such plans exist, will he advise why not?

Answer

The maximum compensation payable by the Jersey Bank Depositors Compensation Board is £50,000, in accordance with Regulation 22 of the Banking Business (Depositors Compensation) (Jersey) Regulations 2009.

On 30 September 2025, the States adopted the Bank (Recovery and Resolution) (Jersey) Amendment Law 202-, which transfers responsibility for the Depositors Compensation Scheme to the Jersey Resolution Authority.

As previously stated, I have instructed the Jersey Resolution Authority to undertake a comprehensive review of the Depositors Compensation Scheme once the transfer has been completed. This review will start in Q2 next year, with recommendations targeted for the first half of 2027. This timeline ensures a thorough assessment of the costs and benefits associated with any potential adjustments to the scheme, including consideration of the current compensation limit.

1.4 Deputy K.M. Wilson of St. Clement of the Minister for Treasury and Resources regarding the financial exposure of the Government of Jersey to Blue Islands since 2019 (WQ.447/2025):

Question

Will the Minister provide a breakdown of the financial exposure of the Government of Jersey to Blue Islands since 2019 (including any loans, guarantees, deferrals, unpaid charges or any other form of public support) with the breakdown to state –

- (a) the year;
- (b) the amount involved;
- (c) the circumstances in which the support was provided;
- (d) the purpose of the support;
- (e) whether there was any agreed timeframe for repayment of the support and, if so, the timeframe involved; and
- (f) the Government department that was responsible?

Answer

I addressed these matters in my statement to the Assembly on Tuesday 25 November. You can view the full statement and appendices here: [States Assembly | Statement by the Minister for Treasury and Resources regarding Blue Islands.](#)

1.5 Deputy H.L. Jeune of St. John, St. Lawrence and Trinity of the Minister for Treasury and Resources regarding the Independent PFAS Scientific Advisory Panel for Jersey – Third Report (WQ. 448/2025):

Question

Further to the publication of the [Independent PFAS Scientific Advisory Panel for Jersey – Third Report](#), in February 2025, will the Minister advise whether he intends to respond to the report's recommendations and detail what policy and operational changes, if any, are planned in the management of P.F.A.S. (per- and polyfluoroalkyl substances) at the containment cells at La Collette and at the Bellozanne sewage treatment works?

Answer

The remit for Report Three does not include PFAS in the environment; that matter will be dealt with in Report Four which is expected to be published in the first quarter of 2026. Work on Report Four is underway. Testing is currently being undertaken to understand the impact of PFAS on the environment from treating sewage at the Bellozanne works and waste management activities at La Collette. Policy changes will be considered with any other recommendations from the Panel when the report is published.

Deputy H.L. Jeune of St. John, St. Lawrence and Trinity

I do not know the procedure but just that Written Question 448/2025, it was for the Minister for Infrastructure, not the Minister for Treasury and Resources, that replied to me. I just do not know if that can be corrected on the Order Paper.

The Bailiff:

Is the Order Paper wrong?

Deputy H.L. Jeune:

The Order Paper is wrong, yes.

The Bailiff:

Thank you very much. That will be noted.

2. Oral Questions**2.1 Deputy D.J. Warr of St. Helier South of the Minister for Treasury and Resources regarding the selection of SpaceHub Ltd to lead the redevelopment of the exterior area at Fort Regent (OQ. 271/2025):**

In relation to the selection of SpaceHub Limited to lead the redevelopment of the exterior area at Fort Regent, will the Minister, in her capacity as shareholder representative, provide detail regarding the criteria the States of Jersey Development Company used to determine that there were “no commercial landscape architecture practices currently operating in Jersey”?

Deputy M.E. Millar of St. John, St. Lawrence and Trinity (The Minister for Treasury and Resources):

Jersey Development Company carried out research into local landscape architecture practices via market familiarity, professional networks, past experience and continuous market scanning. This research identified one landscape architecture firm operating as a sole trader and 2 garden designers. In addition, 3 of the larger local architectural practices offer landscape design services. However, those functions are outsourced off-Island. There is one local architectural practice with a qualified landscape architect, and this firm has invited a tender for the role alongside 3 U.K. (United Kingdom) landscape architecture practices. J.D.C. (Jersey Development Company) carefully assesses delivery risk in all of its business activities. It is critical to the successful project that they appoint an experienced team with a positive delivery track record that have the necessary human resources to deliver against a particular brief and adhere to the programme. Fort Regent is a large and complex regeneration project, with the external landscape area totalling 30,000 square metres, or 7.4 acres. Jersey Development Company assessed the tenders on the basis of a wide range of criteria.

2.1.1 Deputy D.J. Warr:

I would say to the Minister, thank you for the answer and I appreciate that. It is interesting about key delivery risk because I understand that the Jersey Development Company did an expressions of

interest about 12 months ago about how they could use more local businesses. One of the problems with their risk assessment was that there were about 3 qualified practitioners, so anybody with less than 3 qualified practitioners was considered to be a risk to J.D.C. and therefore could not go forward with any procurement. I have been approached by 2 businesses who said they were perfectly capable of doing that but they were totally unaware of any expression of interest because nothing was put on the public procurement portal. How are we ever going to support local businesses, recognising that they are limited in their scale and what they can do, but could come together in a more co-operative way and develop local businesses' local expertise? How are we going to change this culture, Minister?

[9:45]

Deputy M.E. Miller:

As I say, I think J.D.C., who have extensive knowledge of the area, identified one firm that operated as a sole trader and 2 garden designers. I think our procurement practices tend to look to a business that can supply. If a number of businesses want to get together and create some form of partnership and make tenders, there is nothing stopping them from doing that. The businesses themselves, I think, have to come together and create a plan that they can put to the J.D.C. I think for J.D.C. to appoint 3 different panels and then try to manage 3 different practices and manage those 3 practices together as separate entities to do one very large piece of work, that is going to be a very difficult thing for them to do. I am sure that we do look to engaging local practices as far as we can, but what matters is that we have people appointed who can deliver a very large scale of work.

2.1.2 Deputy I. Gardiner of St. Helier North:

I would like, if the Minister can clarify, if the expression of interest was shared with the Jersey Architectural Society or the Chamber of Commerce receive notification that a firm is looked for to create the design?

Deputy M.E. Miller:

I do not know the answer to that question.

2.1.3 Deputy I. Gardiner:

The second supplementary, based on the Minister's answer, just to make sure there are 3 firms that work with outside firms as a partnership to deliver landscaping. Why were these firms dismissed because they are a local-based company that can co-operate with a U.K. company and deliver combined knowledge, rather than just go to the U.K.?

Deputy M.E. Miller:

I think the point is that even if we had appointed a local practice, the work would still have gone to an off-Island provider, because they would have had to outsource the work because they did not have local internal resource. Engaging one partner to appoint another seems slightly ineffective when we could simply go direct to the supplier of a service.

2.1.4 Deputy A.F. Curtis of St. Clement:

On a similar line, the Minister did confirm that there were some skills on-Island that S.o.J.D.C. (States of Jersey Development Company) found through a local market exercise. But once it was confirmed that procurement should be opened up to the off-Island bidders, did S.o.J.D.C.(include any requirement for on-Island partnerships with those who have it as their direct skillset to be part of a partnership in that procurement to ensure that investment off-Island does deliver local capacity building?

Deputy M.E. Miller:

People are asking very, very detailed questions that I simply do not know the answer to.

2.1.5 Deputy A.F. Curtis:

At a general level, as shareholder representative for many organisations, does she believe that partnership in skills like landscaping should be something where development is delivered in-Island with off-Island partners? Will she note that this kind of partnership between off-Island and on-Island is done in many sectors, such as the digital services area, which has proven that we can build more local talent by working with off-Island providers?

Deputy M.E. Miller:

Yes, I agree in principle with what he is saying, if we appoint a local business who then has to bring in off-Island expertise. But we are talking about a project. Landscape architecture is not something that is a regular, unlike the digital environment where everybody has an interest. There will be a handful of developments requiring extensive landscape architecture regularly, so training someone through landscape architecture and then find there is no work for them may be counterproductive. I am sure that J.D.C. will work to those criteria to try to involve local practitioners as soon as they can. In fact, I know that they will be seeking to appoint a local main contractor for the construction when that arises.

2.1.6 Deputy J. Renouf of St. Brelade:

Government has a policy around procurement that does try to encourage the use of local contractors, I believe. Is there such a policy in place for the arm's-length organisations such as the J.D.C.? If not, does the Minister believe that there should be one?

Deputy M.E. Miller:

Yes, there is. The memoranda of understanding, certainly with the J.D.C., requires them to follow appropriate procurement procedures.

2.1.7 Deputy J. Renouf:

I am not sure "appropriate" covers what I was talking about, which was the use of trying to prioritise the use or capture the added value of using local companies as opposed to off-Island. Is the Minister satisfied that J.D.C. have done everything in their power in this occasion to ensure that that trade-off was followed through?

Deputy M.E. Miller:

I have no reason to believe otherwise.

2.1.8 Deputy K.L. Moore of St. Mary, St. Ouen and St. Peter:

Could the Minister outline to the Assembly how she receives information about a procurement process so that she can provide oversight and be reassured that it is being conducted as per policy?

Deputy M.E. Miller:

I and my officers have regular quarterly meetings with the board of the J.D.C. However, what we have to remember is that the J.D.C. is overseen particularly by the Regeneration Steering Group, which comprises a number of Ministers, and that group will have more detailed reporting on particular projects. Fort Regent, in this case, is owned by Jersey Property Holdings and is within the responsibility of the Minister for Infrastructure, and the Regeneration Steering Group has made the decision to engage J.D.C. for the Fort Regent regeneration project. There is, I believe, plenty of oversight of J.D.C. and what it does, and plenty of reporting.

2.1.9 Deputy K.L. Moore:

Does the Minister consider that the procurement policy should be reviewed?

Deputy M.E. Miller:

There is a procurement policy; I do not know how long it has been in place. I will ask the J.D.C. to review it.

2.1.10 Deputy D.J. Warr:

I am struggling here because this all sounds like using local businesses is in the too-difficult-to-handle box of Government, when in fact it should be the absolute priority of it. I do not understand how it is not possible for the J.D.C. not to advertise this work on their public procurement portal. Can she explain why that omission was made?

Deputy M.E. Miller:

I think I have explained what the process was. That through an extensive amount of research, they identified who was available locally, and the one firm that was available locally was asked to tender with other practices. We have to remember that 90 per cent of the cost of regeneration of Fort Regent will be in the physical construction and that will be, I believe, placed locally. Yes, everybody does want to engage local businesses where they can, but the local businesses need to be able to deliver, and the scale of the businesses we had in the Island, my understanding is that they were not big enough. I am sure J.D.C. will be engaging local operators, where everybody tries to do that where appropriate and where it gets value for money and, crucially, delivery and performance to a standard that everyone expects.

Deputy I.J. Gorst of St. Mary, St. Ouen and St. Peter:

May we raise the défont on the Chief Minister, please?

The Deputy Bailiff:

Are Members content to raise the défont on the Chief Minister? The défont is raised.

Deputy I. Gardiner:

I would like to advise the Assembly that I will be away from 10.00 to 11.00 attending a medical appointment.

2.2 Deputy K.M. Wilson of St. Clement of the Minister for Social Security regarding the full Actuarial modelling evidence behind her recent public statement that the Social Security Fund could pay pensions and benefits for seven and half years (OQ.269/2025):

Will the Minister agree to publish the full actuarial modelling evidence behind her recent public statement that the Social Security Fund could pay pensions and benefits for 7½ years, even if no contributions were made, and will she advise whether this was verified internally by the Treasury Department or by the actuaries?

Deputy L.V. Feltham of St. Helier Central (The Minister for Social Security):

There was no actuarial modelling required for this because it was just a simple sum. The figures are contained within the proposed Government Budget and it would have not been the type of question that would have been appropriate to ask actuaries.

2.2.1 Deputy K.M. Wilson:

The Minister has made a number of statements about the Social Security Fund's future sustainability and capacity to pay pensions. Could she explain how such definitive statements can be made when there is no updated actuarial information that has been made available or published?

Deputy L.V. Feltham:

As Members will be aware, I have received 2 letters from actuaries and I have commissioned an extra additional report from the actuaries that will be available ahead of next year's Budget.

2.2.2 Deputy J. Renouf:

One of the things the Minister, and the Government in fact, have said repeatedly is that 7½ years is very good coverage compared to other funds. Is she aware, or did she notice, for example, that the largest economy in the world, the United States, the insurance funds have 10 years' coverage, and that puts the coverage of the Jersey funds in a slightly different light?

Deputy L.V. Feltham:

The United States is one country that I did not look at as a comparison; we looked at more similar jurisdictions to us. Again, we will look to the advice from the actuaries when we receive it, and that will be open to the next Assembly to take decisions based on it.

2.2.3 Deputy J. Renouf:

Does the Minister accept that her answer suggests that the Government looks as hard as it needs to to find the evidence it wants to support its case, rather than actually looking to objectively discover whether the fund is in a good state or not?

Deputy L.V. Feltham:

No.

2.2.4 Deputy I. Gardiner:

Would the Minister explain why the assumption was plus 1 per cent above expected, and not other assumptions that the Minister put towards the actuaries to review?

Deputy L.V. Feltham:

I do not think that question is related to this question. I think it is related to the Oral Question that Deputy Renouf is asking later.

The Bailiff:

Yes, thank you.

2.2.5. Deputy K.M. Wilson:

I did not hear the Minister confirm that she would commit to publishing the actuarial information, but can she give an assurance that her work will involve remaining clear and transparent about the assumptions, and can she assure us that these will be realistic in light of current economic and demographic pressures?

Deputy L.V. Feltham:

The equation used to refer to the sum that is referred to in the question is quite simple. The equation is the end amount in the fund at the end of the year divided by the payments made out of the fund in benefits. All advice that I have received from actuaries has been published.

2.3 Deputy J. Renouf of St. Brelade of the Minister for Treasury and Resources regarding the decision-making process for growth bids in the Proposed Budget (Government Plan) 2026-29 (OQ.266/2025):

Will the Minister detail the decision-making process in relation to identifying the total amount of money available for growth bids in the Proposed Budget (Government Plan) 2026-29, and on what basis the different growth allocations were decided?

Deputy M.E. Millar (The Minister for Treasury and Resources):

I thank the Deputy for his question. The Budget was developed using a process that will be familiar to both current and any former Ministers. A series of workshops were held that considered the latest financial forecasts, based on the assumptions provided by the Fiscal Policy Panel. From there,

decisions focused on how best to balance the Budget, while prioritising areas requiring urgent investment. It is important to note that we do not automatically allocate every available penny that we have to growth, and so there is no fixed calculation of how much is available for growth. This year, there was a very limited growth process and there was no open invitation for departments to submit business cases requesting additional funding. Instead, political discussions were focused on delivering the Common Strategic Policy and addressing key risks. This approach was iterative, with Ministers working together until a consensus was reached. Formal decisions were then recorded and the Budget lodged.

2.3.1 Deputy J. Renouf:

I think it is clear from that answer that the total amount of growth bid was decided, as the Minister says, in an iterative process and that therefore the money that was to be taken from the Social Security grant was not determined by looking at how much the Social Security grants could afford to pay. It was a result of determining how much the Government wanted. Can the Minister explain why the Government did not start with how much money might be available rather than how much it wanted to spend?

Deputy M.E. Miller:

As I said, we do not run a growth process. We have financial rules, like the need to keep the Consolidated Fund positive, and principles around running balanced budgets.

[10:00]

We should not be spending everything, so we do not start with a calculation of how much is available for growth. As I have said, the need for investment drove some very difficult decisions about how it could be funded. Again, we have focused on things that are most important, so healthcare, children and key risk matters. Having agreed that we needed that investment, it was then a matter of looking at the funding options.

2.3.2 Deputy K.L. Moore:

Given F.P.P. (Fiscal Policy Panel) advice, the global outlook and the state of the Island's own finances, what conversations did the Minister have about reducing expenditure rather than allowing any growth at all?

Deputy M.E. Miller:

I think we have explained that we have had decisions about reducing expenditure and we are looking to deliver savings in 2025. I do not have the number in front of me but I think in the region of £20 million; a similar amount of savings was delivered last year. The hospital has its own financial recovery programme which, from memory, may not be accurate, stands at about £18 million. So we are asking departments to make savings. Departments have been told that there is not new money and that they have to work with what they have. Departments are constantly being asked to make sure that they are driving efficiency and making savings.

2.3.3 Deputy K.L. Moore:

I think the point is about overall expenditure and whether that can continue at current levels or should not be reduced on a year-by-year basis.

Deputy M.E. Miller:

There is a difficult balance to be reached between having no growth and making cuts. We are trying. We have sought to constrain spending. We have shown that. We have reduced headcount. We have reduced the reliance on consultants. We are reducing unnecessary management layers, and we are trying to take out extra activities. But the problem is that people still want us to spend money. Even in this Assembly, people are still coming forward with requests for additional funding. Yes, we do

need to cut spending. We need to do that in a careful and sustained way, and we need to really start all of us thinking about what we really need rather than what we want.

2.3.4 Deputy M.B. Andrews of St. Helier North:

The Minister spoke about limiting the number of growth bids, however £52 million has been proposed in this forthcoming Government Plan, so I want to ask the Minister: what consideration was given to reprofiling existing government expenditure over that of putting forward growth bids?

Deputy M.E. Miller:

I am sure that that was considered. As I say, there were some very difficult decisions. There were clear needs for investment in healthcare and Children's Services and certain of the emergency services that we knew we had to deliver. You then have to look at how to fund those if the money is not clearly available from revenue. We have done that in the best way we can. Nobody wants to cut front line services. Most of the growth has been in health and education. We want to continue services at a level while reducing back-office numbers and looking at how we spend money as best we can, but reprofiling will always be a part of that rerouting.

2.3.5 Deputy M.B. Andrews:

The words: "I am sure it was considered", surely the Treasury Minister can confirm whether she is aware that the Council of Ministers did consider reprofiling government spend, and if that is something that she is not aware of, why is that the case?

Deputy M.E. Miller:

Yes, of course we talked about reprofiling. Reprofiling happens in appropriate places, but the Deputy is asking me to remember discussions that happened over many months and were very, very wide-ranging. Yes, reprofiling takes place. It takes place with revenue spending, and it takes place with capital spending. I am sorry if I was not clear on that, but yes, we have looked to reprofile.

2.3.6 Deputy J. Renouf:

At a public meeting recently, when she came under pressure from public criticism of the Budget, the Minister told the audience that the Budget was not her Budget. Can she confirm whether she fully and unequivocally supports all the growth bids - health, education, et cetera - that made it into the Budget. Therefore, those bits are at least hers.

Deputy M.E. Miller:

I think that what I was trying to do on that occasion - I do not think that the Deputy was actually present - was explain that this is a Council of Ministers' Budget. The law changed in 2019. It is not a recent change. I believe that it changed going back to 2019, when the Budget became the responsibility of the Council of Ministers, and it is lodged by the Council of Ministers and not by the Minister for Treasury and Resources. That was the point that I was trying to make, and the reporting of that has been slightly different. Yes, I support the Budget. The Council of Ministers approved the Budget as it is lodged, and I support it completely.

2.4. Deputy M.B. Andrews of St. Helier North of the Chief Minister regarding a technical efficiencies programme (OQ.265/2025):

Will the Chief Minister advise what consideration, if any, has been given to introducing a technical efficiencies programme, and if none, could he specify what programmes, such as the adoption of new technologies, are currently in place to ensure that the Government maximises outputs while reducing their inputs, and if no programmes are in place, explain why not?

Deputy L.J. Farnham of St. Mary, St. Ouen and St. Peter (The Chief Minister):

Yes, I am happy to confirm that the Government have a number of programmes that will save money through the application of technology. These programmes are part of this Council of Minister's drive to curb the growth of the public service and they are being implemented alongside the recruitment restrictions and the reduction in use of consultancy. For example, the Transform programme in the Employment, Social Security and Housing Department will introduce a new I.T. (information technology) platform to replace the current Nessie benefits management system. It will reduce staff costs and other expenditure by at least £950,000 a year once the programme is complete in 2028. The application of technology, including artificial intelligence, will be crucial to reducing the unsustainable growth in our public service. I hope that States' Members will join the Government in February when we will be presented with a blueprint, a proposal, for further savings moving forward.

2.4.1 Deputy M.B. Andrews:

The Chief Minister mentioned a number of programmes. Would it not be more feasible if the Chief Minister could bring forward one overall programme of that which involves technical efficiencies where we can monitor the level of inputs across time and also the changes to outputs within the public sector?

Deputy L.J. Farnham:

Having a one plan fix all is a wonderful ideology, but in practice it is much more complex and that is why we have chosen to introduce programmes relevant to the departments with which they refer. For example, the Transport Reform Programme is a good idea. Nevertheless, I understand where the Deputy is coming from, and I want to reassure Members that this Government is doing everything it can to drive further efficiencies, and that technology will be at the forefront of this moving forward.

2.5 Deputy H.L. Jeune of St. John, St. Lawrence and Trinity of the Minister for the Environment regarding Amendment 32 to the Proposed Budget (Government Plan) 2026-2029 (OQ.268/2025):

Will the Minister advise what discussions, if any, he has had with the Council of Ministers regarding Amendment 32 to the Proposed Budget (Government Plan) 2026-2029 and its potential impact upon the Environment Department's budget, and whether any proposals were considered to reinstate the reductions to that budget?

Deputy S.G. Luce of Grouville and St. Martin (The Minister for the Environment):

The Council of Ministers have discussed all Budget amendments, as I am sure the Deputy would expect, including Amendment 32. However, funding department budgets from the Strategic Reserve is not an option supported by the Treasury for the reasons set out in the Government Plan, and I am sure the Deputy will understand. While the department's work will be constrained by the proposed reductions in the Budget, I accept that I and my department must take proportionate cuts along with all other departments to achieve our Government's future objectives.

2.5.1 Deputy H.L. Jeune:

Could the Minister advise if any assessment has been made of the long-term economic health and environmental costs related to these cuts?

Deputy S.G. Luce:

I am not aware of any long-term project work which has looked to the future to see what the overall reductions might be. I would expect that next year the Minister for the Environment, whoever that is, will fight hard to increase budgets. So looking long term can identify deficiencies, if you like, in areas which are going to struggle. But it is every year for the Minister of the day to come forward and make a growth bid and hope that it will be accepted.

2.5.2 Deputy A.F. Curtis:

The Minister said that he will accept proportionate cuts. Does he consider the proposed savings to his department proportionate with the other departments he mentioned, or does he consider his department is being more heavily affected than others in the context of the savings that Amendment 32 is looking to return back to him?

Deputy S.G. Luce:

Cuts are allocated proportionately across the Council of Ministers, but I accept that my department is not considered to be a front line department, therefore it does not enjoy some protections that others do. The other thing which is very significant in this instance, is that my department, probably more than others, relies on the income from fees and charges to balance the books over the course of any 12-month period. It will not be a surprise to the Deputy, in particular, that our income from planning applications over the last 2, 3 years, certainly this year, the shortfall in expected income from that revenue source is somewhere between £800,000 and £1 million. That is a significant amount of shortfall. That is something we cannot plan for. I would certainly say in the next Government I think somebody should look at the way that the Environment and Regulatory Department is funded because how you can plan ahead where you have a circumstance where the construction industry gets into challenging times, and you could receive less income that you cannot plan for, is a very difficult way to try to balance your budget when you are employing a significant number of staff.

2.5.3 Deputy J. Renouf:

When the Council of Ministers proposed that the Minister's budget should be cut, did they identify any activities or functions of the department that they felt were either overstaffed, flabby, or in other ways meriting of a cut?

Deputy S.G. Luce:

No, I do not recollect that any Minister came up to me and said that parts of my department were particularly flabby, and certainly that would be a surprise to him if it was, I would think, because over the last few years my department has not seen a great amount of growth monies coming in. Some of the projects we undertake on a regular annual basis now have received similar funding within the department for a number of years. We have a number of areas where we would like to do better. We would like to do more but, as a Government, we are convinced that we want to, as far as possible, not add to the cost-of-living increase. We restricted our fees and charges to nothing more than a 2.5 per cent increase. That is really good on one hand, on the other hand where you are trying to regulate more with the same number of staff, no new employees, and a really restricted income from fees and charges, that is a challenge.

2.5.4 Deputy J. Renouf:

Does the Minister agree that it is a bit of a nonsense to talk about efficiency savings when there are not any clearly identified efficiencies to be had?

Deputy S.G. Luce:

I guess we could call them efficiency savings. We could call them all sorts of other savings if you like, but this Government is committed to reducing government expenditure where they can. It is a challenge for all of us. Every department is facing some efficiencies, if you like, if that is the word you want to choose to use, but it is incumbent upon Ministers to go away and look at their resources, what they have available, the work they have to do. But I do not think any of us would deny the fact that trying to do more with less is a challenge.

2.5.5 Deputy K.M. Wilson:

Could the Minister explain what particular outcomes are affected by reductions to his department's budget?

Deputy S.G. Luce:

There will be challenges across the whole department, certainly in this current year. We have, as I have just said to Deputy Curtis, received a lot less income from planning applications than we expected. In order to make the books balance, we have given up some vacancies that we very much would like to have filled, but those staff were not in place. We have given up those vacancies. I have previously listed the areas that we might see some reduction in services over the next 18 months if the efficiencies are accepted, and they are quite numerous. An example would be the Land Resource Management Department at Howard Davis Farm is responsible for 60 kilometres of footpath maintenance around the Island. The budget for that work has not really changed in 15, 20 years.

[10:15]

We are having to look at ways we can do it more efficiently, more cheaply. But we are at the point where I fear that if we cannot find a little bit more for that area of work, our footpath network will seriously suffer. It is one of the great selling points for the Island, the footpath network around our coast. We have got to maintain it. So that is something I am going to have to look at. We know the Met Office is under pressure every year for income because we provide our services. There is any number of things. Ones that do worry me a little bit are the multilateral environmental agreements where we have a number of these international agreements with other countries to monitor and study environmental matters. We are obligated to do that work with them. This is particularly the sort of work where I feel we may have to cut back on.

2.5.6 Deputy K.M. Wilson:

Thank you to the Minister for his response. It certainly raises a number of concerns. I wonder, does he currently have any other means by which he could recover the department shortfall in order to deliver on some of those pieces of work or programmes that he has just talked about.

Deputy S.G. Luce:

Off the top of my head, there are 2 major income streams for the department. One comes from the Minister for Treasury and Resources and the other one comes from fees and charges, as I have said. But the Government I am part of are committed to not increasing fees and charges by more than 2.5 per cent. We are not going to introduce any new charges. As a Minister for a department that relies on fees and charges for a lot of its income, that is a real challenge, and I cannot say off the top of my head how we might do better. But I would point to the Minister for Sustainable Economic Development and say that in certain parts of the Rural Support Scheme, for example, we are looking to work with private money as well as government money to facilitate that really good scheme can work even better. There may be some areas in the Environment Department where we can look to work with outside agencies, and that is certainly something I would be very keen to look at.

Deputy C.D. Curtis of St. Helier Central:

May I raise the *défaut* on Deputy Southern?

The Bailiff:

Are Members content to raise the *défaut*? The *défaut* is raised.

2.5.7 Deputy M.B. Andrews:

Can the Minister confirm how much of his departmental expenditure is going towards schemes where subsidies are given to firms and households?

Deputy S.G. Luce:

Off the top of my head, I am struggling to think of any areas of my Environment Department budget where subsidies are given. Certainly I am conscious that I work very closely with the Minister for Sustainable Economic Development in supporting the rural economy. That is one funding stream. There may be others, but I cannot think where subsidies to rural households come from my budget. The only other one, of course, which is quite a clear one that is sort of under my control, which is the Climate Emergency Fund, which allows money to be granted for the installation of electric heating, flow boilers and that type of thing.

2.5.8 Deputy M. Tadier of St. Brelade:

The Minister stood up a moment ago and read out a list of what he thinks all the negative consequences might be - let us call it what it is - of these cuts that he is putting forward in this year's Budget. Could the Minister explain why he agreed to accept these cuts, because I think we agree they are not efficiency savings, it does not make the department more efficient? If he is fully aware both of the potential negative consequences, but also of the strength of public feeling that this has stirred up in the dozens of emails that all Members have been receiving about these cuts to the Environment budget.

Deputy S.G. Luce:

The Deputy uses the word "cuts" on a frequent ... used it a number of times during that question. While you might look upon them as cuts, and I am sure they will be reported in the media as cuts, I do not see it quite in that way. It is efficiency, if you like. We have decided we are going to run the department with less employees. We very much hope we are going to be able to achieve very much the same sort of output with less income. That is a challenge, and we can argue all day whether it is efficiencies, whether it is cuts, what you like. But we have resources, we have income and we are going to use that to the best way we can. I cannot remember the final part of the Deputy's questions.

2.5.9 Deputy M. Tadier:

In general elections, especially in Senatorial elections, there has historically usually been one senior member of Government who has been thrown under the bus by Ministerial colleagues. Often that is a Minister for the Environment or it has been a Minister for Transport, but I look across at the Constable of St John and think how he has got one of the safest seats in the Island. I ask the Minister: does he think in signing up to these so-called efficiency savings that perhaps he is being thrown under the bus by his Ministerial colleagues? Does he hope that actually Assembly Members will support the amendment brought forward by the Environment and Housing Scrutiny Panel to actually get the money back in the budget that maybe he should have fought harder to get in the first place?

Deputy S.G. Luce:

I do fight my corner where I can, but I am part of a team, and as I said earlier on, I accept that every part of Government is taking some efficiencies and less money. When it comes to being thrown under the bus, the Minister for Infrastructure has done a great job of buses in the last 2 years. There are a lot more of them and the chances of me finding myself stood in the road in front of one is far more likely than it was in previous Governments. This is a tricky one. It is a little bit like everybody wants to support organic growing but when it comes down to efficiencies and money, organic growing suffers when households have less disposable income because it is not the cheapest. Everybody supports the environment and I try my very best to promote it as much as we can. We all do because we live in a wonderful place where the environment is fantastic. But, when you sit down around the table where people are arguing for more money for healthcare, arguing for more money for maybe additional footpath work is a very, very difficult argument to make. I cannot look people in the eye and say: "I am going to prioritise certain parts of the Environment Department over something that the Minister for Health and Social Services might be promoting, which is for the benefit of everybody on the Island. It is a really, really difficult one to call. I wish I had more funds.

I fight as hard as I can for my funds. Having said that, I am part of a Government which is trying to deliver better things for everybody on the Island and I have to accept my responsibility as part of that team.

2.5.10 Deputy H.L. Jeune:

I thank the Minister for his answers but did the Minister assess whether these reductions would jeopardise Jersey's obligations under U.K.-E.U. (European Union)-related regulations, especially amid looming Brexit reset-related legislative alignment requiring work from the Environment Department, and this would ultimately affect Jersey's economy?

Deputy S.G. Luce:

I am absolutely aware of the challenges for the Island that are posed by the E.U.-U.K. reset. The work on sanitary and phytosanitary falls pretty much directly under my department's control. I do not think that work is going to be affected in this coming year, there is absolutely no doubt in my mind, and I have told the Council of Ministers of this on a number of occasions, there will be a considerable amount of law drafting and law officer work input that will be required to bring our Jersey legislation up to speed with the E.U. in order for us to comply with S.P.S. (sanitary and phytosanitary) requirements of the E.U. reset. We are all aware of that. It is a challenge we will have to face, and we will have to work out how we do that when the size of that challenge is known in more detail.

2.6 Deputy M. Tadier of St. Brelade of the Minister for Sustainable Economic Development regarding the total amount spent by Jersey Heritage on the promotion of Jèrriais per year (OQ.270/2025):

Will the Minister advise the total amount spent by Jersey Heritage on the promotion of Jèrriais per year, and detail how many staff are involved directly in this provision?

Deputy K.F. Morel of St. John, St. Lawrence and Trinity (The Minister for Sustainable Economic Development):

The total forecast spend for 2025 is £153,812. This cost contributes to the cost of 2 permanent staff, both of which are less than full-time, plus 80 per cent of the salary for a Jèrriais teacher of adults.

2.6.1 Deputy M. Tadier:

I thank the Minister for that answer, which is remarkably useful. Could he advise about the relationship between the 2 permanent staff and the staff member who is employed at 80 per cent, clarify whether they are all employed on-Island, and what the overlap is, he thinks, between the Jèrriais teaching service, which is not in his department, and the Jèrriais work that is performed by these staff?

Deputy K.F. Morel:

There is a lot in there, so I doubt I will be able to cover all of it because I will not have all the information to hand. But the 2 full-time staff who I have referenced, do not teach. One focuses on the corpus in the language of the Jèrriais strategy, and does, alongside the corpus work, translations, and dictionary grammar, and linguistic research, and so on. The other post is focused primarily around use, and both of them cover the element of language which we refer to as status, and the status of the language. Language acquisition, in the main, is left to the Jèrriais teachers, for the Jèrriais Teaching Service. However, one adult teacher does work via Jersey Heritage, but is classed as a consultant, which means that £12,250 of their salary is paid by C.Y.P.E.S. (Children, Young People, Education and Skills Department), but because of consultancy rulings at the department, not all of it.

2.6.2 Deputy J. Renouf:

I think this is picking up slightly on one of Deputy Tadier's points, could the Minister explain the co-ordination that may or may not occur between the staff employed by Jersey Heritage and the staff who have recently been assigned to the function of Arts, Culture and Heritage in the Education Department as a teaching Jèrriais function, which now falls under the A.C.H. (arts, culture and heritage) definition? Could you explain if there is any actual co-ordination between those 2 functions?

Deputy K.F. Morel:

That is a very operational question and as these operations actually occur outside of my department and they occur in the Children, Young Persons, Education and Skills Department, it is difficult for me to comment. What I would say is that we are working with the Education Department to look at the potential for more clearly ring-fencing, not in financial terms but in operational terms, the teaching of Jèrriais as being part of the Education Department's work and the work outside of that around the strategy, around the corpus, perhaps moving more formally into the Economy Department where we can focus on developing the strategy.

2.6.3 Deputy J. Renouf:

I think the relevance of this question is because potentially of a Budget amendment that is coming up where we will be discussing about the definition of arts, culture, and heritage. The reason why it would be interesting to know if there is co-ordination between the 2 is because the Government has assigned the teaching of Jèrriais in the Education Department as part of the arts, culture, and heritage budget. But I think if I understood the Minister's answer correctly, there is not actually much oversight from him in that. Can he confirm if that is the case and say whether he thinks that is a desirable state of affair?

Deputy K.F. Morel:

There is, from an operational perspective, not enormous amounts of oversight for me because it is work taking part in another department. The Jèrriais budget has always remained in the Education Department. However, myself, as Minister for Sustainable Economic Development, I have championed Jèrriais clearly over the last 3½ years. I was delighted to promote the Jèrriais strategy, 2022-2025, and to encourage its work, and effectively to sign off on that strategy. Again, this brings that split between the departments down to the strategic work about the status of the language and the understanding of the language, research into the language, perhaps would be a better fit in the department for which I administer, whereas the pure teaching side of it, resting in the education. Because the teachers do engage in the curriculum and they will teach geography in Jèrriais for instance in particular classes and things like this. There potentially can be seen that there is a need for them to be linked directly to the Education Department.

2.6.4 Deputy M. Tadier:

I did ask it in my other question but I appreciate there were multiple questions. Could the Minister confirm whether the language acquisition part-time member of staff at Jersey Heritage who is classified as a consultant lives on the Island?

Deputy K.F. Morel:

No, it is my understanding that the teacher that Deputy Tadier is referring to does not live on the Island and teaches online. I myself have actually engaged in lessons from this teacher and can testify to just how good this teacher is, and their understanding of Jèrriais and Norman languages is extensive.

[10:30]

I think it is right that in this day and age that when someone with such expertise leaves the Island for their own reasons that we are able to still tap into that expertise because there are not many people

with the experience in Jërriais that this teacher has. To say we are not using them because they live off-Island would, in my view, be inappropriate.

2.7 Deputy J. Renouf of St. Brelade of the Minister for Social Security regarding the impact of cuts to the States Grant in relation to the Social Security Fund (OQ.267/2025):

In relation to her correspondence with the actuary regarding the impact of cuts to the States grant in relation to the Social Security Fund, will the Minister explain why she did not take up the actuary's offer to update the best estimate assumptions from 2021, so as to properly inform the debate on the proposed Budget?

Deputy L.V. Feltham (The Minister for Social Security):

Just to clarify that the Deputy is referring to the actuary's offer to provide best estimate assumptions for investment returns; can I just clarify that from the Deputy? It is not clear from the question.

Deputy J. Renouf:

Yes, it was the assumptions around investment returns to the fund.

Deputy L.V. Feltham:

I am, of course, interested in the actuary's view on their best estimate assumptions for the investment returns for the fund into the future, and I have asked officers to ensure that that is in the scope for the additional piece of work that they will be doing at the beginning of next year.

2.7.1 Deputy J. Renouf:

I am not sure that has answered the question. I asked why she has not done it.

Deputy L.V. Feltham:

I have made the request to go back to the initial question in order to inform the debate on the proposed change. It is important that we do not change too many assumptions. That is why we looked at previous assumptions, so that we could see the impact of the change that we are intending to make. It will be important for future decisions to have a look, and I agree that it will be useful to get the actuary's advice on best estimate assumptions for investment returns. But for this Budget, what is important is we see the difference that the action that we are taking will make.

2.7.2 Deputy Sir P.M. Bailhache of St. Clement:

May I put the question in a slightly different way? Does the Minister not accept that it would have been helpful to Members of the Assembly to know the actuary's views on the investment income assumption before the debate on the Budget?

Deputy L.V. Feltham:

The States Members have forecasts against 3 possible investment returns. Those are sensible forecasts and I do not think requesting additional work from the actuaries at this point in time would have been good value for money.

2.7.3 Deputy Sir P.M. Bailhache:

Well, I am not sure the Minister has answered my question. Would it not be helpful to Members of the Assembly to have that information before the debate?

Deputy L.V. Feltham:

We are dealing with forecasts here. We have a range of possible investment forecasts that have been given to States Members so that they can see possible outcomes for the fund. The fund has performed well in recent years and over the longer term, and those forecasts are based on previous forecasts as well. It was important that we keep those things constant.

2.7.4 Deputy A.F. Curtis:

The Minister has said this is information she will seek in future, but will she explain why she did not immediately take up an offer? So when an expert offers you the opportunity for advice, often a good thing to do is to take their hand and shake it and take the advice as soon as you can. Why did she not respond quickly to the actuaries and say: “We would like this further information you are offering to perform”?

Deputy L.V. Feltham:

I have confidence in the advice that we have received from our investment advisers and from Treasury. The information that the Deputies are referring to is useful information for longer-term decisions, when we are seeking to make longer-term changes, less useful for this short-term measure that we are proposing in this Budget.

2.7.5 Deputy A.F. Curtis:

Will the Minister confirm that her assessment of changing the grant to the tune of tens of millions of pounds every year for 4 years is a minor short-term adjustment, notwithstanding the scale of the fund?

Deputy L.V. Feltham:

It is not a minor adjustment. It is an adjustment that is very important to this Island to ensure that we can put money into healthcare and into the things that we need to now. When we look at the longer-term changes that may or may not be made into the Social Security Fund I will ensure, as I have promised this Assembly, that we have all of the information from the actuaries and I will ensure that this information is included in that scope. I have already being requested that that be done.

2.7.6 Deputy J. Renouf:

Yes, these are some very unsatisfactory answers. The Minister says she will seek this advice in the future. She says that it will be useful for longer-term decisions. But the context for this is this letter was produced as a rabbit from the hat in a Scrutiny hearing when the Minister was under pressure to explain how she could justify taking money from the Social Security grant. Here was a letter that said that the money could be afforded. When that letter was examined it showed that the actuaries had said: “Well, you have given us some assumptions, we will offer to judge whether those assumptions are good enough.” The Minister has been under pressure now for 2 months to take the actuaries up on that advice and has declined to do so. Why is the Minister not relentless in her determination to find out whether the Social Security Fund could do without the grant, rather than ducking and weaving to avoid getting advice that might clarify the matter?

Deputy L.V. Feltham:

I have sought advice from our investment advisers and our advisers in Treasury. I have requested that the information that is included within the question is within the scope of the work that will be undertaken early next year.

The Bailiff:

We now move on to questions without notice. The first period of questions is for the Minister for the Environment and the first question is from Deputy Jeune.

3. Questions to Ministers without notice - The Minister for the Environment

3.1 Deputy H.L. Jeune of St. John, St. Lawrence and Trinity:

Could the Minister update the Assembly on the work undertaken today by the Tree Advisory Board and confirm the timeline they have been given to develop proposals for improved tree protection as referred to in his response to my question during the July oral questions without notice.

Deputy S.G. Luce of Grouville and St. Martin (The Minister for the Environment):

The Deputy's question is a good one at this particular time because only last week I was given the final list, I think, of members who are going to be part of that board terms of reference and how they are going to set about their work. I believe the first meeting will be called very early in the new year, and following that I would very much hope that we will start to make some significant progress on trees in general. That is tree planting, planting the right trees in the right place, but also very importantly work on the protection of trees, which is still a subject which I want to tackle.

3.1.1 Deputy H.L. Jeune:

Could the Minister confirm whether the planned work in this area to enhance and protect Jersey's tree stock will be affected by the proposed budget cuts or efficiencies and, if so, in what ways?

Deputy S.G. Luce:

At the moment, I cannot think that that work would be affected by budget cuts. Many of the people on that advisory board are non-Government, working across the Island in the countryside from the National Trust, the Pharmacy Union, to the Royal Jersey Agriculture and Horticulture Association, people of that kind will be represented on this board. We do have monies allocated. A lot of the initial work has been done. It is now a question of getting on and having the meetings and reaching some interesting and important conclusions as to how we move forward, but I do not at the moment see the work being compromised by budget cuts.

3.2 Deputy S.M. Ahier of St. Helier North:

Is the Minister intending to make any changes to the current system whereby planning applications that are refused by the Planning Committee are reviewed by an external planning inspector prior to the Minister himself being the final arbiter? I ask in particular regard to the recent overturns of the Planning Committee decisions on St. Joseph's Care Home and the conversion at Seymour House.

Deputy S.G. Luce:

The Deputy asked the question of whether I am making any proposals to change the process that he outlined there. I can say to the Deputy, no, that I do not think that is necessary. What happened in the particular case that he cited, as he will know, is that the application went in, there was a recommendation from officers to refuse. It went to the Planning Committee and I believe the Planning Committee voted 4 to 2 to overturn that officer decision to refuse the application. Sorry, I have got myself confused here. Then it went to appeal and the independent planning inspector from the U.K. came over and wrote me a lengthy consultation paper with a recommendation at the end; that was a recommendation which I was minded to agree with. Much of the discussion on this particular application was around the definition of overdevelopment and I was in the position to agree with the independent inspector that the proposals did not amount to overdevelopment to the point where the application needed to be refused.

3.3 Deputy J. Renouf of St. Brelade:

Will the Minister set out the schedule for implementing the marine protected areas? Both the areas that the States voted to protect and the areas that were designated for further research.

Deputy S.G. Luce:

It is my intention in the very near future to meet with officers. I had hoped to have done it by now but we have still got some final work to do before I make those decisions. As the Deputy will know, a certain area was proposed to the Assembly. When it came to the Assembly, I went away and asked for further research to be done in other areas. That research has been done. I have had further discussions with both sides of the argument as to how we move forward from there. We have identified some areas which were originally protected, which we wonder whether they might be

protected in the future, because there is nothing really worthwhile to protect. Finally, I have only last week been told that the economic assessment which we have done, so we could have a good view of how these changes will affect those that rely on these areas for their income from dredging and trawling, that was important work, that work has only just been revalidated and verified by the Scottish Government. We thought it was important to get it looked at from outside of the Island to make sure we got our numbers right. I am assured now that we have got our numbers right so in the very near future I will sit down with officers to make some final determinations and try to find a way through the marine protected areas final designations which is - as I am sure the Deputy will know only too well - a real challenge.

3.3.1 Deputy J. Renouf:

I wonder if I could push the Minister a little bit. Is the Minister considering delaying the implementation of any of the marine protected areas and does he appreciate the risk that the longer areas are not protected, the greater the risk that those areas will be fished out aggressively before they get protection, therefore rendering the whole purpose of protections irrelevant?

Deputy S.G. Luce:

The Deputy makes some very good and valid points. Fishing out areas is something that I do not want to happen on my watch. I have been very clear about that. I am conscious that we have probably exported twice the number of scallops in 2025 than we have done in any other previous year. I am very conscious that we must not overfish the stock. We are doing work with Bangor University in the very near future so that sometime during next year we will know what the sustainable catch limits are for this stock of scallops. It is really important that we use management, however that is, measures to make sure that we have a properly sustainable scallop fishery for the future and for fishermen to make a living from. Having said that, I am sure the Deputy will appreciate there are a number of issues that I need to consider and, as I said, the economic effect of these changes and closures is one. It is not just the Jersey fleet, there are a large number of French vessels which are also affected by these changes. The Minister will know only too well that there is pressure from France, Normandy, Brittany specifically, about these closures. But I will come to a conclusion and I will make a decision. It may well be that I will have to look at all angles but at the moment I am not going to commit to anything until I have seen all the data and evidence in front of me.

[10:45]

Deputy J. Renouf:

Sir, as a point of order, can I just raise the question I asked was whether the Minister was considering delaying. Is he considering delaying?

The Bailiff:

Yes, it was part of the question, did you respond to that?

Deputy S.G. Luce:

I thought I sort of answered that. My answer will be that while I am not considering delaying at the moment, it may be something which I may have to consider, but it will be part of a large number of really important considerations that I will have to make before I come up with a final answer in the very near future.

3.4 Connétable K.C. Lewis of St. Saviour.

The President of the United States has just published the United States *National Security Strategy*. Page 14, it says: "We reject the disastrous climate change and net zero ideologies that have so greatly harmed Europe, threatened United States, and subsidised our adversaries." With this and world events in mind, will the Minister be reviewing some of his net zero policies?

Deputy S.G. Luce:

Well, I do my best to keep up with what is happening around the globe and documents and publications which are important to my department, but I am not aware of the particular United States document that the Constable refers to. He does, however, raise a very interesting question, and there is no doubt that there is significant pressure on certain climate policies which are coming down the line, not just from the United States but from inside Europe, from inside the U.K. and closer to home in Jersey itself where we have people who challenge me regularly. But there is no doubt in my mind that human behaviour is affecting the way our climate behaves. You only have to look at sea temperatures if you want to find evidence of that and how the species, the fish, the crustaceans that exist in our territorial waters have changed dramatically over the last few years, to see that this is actually happening. I am not going to get into a detailed discussion whether the President of the United States is correct on one hand and I might be wrong on the other, or vice versa. There is no doubt in my mind that we are affecting the way our climate behaves and it would be responsible of us to take some action to do what we can to reverse that.

The Connétable of St. Saviour:

I thank the Minister for his reply. Precise and concise.

3.5 Deputy A.F. Curtis of St. Clement:

The Minister has lodged the Animal Welfare Law which, if approved, would enable wide order-making powers that could include the requirement to obtain a licence prior to owning livestock. If the law is adopted, does he intend to use those order-making powers to bring in the licensing of livestock and, if so, what consideration has been given to the impact on the rights and liberties of Islanders?

Deputy S.G. Luce:

I would have to consider exactly what the Deputy said very carefully. Everybody should be entitled to do a certain number of things, but I think we also need to be responsible, and when I hear the word “livestock” it does not immediately jump to mind that that would be meaning dogs or cats or animals of that nature. It may well be that in the future we need to make sure that people who are responsible for flocks of sheep or herds of cattle are sufficiently qualified. I am aware, for example, that if you want to work in the oyster and shellfish industry in France that you need to have certain qualifications to be able to do that, which is not a bad thing at all. But I would need to look more closely at the detail that the Deputy mentioned.

3.5.1 Deputy A.F. Curtis:

By livestock I do mean that of animals such as pigs, sheep, cows, but the management of livestock such as that is one of the human’s most ancient traits that we have performed, so does he not consider that actually perhaps licensing of this element of human life may be a step too far?

Deputy S.G. Luce:

The law that I will come to the Assembly with after the new year is about animal welfare and it does what it says on the tin. This is about the welfare of animals, and I think it is incumbent upon us to make sure that if people are looking after numbers of animals, whether that is pigs or sheep or goats, cattle, that they are doing it properly. I am conscious that we have very, very many good-minded people who want to look after their animals properly, but very occasionally we may come across one who does not look after them quite so well. I think it is important that we have some rules in place to make sure that animals are properly looked after.

3.6 Deputy J. Renouf:

Will the Minister agree that despite the words of the President of the United States, many of the actions being taken to decarbonise Jersey, including decarbonising home heating and transport, are effectively in the category of no regrets and will improve air quality, increase health and increase the quality of our housing stock and that, therefore, the Carbon Neutral Roadmap remains as relevant as ever?

Deputy S.G. Luce.

Absolutely.

The Bailiff:

Supplementary?

Deputy J. Renouf:

No, I will leave it.

3.7 Deputy A.F. Curtis:

The Minister has just published changes to the revised space standards, which, while increasing the minimum of a one-bed, one-person unit to 43 square metres, it reduces the bedroom size for those from 11.5 to 8 square metres. He notes that as the key change in his report. Will the Minister advise what work he did to understand the implications of long-term living in an 8 square metre bedroom as the principal bedroom of a house?

The Bailiff:

You have 30 seconds, Minister.

Deputy S.G. Luce:

The Deputy will know only too well that this is guidance. It is a minimum size. It is not statutory. Every bedroom will not have to be built to the size that he spoke of. But what I will say in a very short period of time is, I visited a large number of flats, one bed, one person, one bed, 2-person flats from the old regime, from the new regime, and I was aware, we have very recently increased the size of one person, one-bed flats by 23 per cent. The only reason for offering a reduction in the bedroom size would be to increase space in the rest of the flat because we are conscious very much of working from home and things like that. But the main reason that I did not go down the road of Deputy Coles's proposition was that I thought that it is really important that people still have the choice to be able to buy a one-bed, one-person flat or a one-bed, 2-person flat.

The Bailiff:

That brings your time to an end, Minister. Thank you Minister. The next period of questions is for the Minister for External Relations.

4. Questions to Ministers without notice - The Minister for External Relations

4.1 Deputy S.M. Ahier of St. Helier North:

With the U.K. attempting to broker a deal with the E.U. to release as much as €100 billion of frozen assets for Ukraine's war effort, has the Minister changed his stance on this matter or is he maintaining the position of Belgium?

Deputy I.J. Gorst of St. Mary, St. Ouen and St. Peter (The Minister for External Relations):

I would never knowingly maintain the position of Belgium. We must be careful not to confuse States assets with private individuals' assets, and the assets that have frozen in Jersey under the relevant legislation are private assets, not States assets. There is, of course, an ongoing international conversation about rebuilding of Ukraine and whether some of not only the state-held or frozen assets

but the privately-held assets might be used in that regard. My view is that we would follow the international approach.

4.1.1 Deputy S.M. Ahier:

On that matter, has the Minister been approached by the U.K. Government in regard to this matter?

Deputy I.J. Gorst:

Not approached, it is rather often the other way around. I raise it in meetings with Ministers, because it is important that we will be aligned with the U.K. and the international approach.

4.2 Deputy A.F. Curtis of St. Clement:

The Chief Minister has recently lodged an amendment to the Draft Register of Names and Addresses, (Jersey) Law, which seeks to resolve issues with the implementation of data sharing with credit reference agencies. Will the Minister for External Relations advise what impact this will have on his officers' timeline for working with such agencies to see the clear flow of data?

Deputy I.J. Gorst:

The Deputy is right, it is the next step in what seems to be a far too tortuous process to get the information exchanged. That decision is a decision the Assembly will take. I do not think that it is slated for debate until the new year. That will then require technical adjustments to the government system that may not be as straightforward or as timely as we in my department might like because of the work programme of ... there is a special name for it but I keep forgetting it, let us just call them the techie people within government who have a work programme. We make the case that this is really important because there are many Islanders that feel passionate about not being able to access international provided credit cards, and this is the only way that is going to help with that.

4.2.1 Deputy A.F. Curtis:

Is the Minister for External Relations comfortable that this is the last legislative change that should be needed before any good integration work with the C.R.A.s (credit reference agencies) will be possible, and that actually it is technical limitations on our side that may be the final blocker to the smooth flow of data?

Deputy I.J. Gorst:

Once this legislation is approved by the Assembly, that is my understanding. However, I am rather conscious that I think we felt we might have been in this position previously. The credit reference agencies then raised an issue that they were able to deal with information in a way which was outwith the scope of the legislation that we had approved. That is why we need this amendment that the Chief Minister is bringing forward.

4.3 Deputy J. Renouf of St. Brelade:

In last year's Budget and speaking to the Pillar Two Scrutiny Panel, the Minister was adamant that some of core Pillar Two receipts should be used to start replenishing the Stabilisation Fund. What is his view about the advisability of using these funds for everyday spending now and into the future?

Deputy I. J. Gorst:

The Deputy knows that in a coalition Government one cannot always get what one would like. The compromise that has been reached in the use of Pillar Two has meant that we are able to fund the programmes that Islanders want when it comes to improving health, comes to trying to get ahead of the curve on prevention methodologies and it comes to digitising the health service. I think that that is a fair compromise. It is not a compromise which is sustainable into the medium term, because the Stabilisation Fund does need to be replenished - the F.P.P. are absolutely clear about that - but I think for this year, which is what this Budget actually is, it is a fair compromise.

4.3.1 Deputy J. Renouf:

The Minister concedes that this action is not sustainable into the long term, would he therefore agree that this is representative of the Government scraping the bottom of the barrel in terms of trying to find funding to pay for everyday expenditure?

Deputy I.J. Gorst:

I certainly would not use that description. We have got to be careful that we do not try and characterise some of the changes that the Minister for Health and Social Services and his team are trying to deliver. Of course, he has an ongoing pressure of health spend but, at the same time, he is seeking to develop new early intervention methodologies and new digital interactions with Islanders. It is not just perhaps, as has been characterised, as scraping the barrel to keep existing funding, it is trying to do the things which every Government has wanted to do for many years. We can argue about whether the funding methodologies for those are correct or not, and we will do that in the Budget. We should not take our mind off the fact that these will be new services improving healthcare to Islanders. My point about not sustainable is that it is not sustainable for us to have no money in the Stabilisation Fund. That has to be funded into the future.

4.4 Deputy K.L. Moore of St. Mary, St. Ouen and St. Peter:

Can the Minister update the Assembly regarding the position of our aqua and agriculture exports following Brexit?

Deputy I.J. Gorst:

Well, you know me, I am quite happy to answer any questions thrown at me. I am not sure whether it really does fall in my departmental remit. I think it falls within the remit of the Minister for Sustainable Economic Development, but if she is asking me to put my two penneth in, I would describe it as extremely challenging. The Minister for Sustainable Economic Development has done a lot of work on this. The Minister for the Environment has done a lot of work on this. I continue to do so.

[11:00]

The only longer or medium-term solution is through the reset with the European Union and the delivery of S.P.S. agreement, which is a veterinary agreement, which will, to a very large extent, remove that bureaucracy. We continue to have conversations with our French counterparts about a more immediate short-term solution but that has taken over 7 years and we have still got no change there. My concern is that for some fishers and some elements of this industry even the delivery of an S.P.S. agreement will be too late. I know that this is the thing that keeps the Minister for Sustainable Economic Development awake at night, if anything does, because it is incomprehensible to me that as an Island community we do not have a fishing industry. It is very challenging.

4.4.1 Deputy K.L. Moore:

I thank the Minister for taking the time to answer that question and giving his views. In terms of policy future, what is the Minister's aspirations for the E.U. customs law? What will he be asking of his counterparts in the U.K. with regard to that area?

Deputy I.J. Gorst:

In regard to the veterinary agreement, the U.K. have taken on board all of our asks, which is to be clearly included in the S.P.S. agreement. That will of course mean that the Minister for the Environment has to be able to deal with what is referred to as dynamic alignment when it comes to border controls for these products. Deputy Jeune earlier asked him whether his department was suitably funded to deal with dynamic alignment. I think in the conversations that we in External Relations have had with them is that they are not funded at this point and they will, over the period

of time, need to ensure that they have got the resource in place. That is important because we cannot show that we are a soft option and we are not dynamically aligned. We have given that undertaking to our U.K. and European partners that we will be and that we will appropriately resource it.

4.5 Deputy J. Renouf:

Following on from that, perhaps on the subject of the E.U.-U.K. reset negotiations, what are the pressure points for Jersey in these negotiations? Where are we under pressure to agree to things that we might not want to agree?

Deputy I.J. Gorst:

In these negotiations, I cannot think that there is anywhere that we are under pressure to agree to things we might not want to agree. I suppose, as ever, the public point would be, do you really want to be dynamically aligned with E.U. legislation? But those of us who have been involved in these processes for a number of years know that if you want to ease bureaucracy at the border and have an agreement then you have to concede to compliance with the legislation of the country into which you are then going to export the product. It is not that we worry about that, it is that we go into it with our eyes open because we believe the benefit far outweighs the difficulty in that regard. When it comes to youth mobility, I think it is fair to say that the Jersey Government position is more robust and more fulsome than perhaps the position of the United Kingdom. We are much more aligned with the position of our European counterparts. The question for us that will need to be answered in due course is if one gets to the point of agreeing numbers, where would Jersey's numbers fit in that and how would there be reciprocal arrangements for Islanders?

4.5.1 Deputy J. Renouf:

I am just wondering about fishing and whether we might be under pressure to compromise on marine protection in order to gain access to European markets.

Deputy I.J. Gorst:

That is a good question, and it is one that I have obviously considered with my French, British and European counterparts. The international agreement that those parties have signed up to shows that the territorial waters of the signatories should be protected, up to 30 per cent of them, by 2030. It is fair to say that in Jersey, this Assembly has made its will known and given a mandate to the Minister for the Environment. It is a parliamentary process, so that direction of travel can only be changed, as I understand it, through another parliamentary process. Members, I know, feel passionately about marine protection, but our French neighbours, our Brussels counterparts, know that this has to happen by 2030. They see the progress that the Minister has made. He has just had his economic impact assessment. I have not yet seen that. I do not know if the Minister for Sustainable Economic Development has seen it, but these are all important matters that we must continue to consider and communicate with our counterparties in the best interests, ultimately, of fishing communities with whom we share our waters.

4.6 Deputy H.L. Jeune:

The Minister for the Environment has confirmed in a letter to the Scrutiny Panel that there are at least 10 multilateral environmental agreements that, due to the cuts proposed in the 2026 Budget, reporting and being able to adhere to those agreements will be weakened. Many of those agreements will have an impact on trade agreements and the E.U.-U.K. trade agreement, the T.P.A. (Tri-Partite Agreement) and the resets as well. What work has the Minister been doing with his counterparts and with the Minister for the Environment to ensure that these multilateral environment agreements will be able to be met by Jersey?

Deputy I.J. Gorst:

As a general rule, I do not read letters that are written to other people, so the Deputy is asking me about the contents of the letter, which I am not sure that I am aware of. If there are concerns, we will work with the Environment Department to ensure that our obligations are complied with.

4.6.1 Deputy H.L. Jeune:

That question was related to trade negotiations and trade agreements. The Minister was talking about S.P.S. agreements, but all these multilateral environment agreements also relate to plant and animal health. The Minister has made it clear that the work needs to be funded, but it currently is not. Could the Minister explain how this work could be funded in the future if currently the department cannot put a growth ...

The Bailiff:

I am afraid, Deputy, we have run out of time for that. So you do not get to answer that question.

Deputy I.J. Gorst:

Sir, could I just make one point there because I think the Deputy confused 2 issues and it is important for the record that the funding that I said was not yet in place was for ensuring dynamic alignment. That is different from the treaty obligation work that she was just going to ask me about that thankfully I no longer need to answer.

The Bailiff:

Yes, thank you, Minister. We now move to questions for the Chief Minister and the first question is from Deputy Renouf.

5. Questions to Ministers without notice - The Chief Minister

5.1 Deputy J. Renouf of St. Brelade:

It is over a month since the F.P.P. produced its report on the Budget. On 11th November, I asked the Chief Minister which of their 5 recommendations he intended to accept. He said: "I will do so with the greatest of pleasure when we have considered all of them very carefully." The Budget debate is upon us, which of the 5 recommendations does he accept?

Deputy L.J. Farnham of St. Mary, St. Ouen and St. Peter (The Chief Minister):

I refer to my previous answer. We made no reference to come back with those recommendations for this Budget. We studied those recommendations, we listened very carefully to the advice of the Fiscal Policy Panel and, as the Deputy will know and as other Members will know, we are doing a series of workshops with Members and Ministers to plan the financial strategy for the future. We will be considering all of the recommendations during this process and we will be asking the F.P.P. to provide us with more timely advice as we put the plans together.

5.1.1 Deputy J. Renouf:

The F.P.P. report was the report on the Budget. Is the Chief Minister really saying that after a month of consideration, he still has no view on the 5 recommendations; very simple, it was on one page of that document. They were very simple recommendations, they were things like the raid on the Social Security grant not being prudent. Can he explain why he has not a single word to say about the advisability of any of those recommendations before we begin this Budget debate?

Deputy L.J. Farnham:

Again, I stand repeating myself in this Assembly, the F.P.P. advice made its position clear on a number of issues, but it also provided support for a number of actions we were taking in relation to savings. We are finding itself in a challenging position here today in question time as the Deputy is one minute chastising the Minister for making cuts and then chastising the Government for not making more savings. That is what we are trying to do. We are trying to find the right balance. The

F.P.P. advice; we listen to the advice, okay. We understand their advice in relation to growing expenditure and what we have to do in the future, but I am not going to be pressured into making knee-jerk reactions to a piece of work that calls for a long-term approach to resolving the financial challenges we had. I reiterate that we value the F.P.P. advice, we follow it wherever possible, and that is what we will continue to do. On this Budget, we are taking a slightly different course because of the circumstances we find ourselves in.

5.2 Deputy L.K.F. Stephenson of St. Mary, St. Ouen and St. Peter:

Will the Chief Minister explain how his pilot project fund works and give some examples of projects he signed off on during his tenure to date?

Deputy L.J. Farnham:

The pilot fund is a fund that is used at the discretion of the Chief Ministerial team. I have in the recent past published in a Written Answer, I believe, all of the schemes that have been supported by the pilot fund. When this Government took over, we decided that the scheme would be used to support charitable and community work, and that is where we have directed the money. I do not have the list in front of me, but 2 examples will include supporting the Salvation Army in their scheme at their headquarters in Minden Place, and support for the homeless through the Sanctuary Trust. Two examples.

5.2.1 Deputy L.K.F. Stephenson:

In comments to Amendment 8 of the Budget, as the Chief Minister has just pointed to, it says that the pilot project fund has been used to maintain the important services of charities, usually to pay for unforeseen events and for short-term alleviation of cash flow problems. Without wishing to downplay any of the very good work done by these charities, would the Chief Minister explain how this fits under the banner of pilot projects? Is it time that that fund is rebranded perhaps for something else? Is there a more effective way that charities could be helped in the future? Because there may be some who would describe this pot of money as something of a slush fund that could be used in any way, and I am not sure how that helps with transparency and accountability.

Deputy L.J. Farnham:

It might have been used as a bit of a slush fund in the past, that is why we have tied this to supporting charitable work. Charities and community organisations receive well-structured funding through the work of the Minister for Social Security and receive ... I am not sure of the amount, I am looking to her for support, it is in excess of £20 million a year of taxpayers' funding goes to support charities. The aim of the pilot fund is to ... and you are right, I agree, we inherited as a pilot fund, it has always been referred to as that. Maybe it is time to rebrand it, if you like. Charities tend to come to us when they run into sudden unforeseen circumstances that mean they require additional money and allocating that fund to help charities, not other types of projects, I think has been helpful in providing that additional support that charities need in these challenging economic times. That is why at the heart of the comment we would like to leave some fund in place for unforeseen circumstances. But at least for the first half of next year it is Government's intention to keep all of that funding for use in charity and community organisations.

5.3 Deputy A.F. Curtis of St. Clement:

In October, I asked the Chief Minister whether he had been briefed on the Permit and Roadworks Licensing Scheme due to take place in January 2026. He said he was due to get a briefing, and to my question if he would thoroughly consider whether the current scheme is overreaching or overly bureaucratic, he said he would. Can he update me on the briefing and any thoughts he has had as to whether the scheme is the right one for Jersey?

[11:15]

Deputy L.J. Farnham:

I have to say I have not received a full briefing to date. We have just been too busy with other things. I will speak to the Minister for Infrastructure. I am wondering if it is on the agenda for C.O.M. (Council of Ministers) meeting. I cannot remember. We have had several updates for that, but I have not received the briefing yet, I do apologise.

5.3.1 Deputy A.F. Curtis:

The website for roadworks courses and qualifications card still says from January 2026 you will need a roadworks qualification card to perform any roadworks activity in Jersey. Given the short timeframe to this, will the Chief Minister consider that a deferment will be needed so that the decision is not a done deal, full debate can be had and that those who do operate on roads have certainty as to whether their staff need training before January 2026?

Deputy L.J. Farnham:

As I understand it, this is not a great departure from what should be happening now. In the conversations I have had with the Minister for Infrastructure about this, it is simply because of the increase in unnotified road works that have been taking place. So the idea of the scheme is to tighten things up to prevent that work, because when works are done - they might not be roadworks, they might be construction works - they impact upon a road or a public footpath. When the department is not notified that causes a lot of knock-on effects. Right now the department has a large programme of improvements, not least to improve the infrastructure so we can get on with building more family homes around the Island. When there are unnotified works, that is causing additional problems.

Deputy A.F. Curtis:

Sir, my question was whether he would consider a deferment and I do not think he answered that in the supplementary.

Deputy L.J. Farnham:

Well, it is not up to me to consider a deferment. I do not think a deferment is necessary from the information I have. That is a matter for the Minister for Infrastructure and we can talk about that or perhaps he can respond to the Deputy separately.

5.4 Deputy I. Gardiner of St. Helier North:

Would the Chief Minister state whether Ministers and Assistant Ministers are bound by collective responsibilities when voting on the Budget amendments, as per C.O.M.'s comments.

Deputy L.J. Farnham:

As the Deputy knows, we do not have collective responsibility of the Assembly. This has been withdrawn from Ministerial codes but we do have, in our Council of Ministers - and when I say Council of Ministers I refer to Ministers and Assistant Ministers - a pragmatic approach to dealing with this, and I will explain it again. We have a governed approach, that is when we agree and we support it as a Government. We have an agreement to differ, and that is when on the odd occasion Ministers cannot agree with a course of action largely due to a manifesto promise, then we allow that, they make their case and they agree to differ so there are no surprises. Thirdly, in some instances - and there are one or 2 amendments I think in the Budget - where a free vote will apply. That is the way we approach things. So far - but the week is young - it has worked very well.

5.4.1 Deputy I. Gardiner:

Now I am a bit more confused. I would like the Chief Minister to state clearly: does the Minister and Assistant Ministers have free votes, yes or no? Or it was agreed where they have free votes?

Deputy L.J. Farnham:

I think I have just answered that question.

5.5 Deputy H.L. Jeune:

Does the Chief Minister consider that Jersey's current corporate liability laws are sufficient to hold companies to account for serious economic and environmental crimes or corporate negligence resulting in death, serious harm or potential serious harm?

Deputy L.J. Farnham:

My in-depth knowledge of the laws is not great enough to give a detailed response to that, but I do know there are areas following recent events where they need to be reviewed, and that is what we are going to be doing.

The Bailiff:

Deputy Moore.

Deputy K.L. Moore of St. Mary, St. Ouen and St. Peter:

I will withdraw my question, Sir.

5.6 Deputy J. Renouf:

Can the Chief Minister explain why he thinks it is fiscally prudent to use a short-term raid on the Social Security grant fund long-term spending commitments like health without getting actuarial advice?

Deputy L.J. Farnham:

I refer the Deputy to the answers of the Minister for Social Security earlier. So we have, thankfully, a Social Security (Reserve) Fund, £2.5 billion. It was £2.1 billion in 2023; significant investment returns made since then. I will not repeat ... well, I will repeat. We have had an actuarial view. We had a full actuarial review published in 2023. Another one is being commissioned. We had a letter from the actuaries which the Deputy has seen. We have had expert advice from Treasury officials. We know that there are decades of future in the fund in relation to what we are proposing. The question is: could the fund in the current circumstances end between I think it is 2052 and 2066? That is the timescale we are looking at. Quite frankly, while I understand that there has to be a debate about this, the debate is not about raiding the fund and that kind of information is irresponsible because it is causing concern among senior citizens. We had to listen to people on the BBC today thinking they are not going to get a pension because of this kind of rhetoric. That is irresponsible. So let us get this back to the facts and let us deal with this in a sensible and mature manner. We know we have a big task ahead of us - this Assembly - to get our finances back into the position that we have enjoyed for many decades. The world has changed since then so we have greater challenges, but I reassure Members that this Government is doing everything it can to strike the right balance without decimating our services, especially in health and other essential front line services.

5.6.1 Deputy J. Renouf:

It is not me that is proposing taking quarter of a billion pounds which was supposed to be going into the Social Security grant out of the Social Security grant. I call that a raid. If the Chief Minister does not like the word, I am sorry. The F.P.P. said quite clearly it was not prudent to launch this raid without a full actuarial review. It was apparent to everyone outside Government from early in this year that Ministers were going to need to raid the Social Security grant on a much bigger scale than last year. Why did they not seek to find out how much the fund could afford to lose before launching their raid? Would that not have been fiscally prudent?

Deputy L.J. Farnham:

I wonder if I could just ask the Deputy where he saw in the F.P.P. report the use of the word “raid”, which he just ...

The Bailiff:

No, you have to answer his questions. You cannot ask ... **[Laughter]** You are answering questions.

Deputy L.J. Farnham:

Okay, Sir. Well, the F.P.P. did not use the word “raid” and the recommendation was I think they said it was not prudent to reduce the grant without an actuarial review, but we felt we had enough information. We had enough information from the actuaries and the expert Treasury officials, given the longevity, the proposed longevity, of the fund. Like I say, we value the F.P.P. advice but it is advice, and under the current circumstances we find ourselves in we have no doubt we are taking the right action here. We are not taking money out or away from the fund. We are proposing to put almost £200 million into it. There is a difference. This debate is about should we put £200 million in or should we put £450 million in. It is a debate worth having but let us get the terminology right.

APPOINTMENT OF MINISTERS, COMMITTEES AND PANELS

6. Nomination of Deputy B.B. de S.V.M. Porée of St. Helier South to the Economic and International Affairs Scrutiny Panel

The Bailiff:

That in effect brings the time for questions to the Chief Minister to an end. One matter in relation to appointment of committee members. Deputy Tadier, do you wish to make a nomination for the vacancy on the Economic and International Affairs Scrutiny Panel?

6.1 Deputy M. Tadier of St. Brelade (Chair, Economic and International Affairs Scrutiny Panel):

I do, thank you. I would like to nominate Deputy Porée for this position. I do apologise, I know this would have normally been taken earlier in the Order Paper so thank you for moving this to now.

The Bailiff:

Is the nomination seconded? **[Seconded]** Are there any other nominations? Accordingly, I declare Deputy Porée has been appointed as a member of that Scrutiny Panel. **[Approval]**

PUBLIC BUSINESS

7. Reduced lodging periods

The Bailiff:

Before we begin Public Business, the Assembly needs to decide whether to take 4 matters by reducing the minimum lodging period in respect of those matters. The first is the Proposed Budget (Government Plan), thirty-fifth amendment, lodged by Deputy Moore. Deputy, do you wish to make the proposition under Standing Order 26(7) that the lodging period be reduced to allow this matter to be debated at this sitting?

7.1 Deputy K.L. Moore of St. Mary. St. Ouen and St. Peter:

I do, and if I may briefly thank the Council of Ministers for agreeing in their comments on the amendment to debate this. I hope that the rest of the Members of the Assembly will also agree. I am sure they are looking forward to some robust debate on the topic and, as I outlined in the amendment report, it was inspired by a comment made by the Minister for Treasury and Resources at the last sitting, which is why it arrived so late. But I do believe it is a very important topic that should be addressed by the Assembly, and I hope that Members will support the raising of the lodging period.

The Bailiff:

Is the proposition seconded? **[Seconded]** Does anyone wish to speak on the proposition? In that case, those in favour of adopting the proposition kindly show? Those against? The proposition is adopted and the lodging period is reduced. The next is the twentieth amendment to the proposed Budget lodged by the Minister for Education and Lifelong Learning. Minister, do you wish to make the proposition under Standing Order 26(7) that the lodging period be reduced in relation to this matter?

7.2 Deputy R.J. Ward of St. Helier Central (The Minister for Education and Lifelong Learning):

Yes, Sir, and I am cognisant that we have a very long week ahead. It is simply because in discussions with the chair of the Scrutiny Panel we can make this amendment. It will be accepted by the Scrutiny Panel and it is a good outcome for us all.

The Bailiff:

Is the proposition seconded? **[Seconded]** Does anyone wish to speak about the proposition? Those in favour of adopting the proposition kindly show? Those against? The proposition is adopted and the lodging period reduced. Next is the Draft Taxation (International Tax Compliance) (Crypto-Asset Reporting Framework) Regulations, lodged by the Minister for External Relations. Minister, do you wish to make the proposition under Standing Order 26(7) that the lodging period be reduced for this matter to be debated at this sitting?

7.3 Deputy I.J. Gorst of St. Mary, St. Ouen and St. Peter (The Minister for External Relations):

If I may, and there is a second one as well. I apologise to Members that there was a technical error in processing the proposition and, therefore, it is just outside of the window. It will have been lodged for 6 weeks by the time we ... probably by the time we get to the debate on Wednesday, and so I beg Members' indulgence to take it at the end of this sitting.

The Bailiff:

Thank you, Minister. Is the proposition seconded? **[Seconded]** Does anyone wish to speak on this proposition? Those in favour of adopting the proposition kindly show? Thank you very much. The proposition is adopted and the lodging period is reduced. Next is the Draft Taxation (Implementation) (International Tax Compliance) (Common Reporting Standard) (Jersey) Amendment Regulations lodged by the same Minister. Minister, do you wish to make the same proposition?

7.4 Deputy I.J. Gorst (The Minister for External Relations):

If I may, and I refer Members to what I said in making the proposition for the earlier one.

The Bailiff:

Thank you, Minister. Is the proposition seconded? **[Seconded]** Those in favour of adopting the proposition kindly show?

Deputy M. Tadier of St. Brelade:

Can we have the appel, please?

The Bailiff:

The appel has been called for. Members are invited to return to their seats. I ask the Greffier to open the voting. I ask the Greffier to close the voting. The proposition has been adopted:

POUR: 43		CONTRE: 0		ABSTAIN: 0
Connétable of St. Helier				

Connétable of St. Brelade				
Connétable of Trinity				
Connétable of St. John				
Connétable of St. Clement				
Connétable of Grouville				
Connétable of St. Mary				
Connétable of St. Saviour				
Deputy G.P. Southern				
Deputy C.F. Labey				
Deputy M. Tadier				
Deputy S.G. Luce				
Deputy L.M.C. Doublet				
Deputy K.F. Morel				
Deputy M.R. Le Hegarat				
Deputy S.M. Ahier				
Deputy R.J. Ward				
Deputy C.S. Alves				
Deputy I. Gardiner				
Deputy I.J. Gorst				
Deputy L.J. Farnham				
Deputy K.L. Moore				
Deputy S.Y. Mézec				
Deputy T.A. Coles				
Deputy B.B. de S.V.M. Porée				
Deputy D.J. Warr				
Deputy H.M. Miles				
Deputy M.R. Scott				
Deputy J. Renouf				
Deputy C.D. Curtis				
Deputy L.V. Feltham				
Deputy R.E. Binet				
Deputy H.L. Jeune				
Deputy M.E. Millar				
Deputy A. Howell				
Deputy T.J.A. Binet				
Deputy M.R. Ferey				
Deputy R.S. Kovacs				

Deputy A.F. Curtis				
Deputy B. Ward				
Deputy K.M. Wilson				
Deputy L.K.F. Stephenson				
Deputy M.B. Andrews				

8. Proposed Budget (Government Plan) 2026-2029 (P.70/2025) - as amended

The Bailiff:

The next item is the Proposed Budget (Government Plan) lodged by the Council of Ministers. For the purpose of the main debate, the main respondent is the chair of the Corporate Services Scrutiny Panel, though there are a number of different respondents to various amendments listed in the Order Paper. The Council has indicated its acceptance of the following amendments, and I take them in the order in which they were to be debated: the ninth, sixth, twenty-fourth, tenth and twelfth. The Council has also indicated its acceptance of the following amendments provided its amendments to those amendments are adopted: the third, lodged by the Corporate Services Scrutiny Panel, the nineteenth by Deputy Doublet and the twentieth by the Children, Education and Home Affairs Scrutiny Panel. Now, Minister for Treasury and Resources, do you wish for the proposition to be read as amended by the amendments which you are accepting, namely the ninth, sixth, twenty-fourth, tenth and twelfth amendments?

Deputy M.E. Millar of St. John, St. Lawrence and Trinity:

Yes, Sir. On my list I also have the sixteenth as being accepted.

[11:30]

The Bailiff:

I think there is a difficulty there because if we read the proposition as amended by the sixteenth, that prevents debate on the seventh amendment by Deputy Porée. So for that reason the proposition is amended by that particular amendment.

Deputy M.E. Millar:

Yes, if it could be read as amended as you suggest, Sir.

The Bailiff:

So you are content for the ... Deputy Porée, do you want to say something?

Deputy B.B. de S.V.M. Porée of St. Helier South:

Yes, I do. Members will have seen that my amendment is very similar to the amendment from the Health and Social Security Scrutiny Panel. I lodged my amendment before the Scrutiny Panel's amendment and because of my concerns at the prospect of charges being introduced into our health services. My Reform Jersey colleagues and I have always promoted the principle of a health service free at the point of need for all. For that reason, I want to be vigilant against any move in a direction that can lead to inappropriate charges. With the Minister for Health and Social Services accepting the Scrutiny Panel's amendment, which will see any attempt to introduce charges at A and E (accident and emergency) come back to the Chamber for a debate before they can be implemented, I am happy to withdraw my amendment in support of theirs. I will, though, pay close attention to how the Minister further develops this policy and will not hesitate to bring it back to the States Assembly again if the matter is dealt with in a way that is unfavourable and unfair to the public of Jersey and to our Reform Jersey ethics on both areas of non-attendance fee and emergency fees.

The Bailiff:

Thank you, Deputy. So the seventh amendment is withdrawn, so that means, Minister, your proposition can be read as amended by the ninth, sixth, twenty-fourth, tenth, twelfth and sixteenth amendments as you propose, yes?

Deputy M.E. Millar:

Yes, Sir. Thank you.

The Bailiff:

There are now 3 other amendments to which I have referred, the third, nineteenth and twentieth amendments, Minister, which you are prepared to accept if the proposers accept the Council's amendments to their amendments. That is right, is it not?

Deputy M.E. Millar:

Yes, that is right.

The Bailiff:

Deputy Miles, as chair of the Corporate Services Scrutiny Panel, are you accepting the Council's amendment to your third amendment?

Deputy H.M. Miles of St. Brelade:

Yes, Sir, we are.

The Bailiff:

Thank you. Deputy Doublet, are you accepting the Council's amendment to your nineteenth amendment?

Deputy L.M.C. Doublet of St. Saviour:

Yes, Sir, I am. Thank you.

The Bailiff:

Thank you. Deputy Catherine Curtis, as chair of the Children, Education and Home Affairs Scrutiny Panel, are the panel accepting the Council's amendment to your twentieth amendment?

Deputy C.D. Curtis of St. Helier Central:

Yes, Sir. Thank you.

The Bailiff:

So having heard that news, Minister, do you wish your proposition to be read as also amended by the third, nineteenth and twentieth amendments?

Deputy M.E. Millar:

Yes, Sir. Thank you.

The Bailiff:

Are Members content for the proposition to be read as amended by those amendments? Thank you.

The Bailiff:

Greffier, are you ready to read the proposition? **[Laughter]** We can all sit back and relax now.

The Deputy Greffier of the States:

The States are asked to decide whether they are of opinion - (a) In accordance with Article 16 of the Public Finances (Jersey) Law 2019 (the Law) to approve an amendment to the Government Plan 2025-2028 (entitled “Budget 2025-2028”) to a reduction in the 2025 head of expenditure “Grants to States Funds” as included in Table 5(i) Revenue Heads of Expenditure of that Government Plan from £119,821,000 to £69,821,000. (b) To receive the Government Plan 2026-2029 (entitled “Budget 2026-2029”) specified in Article 9(1) of the Law and specifically - (i) to approve the estimate of total States income to be paid into the Consolidated Fund in 2026 as set out in Appendix 2 - Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law; (ii) to refer to their Act dated 24th June 2003 in which they approved that no new “user pays” charges be introduced without any such charge receiving prior in principle approval by the States Assembly and accordingly to approve the introduction of 2 new charges to be levied by Health and Care Jersey to promote appropriate use of the Emergency Department and for repeated non-attendance of outpatient appointments, detailed in the section entitled “Departmental Income Sources” as set out in the appendix to the accompanying report, except that (a) on page 27 for the words: “bringing forward 2 new fees to be introduced during 2026” there should be substituted the words: “implementation in 2026 of the planned did not attend fees and the development of detailed proposals that would be presented for approval by the States Assembly for the introduction of fees encouraging the appropriate use of the emergency department; and (b) on page 28 for the words: “both fees will be introduced during 2026 after a period of advanced public communications” there should be substituted the words: “The did not attend fees will be introduced during 2026 after a period of advanced public communications. However, the proposed Emergency Department fees will not be introduced until detailed, evidence-based proposals, including but not limited to ensuring that free access for genuine emergencies is not compromised and maintaining the safety and well-being of healthcare staff, have been presented to and approved by the States Assembly; (iii) to approve the proposed changes to approval for financing/borrowing for 2026, as shown in Appendix 2 - Summary Table 2 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9(2)(c) of the Law, of up to those revised approval amounts; (iv) to approve the transfers from one States fund to another for 2026 of up to and including the amounts set in Appendix 2 - Summary Table 3 in line with Article 9(2)(b) of the Law; (v) to approve a transfer from the Consolidated Fund to the Stabilisation Fund in 2026 of up to £50 million, subject to a decision of the Minister for Treasury and Resources based on the availability of funds in the Consolidated Fund as at 31st December 2025 in excess of the estimates provided in this plan, or from budgeted underspends identified before 31st December 2026; (vi) to approve a transfer from the Consolidated Fund to the Agricultural Loans Fund in 2026 of up to £5 million, subject to a decision of the Minister for Treasury and Resources based on availability of funds in the Consolidated Fund as at 31st December 2025 in excess of estimates provided in this plan, or from budgeted underspends identified before 31st December 2026; (vii) to approve each major project that is to be started or continued in 2026 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Articles 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 4 to the Report; (viii) to approve the proposed amount to be appropriated from the Consolidated Fund for 2026, for each head of expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 - Summary Tables 5(i) and (ii) of the Report, except that in Summary Table 5(i) the expenditure proposal for the Cabinet Office head of expenditure should include the budget for the Jersey Public Services Ombudsperson totalling £398,000. A separate service area should be created within the Cabinet Office entitled “The Jersey Public Services Ombudsperson” and reported in the annex to the Budget; (ix) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2026 in line with Article 9(2)(h) of the Law and set out in Appendix 2 - Summary Table 6 to the Report; (x) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2026 for each head of expenditure in line with Article

9(2)(i) of the Law and set out in Appendix 2 - Summary Table 7 to the Report; (xi) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2026 as set out in Appendix 2 - Summary Table 8 to the Report; (xii) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2026-2029, as set out in the Appendix to the accompanying Report, except that (a) on page 21 the table entitled “Figure 12 - Economic Well-being Risks” should be renamed “Figure 12 - Environmental Well-being Risks” and a new line entitled “Climate Emergency” should be inserted as follows: “Climate Emergency. The Budget includes feasibility funding of £1.9 million for the shoreline management plan to alleviate coastal flooding through the improvements of sea defences. The Budget includes proposals to increase fuel excise duty and vehicle emissions duty with the income transferred to the Climate Emergency Fund to support the implementation of the Carbon Neutral Roadmap”; (b) on page 36, after the words “Future Budgets” there should be inserted a new paragraph as follows: “Stamp duty holiday for right-sizing homes. The Government will undertake an investigation to establish a stamp duty holiday for those who are purchasing properties to downsize, alongside a framework to accurately track these transactions. A downsizing transaction will be defined as one that involves those who are selling their current home to purchase a home with fewer bedrooms. The purpose of this stamp duty holiday will be to further incentivise right sizing to increase the supply of family homes”; (c) on page 42 immediately after table 9 there should be inserted the following new paragraph: “The budget for a Jersey Public Services Ombudsperson in the Cabinet Office head of expenditure totalling £398,000 has been ringfenced to ensure that this budget should not be used for any other States purpose than the Jersey Public Services Ombudsperson to ensure that its undertaking is incorporated into the workstream of any new Government and funded accordingly”; (d) on page 45, after the words: “included in Budget 2027” there should be inserted the words: “In order to support this, a draft proposal and expenditure for the new Violence Against Women and Girls legislation will be published in advance of April 2026, alongside a progress report of recommendations implemented up to 1st May 2026 as part of the 2026 Violence Against Women and Girls annual progress report”; (e) on page 45, after the words: “improve the health of Islanders” there should be inserted the words: “The Minister for Health and Social Services will produce a roadmap for delivering preventative health outcomes through a phased, evidence-led, whole system approach. The Minister will involve the wider determinants of the Health Ministerial Group in developing the roadmap to ensure Ministerial accountability for the delivery and outcomes of the roadmap”; (f) on page 45, after the words: “to all 2 to 3-year-olds” there should be inserted a new paragraph as follows: “During 2026 the Minister for Education and Lifelong Learning will collect, collate and analyse the necessary data to explore the feasibility of provision of free school meals to all non-fee paying primary schools and additional households, including but not limited to single parent families and, if feasible, households that would otherwise qualify for income support were they not owner-occupiers of a mortgaged residence, reporting to the Assembly prior to the end of 2026; (g) on page 45, after the words “improve the health of Islanders” there should be inserted the following new paragraph: “During 2026 the Minister for Health and Social Services will publish a women’s health strategy which will be informed by the Women’s Health and Well-being Joint Strategic Needs Assessment 2024; and (h) on page 47, after the words: “budget for arts, culture and heritage funding will increase in future years with inflation allocations for pay and non-pay” there should be inserted the words: “The C.Y.P.E.S. head of expenditure includes funding in the sum of £670,700 for promoting and teaching the language of Jèrriais. This will be specifically ringfenced for one year for this purpose and also further work will develop and renew the Jèrriais language strategy, which expires in 2025”. **[Approbation]**

Deputy R.J. Ward of St. Helier Central:

Can you say that once more ... no, I am sorry. **[Laughter]** Quite seriously, I have just remembered I have a hospital appointment at 12.00 p.m. It is only short and I shall be back for after lunch but I may need to leave early.

The Bailiff:

I call upon the Minister for Treasury and Resources to propose the Budget.

8.1 Deputy M.E. Millar (The Minister for Treasury and Resources):

Today with my Council of Ministers colleagues I present a Budget that is rooted in balance and responsibility. As elected representatives, it is our duty to make some tough decisions to find the best overall outcomes for Islanders. We as a Council of Ministers have chosen to invest in things that really matter to Islanders today. Islanders want a health service that they can trust. They want our most vulnerable children to feel safe, supported and given every chance to thrive. They want to live in an Island where they can see a bright future. Our economy remains fundamentally strong, but the latest economic forecasts did show slightly lower growth than previously expected and inflation staying higher for longer. This placed more pressure on Government finances, just as these conditions affect households. In responding to these pressures, we have looked hard at our choices. Given the ongoing challenges Islanders are facing with the cost of living, we have chosen to protect them from the tax rises we have seen in other jurisdictions. Personal tax allowances have been raised again this year by £550 to £21,250 per person. This keeps more money in Islanders' pockets, which further reflects the Government's mission to help support Islanders with the cost of living. Instead of raising taxes, we have stepped back, considered our overall finances and made pragmatic choices, in particular around how much of taxpayers' money we pay into the Social Security Fund.

[11:45]

Let me be absolutely clear again. Our Social Security Fund remains in excellent health. Over the Budget period it will receive £184 million from taxation alongside contributions and strong investment returns. This ensures pensions and contributory benefits remain secure for Islanders today and for future generations. With over £2.5 billion in reserves, Jersey's pension system is robust and continues to provide security for today's pensioners and for generations to come. Not everyone will agree with this approach, and that is legitimate. Debate is a foundation of our democracy and I look forward to what will no doubt be a passionate but, I hope, respectful debate. Our reserves remain the cornerstone of Jersey's resilience. We are seeking to rebuild them through prudent strategic decisions, transferring the prior year basis tax debt into the Strategic Reserve this year and earmarking revenues from Pillar Two above our prudent base case estimate to further strengthen these reserves. But yes, we all need to do more to increase these essential reserves in the coming years. Much has been said about the growth in the public sector. It is right that we address this. However, there are some risks that are too great to ignore or to leave to future Governments to address. A £28 million investment will ensure we can continue to deliver quality healthcare while investing in preventative and digital medicine to help Islanders stay healthy and reduce the need for frequent intervention. We will invest £8 million for Children's Services and £3 million to expand free childcare. We are also investing £7 million into the competitiveness of our financial services industry, which is undeniably the engine of our economy. These are not just numbers, they are real investments in the health, well-being and future of our community where it matters the most. This does not change the fact that our public service has grown significantly in the last few years. The Fiscal Policy Panel have rightly identified that this level of growth is simply not sustainable and we must confront the reality and take steps to bring spending under control. This Budget, therefore, builds in significant savings: £20 million in 2026 and £29 million in 2027, so that is nearly £50 million in total. These reductions are phased to allow a considered, measured approach to reducing costs and ensuring we protect essential front line services and avoid the rushed decisions that could cause irreparable damage to the services on which we all rely. Jersey has faced decades of underinvestment in infrastructure. This has to change. We need a shift to longer-term thinking and this Budget sets out the foundations for this. Early next year we will bring forward proposals to establish a Jersey capital investment fund. This fund will separate spend on our buildings and infrastructure from day-to-day expenditure. This will protect vital capital investment from being diverted to cover operating costs. The programme of capital will be underpinned by a long-term plan, making sure we look after our assets and keep them

fit for purpose for this and future generations. In advance of that change, this Budget invests in improvements to Fort Regent, delivers new healthcare facilities and upgrades our infrastructure network. In total, more than £1 billion will be invested in Jersey over the next 4 years. This is the last Budget of this Assembly. By necessity, it acts as a bridge into the plans of the next Assembly. It is clear that we face a number of challenges that require longer-term thinking, such as the impact of an ageing population in particular on health and the impact of climate change. Addressing challenges of this scale requires us to create the environment where we can look beyond the short term and beyond the election cycle. This is why I intend to bring forward proposals to reintroduce multi-year financial planning next year. We must break the annual cycle that has driven unsustainable growth and instead create conditions for long-term discipline and stability. This is a responsible, forward-looking Budget. It invests in Islanders and supports businesses and does so without raising taxes. It positions Jersey as a stable, confident jurisdiction ready to navigate uncertainty and seize opportunities. We want our future generations to see a positive outlook in this Island. Above all, it lays the groundwork for future Assemblies to be able to take the longer-term view that our Island needs to be ready to meet and overcome the challenges that the future will bring. This is our opportunity to build a stronger, fairer and more sustainable Jersey, not just today but for generations to come. **[Approbation]**

The Bailiff:

Thank you, Minister. Is the proposition seconded? **[Seconded]**

8.2 Proposed Budget (Government Plan) 2026-2029 (P.70/2025): fourth amendment (P.70/2025 Amd.(4))

We now move to the first amendment, which is the fourth amendment lodged by Deputy Bailhache. I ask the Greffier to read the amendment.

The Deputy Greffier of the States:

Page 2, paragraph (a) - After the words “Government Plan 2025-2028 (entitled Budget 2025-2028) to” for the words: “a reduction in the 2025 head of expenditure ‘Grants to States Funds’ as included in Table 5(i) Revenue Heads of Expenditure of that Government Plan from £119,821,000 to £69,821,000.” substitute the words: “a reduction in the 2025 head of expenditure ‘Grants to States Funds’ as included in Table 5(i) Revenue Heads of Expenditure of that Government Plan from £119,821,000 to £94,821,000 with a new row inserted in Summary Table 3, to transfer £25,000,000 from the Strategic Reserve Fund to the Consolidated Fund in 2025.” Page 2, paragraph (b)(iv) - After the words: “Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law” insert the words: “, except that in Summary Table 3 the values for the transfer from the Social Security (Reserve) Fund to the Social Security Fund should be reduced by £24,632,000 in 2026, £25,528,000 in 2027, £26,335,000 in 2028 and £27,141,000 in 2029, with a new row inserted to transfer the following amounts from the Strategic Reserve Fund to the Consolidated Fund; £24,632,000 in 2026, £25,528,000 in 2027, £26,335,000 in 2028 and £27,141,000 in 2029.”. Page 3, paragraph (b)(viii) - After the words: “Appendix 2 – Summary Tables 5(i) and (ii) of the Report” insert the words: “, except that in Summary Table 5(i) the head of expenditure for Grants to States Funds should be increased from £63,128,000 to £87,760,000 in 2026, with the States grant to the Social Security Fund rebased to £75,000,000 before one-off deductions to fund capital and to support the transition towards the living wage. For 2027-2029 the £75,000,000 States grant to the Social Security Fund should be uprated using Average Earnings.”

8.2.1 Deputy Sir P.M. Bailhache:

Although it may not appear so to the Minister for Treasury and Resources, I do have considerable sympathy for the position in which she finds herself. She has responsibility without power. She has apparent responsibility for the Budget and is the lead Minister, but the power to settle fiscal matters

actually rests with the Council of Ministers. Maybe the Minister fought like a wildcat behind Cabinet doors for a more responsible Budget, who knows? This is a bad situation from everyone's perspective and I hope that the next Government will put it right, lay the responsibility for the Budget and the power to say no, with the Minister for Treasury and Resources, and reintroduce a 3-year Budget period as the Minister wants. It is a prerequisite for restoring stability. This amendment is a compromise. I see no justification for taking any money from the Social Security (Reserve) Fund without a full report from the Government Actuary on the implications of doing so. But I recognise that the Government is in a bind. It has a black hole in its finances and somehow that must be filled. We are spending more than we earn. I think that almost everyone, Reform Jersey members perhaps excepted, would admit that we have got into bad habits. We have assumed for too long that there is always a bag of money down the back of the sofa which will bail us out. The Minister for Social Security gave some very unsatisfactory answers to the question from Deputy Renouf, but I think it is worth examining that issue in a little bit more detail. I am disappointed with her. She has administrative responsibility for the Social Security funds. Why did she not resist the proposal that the States grant should be so savagely reduced? When the Scrutiny Panel put that question to her, the answer was that she had had advice from the Government actuary that the fund could easily afford this reduction in grant. We asked to see the advice. When it came it revealed that the Government actuary had been given an assumption on which to work that the investment return on the fund would be the average earnings increase plus 3 per cent and not 2 per cent as used in the 2021 report. The actuary said that the results and long-term balance were sensitive to the assumed investment return. On 3rd November the panel asked the Minister to take up the actuary's offer to advise on the reasonableness of taking a 1 per cent higher investment yield as an assumption. The Minister replied promptly on 7th November acknowledging the letter and stating: "I am committed to providing helpful information to support the scrutiny process and the Budget debate." When the letter from the actuary arrived on 12th November, we were astounded to find that there was no reference to the investment return advice. The actuary had not been asked to provide it. We protested to the Minister, who said that the advice on the reasonableness of the investment return would form part of the actuary's one-off review in early 2026, too late for the Budget debate. The panel tried to get the advice directly from the actuary but the answer was no, it was advising the Government and advice to the panel would involve a conflict of interest. The Minister refused to get the information for us. So a crucial piece of the jigsaw is missing. There are 2 moving parts to the actuary's analysis. The net inward migration figure is the first part and the investment return figure is the second part. We know that an average earnings increase plus the 3 per cent assumption and net inward migration of 325-plus indeed appears to lead to no problem with the fund, with the balance increasing. But adding 2 per cent, as has been done in the past, could lead to the fund's exhaustion in 2071. With zero immigration the fund will be exhausted by 2061.

[12:00]

We do not know which earnings assumption is the right one to take. Despite her promise, the Minister has unfortunately not been helpful. One can only assume that she did not want to receive or to risk receiving unfavourable advice from the actuary before this debate. A few weeks ago the Minister accused me of scaremongering. The fund could afford it, she said, and the temporary reduction in grant unlocked other elements of social spending. The trouble with that argument is that the spending in question is not temporary. It is and creates an enduring revenue liability. What will we do in 2029 when the so-called temporary reduction in the grant comes to an end? Where will the money come from then; £50 million is not an insignificant figure. What will happen to the Social Security (Reserve) Fund if the reduction in grant is permanent? It is not scaremongering. It is just being realistic. So where does that leave this amendment? The Fiscal Policy Panel described the proposed reduction in the States grant without detailed advice from the Actuary as being "not prudent". Those are strong words from cautious economists. It seems to me that the Assembly should be more prudent than the Government proposes to be. We have a responsibility to hold the Government to account

and to protect future generations of Islanders from rash conduct by Ministers. Cutting the States grant by £25 million for 4 years rather than £50 million seems to me to take account of the Government's problems but to be slightly more prudent. In one sense, the amendment is neutral. It takes money from the Strategic Reserve instead of the Social Security (Reserve) Fund, but my hope is that it would not be necessary to take £25 million from the Strategic Reserve. I hope that the Government would use the amendment as an incentive, a nudge if you like, to reduce spending instead. The Government is critical of that suggestion. It states in its comments: "Ministers cannot support adding another £25 million of unspecified savings to the existing targets for 2026. Savings of this magnitude could not be achieved in that timescale without cuts to essential services." I think that is a really pusillanimous, weak-minded statement which indicates, regrettably, that the Government has not really woken up and smelt the coffee. We are not yet in crisis. I agree with the Minister that our economy is strong. We are not yet in crisis but we are on the way to a crisis. We are spending far too much. If the Government cannot recognise that fact and commit to doing something about it, we really are in serious trouble. This may not ideally be the prudent thing to do but it is, in my view, a middle course, a compromise. I move the amendment.

The Bailiff:

Is the amendment seconded? **[Seconded]** Does any Member wish to speak on the amendment?

8.2.2 Deputy M.E. Millar:

This amendment is one of the most significant lodged to the proposed Budget in terms of impact to public finances. The Strategic Reserve is a cornerstone of our fiscal framework. It was established nearly 40 years ago by previous Assemblies in recognition that as a small Island economy we are more vulnerable to economic shocks. Building resilience into our public finances is essential. The Fiscal Policy Panel, our independent economic advisers, have considered what size of reserve is appropriate. Their recommendation was between 30 to 60 per cent of G.D.P. (gross domestic product), so a minimum of £2.2 billion. Growing the Strategic Reserve to this level while continuing to deliver services and maintain our assets remains a significant challenge. Removing £125 million from the reserve as well as reducing investment returns which are consequential upon that reduction is clearly moving in entirely the wrong direction. The proposer says he would prefer to grow the Strategic Reserve yet offers no alternative plan to reduce spending. He does not have the benefit of the extensive Council of Ministers' discussions or the advice of Government officials. Despite this, he recommends a 10 per cent reduction to the Strategic Reserve, contrary to the very clear advice from the Fiscal Policy Panel, reducing its value even more than it is already. Certainly, my reading of the Fiscal Policy Panel's report - and many, many people have commented on it - is that they were much more definitive on the need to grow the Strategic Reserve than they were on the reduction in the States grant. They are clear and have been clear for a long time that we need to build the Strategic Reserve. We are trying to do that. Meanwhile, we will invest £184 million from general taxation into the Social Security Fund over the plan. We are not plundering the fund. We are redirecting resources to ensure they are used in the most efficient way for the Island. I would like to emphasise this again to the Assembly. The Social Security Fund is in excellent health. By the end of 2026 it is expected to hold 7 to 8 times its annual expenditure, which is well above the fund's original target of 5 times annual expenditure. This is something we should be proud of. There are not many other similar jurisdictions having such a strong fund underpinning their state pension. We do not want to undermine that strength and this Budget does not do that. We have taken advice from the Government actuary and this confirms that even with reductions proposed the fund will continue to be healthy for many years to come. Some Members have raised concerns about changes to actuarial assumptions. We all know that past returns do not guarantee future returns at the same level. Those of a pessimistic nature will highlight that they may be lower. Any natural optimist will point out that they may be higher. Our investment advisers account for this uncertainty when reviewing our investment strategies, modelling thousands of scenarios to determine how likely different outcomes

are. For the Social Security (Reserve) Fund they estimate that the likelihood of the fund achieving 3 per cent above earnings is between 55 and 65 per cent. In other words, this is more likely than not. While it is, of course, possible to be more prudent, I do not think anyone would consider this to be an imprudent estimate. No Member, other than Deputy Bailhache in respect of the Fort and Deputy Moore with her very far-reaching amendment, has tried to reduce the investment identified by the Council of Ministers through amending this Budget, or indeed by adopting any of the other F.P.P. amendments. The F.P.P. also said, for example, they do not like formula-based budget setting. Nobody has tried to reduce the 1 per cent for arts, heritage and culture, have they, which the F.P.P. have commented against? It can only be assumed that Members share our strongly-held view that this investment is needed and it is needed now. This amendment does not change the investment. It only changes how it is funded. Members have a clear choice: adopt a pragmatic approach that unlocks vital investment without harming the long-term outlook of any of our funds, or reduce our resilience by depleting the Strategic Reserve when we know we should be growing it. Finally, I would just like to acknowledge the feedback from the Youth Assembly. They considered the Budget and emphatically concluded that health is seen as a top priority, with nearly 60 per cent placing it first and over 90 per cent placing it first or second. When asked the question: "Do you think the Government should reduce payments into the Social Security Fund for 4 years to increase spending on services for young people and families?" 77 per cent said "yes" or "yes, probably", over three-quarters of those asked. We are here to represent all Islanders and that includes listening to our young people. If adopted, this amendment will damage our financial resilience without delivering meaningful benefit and I urge Members to reject it.

8.2.3 Deputy M.B. Andrews of St. Helier North:

I do sympathise with Deputy Bailhache. I think there are a number of Back-Benchers who feel very similar. We have taken a look at this Government Budget. It is very concerning there is £52 million being proposed in growth bids and the partial withholding of the States grant is allowing the Government to increase expenditure, expenditure that we really should not be carrying through this States Assembly. We should be reprofiling government expenditure and maintaining our budgets and, if necessary, reducing government budgets without impacting services. But I must say as much as I acknowledge that Deputy Bailhache is absolutely entitled to be bringing forward this amendment, and he has spoken about the plundering of the Social Security Fund, but it is in actual fact the Strategic Reserve that is going to be plundered. In excess of £100 million is going to be withdrawn from the fund so the Government can spend more money, and I totally disagree with that. I have probably been the most vocal politician about the Strategic Reserve. It stands at about 17 per cent of gross value added. The Fiscal Policy Panel have made it very clear it should stand somewhere between 30 to 60 per cent of gross value added. However, if we are withdrawing funds from the Strategic Reserve, that percentage will decrease. That is a big concern of mine. I know there are probably a few Members here who are thinking: "You know what, it is probably best that we support Deputy Bailhache and his amendment." In actual fact, I would say it is not the wise thing to do. If we want to be rejecting what the Council of Ministers are doing we will have the opportunity towards the end of this Budget debate where we can be voting against the final Budget as amended. But even when I am looking at some of these figures here, you are looking at £24 million, £26 million, £27 million being withdrawn from the Strategic Reserve when in actual fact when we are looking at the Social Security (Reserve) Fund it is growing across the period. However, I do not agree in principle with the decision that the Council of Ministers have come forward with to utilise the Social Security (Reserve) Fund to provide the Social Security Fund with income to allow the fund to maintain an equilibrium. I do not think that is necessary when in the first instance the States grant should really be reinstated in full without any adjusting of the reserve funds. Because it is certainly something that is not sustainable and I do worry, even if the States Assembly reconstitutes, the way how things are going public finances are only going to get worse. The reason for that is because we have a Council of Ministers who seem to be making the admission that they are satisfied with the current level of

Government spending. I am certainly not and what I have not really seen is a Government bringing forward proposals to reduce Government expenditure because that is what we need to be seeing. We need the Consolidated Fund to be in a public sector surplus. Instead it is in a deficit and all they are doing is they are using the reserves to try and balance things out. That is not fiscally prudent. It is economically illiterate and I am very, very concerned that we have a Council of Ministers who are bringing forward these proposals that are ill-considered.

[12:15]

Even the Fiscal Policy Panel must be banging their head against the wall because time and time again their advice is being ignored. I am just getting really fed up with it. So I think I have made my point very clear and I just hope that a few other Members will be standing up to say: “Look, I am not supporting the Budget” and hopefully there will be about 15 or 16 of us because it needs to happen.

8.2.4 Deputy L.M.C. Doublet of St. Saviour:

I find myself in a difficult position with this amendment, and I want to refer to the way that Deputy Bailhache has so eloquently set out the process that my panel have attempted to gain information on this. It is really unfortunate that the Assembly is in the position where we do not have all of the information available. I have listened very carefully and we have had many discussions on Scrutiny and some of my panel members I know feel very strongly about this. I do have my own concerns, perhaps not as strong as some but concerns nevertheless. When thinking about this, I have weighed it up against the wider contents of this Budget. There are some measures being funded that I feel will have a really positive impact if they are implemented, things that I have advocated for myself, like funding of childcare and preventative health measures and support for families. I want these social benefits, but again to refer back to the context that Deputy Bailhache has set out and the context that has gradually emerged through our Scrutiny work and through the questions in this Assembly, I still find myself in the position of not having enough information and evidence, and I believe the Assembly as a whole. We do not really have the full evidence to make an informed decision on this. Were I to find myself in this situation with any other proposition, I would consider a reference back, but that is not possible in this instance. So I am going to listen to this debate and bear in mind all of the discussions we have had on Scrutiny and weigh those up against the benefits that are within this Budget that I know that this move has been made to fund. I think I could go either way at this point. I may find myself having to abstain because I always like to make my decisions based on sound evidence and I do believe that we have done everything we could on Scrutiny to politely request the evidence that was necessary and we have simply reached the end of the line in terms of timing and not being able to get that evidence. It is a very difficult situation and I will be listening to the rest of the debate.

8.2.5 Deputy B. Ward of St. Clement:

Before I start I need to thank the Chief Minister and colleagues on the Council of Ministers for their understanding and respect for my views, which do differ on the issue of withholding monies from the States grant into the Social Security Fund over the following years of 2025 to 2029. This is about the fourth time that I have stood up and I have spoken about pensions and about how passionate and important our pensions must be protected going forward. In 2025 we are looking at £50 million plus £10 million which was agreed in 2024’s Budget for the living wage, so that is £60 million. In 2026 £50 million plus the £10 million agreed for the living wage and an extra £17 million, which equals £77 million for 2026. For 2027 another £50 million, 2028 £50 million, 2029 £50 million. The total monies being withheld is £287 million or should I say a drawdown according to what the Fiscal Policy Panel calls it, if you look at page 6 at number 3, recommendations. This total reduction has internal effects on the Social Security Fund as this reduces the percentage of monies that is transferred into the Health Insurance Fund which, as we know, is in a decline and desperately needs more investment to pay for prescriptions, G.P. (general practitioner) visits, address increases for our

community pharmacists, dental provision and so on. I can hear some Members say: “Oh, but we have got £184 million going into the fund” but in reality it should be £471 million. What I cannot calculate is the investment that we have lost. The pensions scheme is deemed to be in a very healthy position due to favourable investments but for how long? If we, as an Assembly, keep withholding or drawing down monies that are deemed to pay for pensions, benefits and community provisions over the next 70 years where does it end? Yes, the pension fund has done very well but we, the global “we”, are living in uncertain volatile fiscal and unsure economic times. We need to be very cautious or prudent as recently indicated by the Fiscal Policy Panel. From past records, nearly £300 million was withheld between the years of 2020 to 2024 with the promise of the then Ministers for Treasury and Resources that the grant would return to its usual formula and be paid in full. These assurances have just not materialised. In fact, withholding of monies has worsened, as we can see. I must ask again where will it all end? From 2020 to 2029 just short of £600 million will have been withheld but what I am not able to do is quantify how much extra fund we will have lost over those 9 years from the lack of investment on that £600 million. It is probably going to be a bruising £1 billion at a guess. I am not an accountant. When the actuaries conducted their reviews in 2021 and 2023 were they asked to look at the grant formula and if not, why not? The actuaries need to be asked that when they do their next actuarial review in 2026, next year, that the States grant formula must be considered as a top priority and if the formula is deemed out of step then propose a formula change under Article 9A of the 1974 Social Security Law or not. It depends on the considered professional fiscal actuarial findings. This would avoid the constant go-to pathway of withholding monies from the States grant to supplement departments’ wants and wishes and balance the books. We need to get our house in order. In times of budget setting and awareness of the proposed income, we must cut our cloth accordingly and live within our income and not automatically look to our pension pot and withhold or draw down the money via its funding stream to balance the books, which is technically the Government overspending by up to £50 million-plus every year going forward. What is going to happen in 2030? Having said all this, I do need to declare that I am in an awful dilemma as an Assistant Minister for Health and Social Services where some of these proposed withheld monies are being diverted from the Social Security grant and directed to the Health Department to support digital and public health preventative developments. As Members are aware, I feel most strongly that our pension pot must be protected, however the Health Department needs investment. I would like to have seen a full actuarial report brought forward during 2025 first to see exactly where we were before the proposed action of withholding monies from the grants for 2025 to 2029 to invest in departments and balance the books. We need the facts first and if the grant formula needs to be changed following the full actuarial review then so be it and have the grant reduced. This would in turn reduce States grant monies but we will be all winners with a strong directive going forward, balancing the books and protecting our social security pot. May I conclude by relaying the famous quote by Mr. Micawber who is a fictional character in the Charles Dickens 1850 novel *David Copperfield*: “Annual income £20, annual expenditure 19 and 6, result happiness. Annual income £20, annual expenditure £20 ought and 6, result misery.” The famous quote is essentially saying that it is better to live within your means than to spend more than you earn. Thank you, Sir, and Members for listening.

8.2.6 Deputy H.M. Miles of St. Brelade:

I rise to support this amendment because I think it goes to the heart of trust in Government and to the rule of law and to our responsibility to future generations of Islanders. Only 2 years ago Ministers gave solemn undertakings to this Assembly that the value of the States grant to the Social Security Fund would not be reduced. Those assurances were placed on record and Members relied on them and the public took reassurance from them yet since then as we have heard from Deputy Ward the grant has been cut in 2025, and again in 2026 and also including £17.6 million to fund capital for lending. These decisions have already been taken and this amendment does not seek to reverse them but what it does challenge is something that I think is far more serious, the open admission in this

Budget that these funds are now being treated as a convenient source of cash. The idea that these funds were somehow protected from short-term political pressure has quietly disappeared. Indeed, the Government now argue that there is too much money in our funds and that maintaining the current grant is an inefficient use of that fund. I consider that quite a curious position to take. The size of the States grant is not determined by political preference. As we heard from the previous speaker, it is set by statute, Article 9A of the Social Security Law establishes a very clear formula for calculating what must be paid into the fund and the obligation to follow that formula, to my mind, is a legal one. If the Government believe it no longer reflects reality then surely the proper course of action is to seek actuary advice and change the law transparently, not quietly empty the reserves while hoping no one notices. The Fiscal Policy Panel could not have been clearer. In its annual report it warned that drawdowns from the Social Security Reserve Fund should only be made on the basis of a comprehensive actuarial assessment of future pension liabilities, and it explicitly stated that the decision to withdraw funds and reduce contributions before the full actuarial review had been published was not prudent. Again, all Members who have already spoken have reiterated that. If our independent fiscal watchdog describes this course of action as not prudent then I hope the Assembly will pay attention. What is the point of an independent panel if Government do not follow its advice? Why are the Government acting in this way? The answer in truth is not complicated. I do not think it is ideology; it is arithmetic. The Government are spending more than they are receiving in income and they are choosing to bridge the gap not by controlling expenditure or by taking difficult decisions but by dipping into reserve funds. Around £50 million is to be denied to the Social Security Fund each year and not coincidentally, as we have heard the growth allocations in this Budget are also about £50 million per year. In other words, the funds are not being used for emergencies or demographic pressures or unforeseen circumstances. They are simply being used to pay the bills. I would assert that is not financial planning. That is a deferral of responsibility. The Government tell the public that they are spending within their means but they are only doing so by reducing funds that should be set aside for future pensions. Members should ask themselves the simple question: what is going to happen in 2029 when this funding tap is turned off? Nothing in this Budget answers that question. This amendment takes a balanced and responsible approach. It does not deny the financial pressures facing Government. It does not pretend that there are easy answers but what it does do is to reduce the scale of the withdrawals from the Social Security Fund by half and to reset the States grant at £75 million rather than the £50 million until the actuary has properly reported.

[12:30]

It is not ideological; it is cautious and it is sensible and above all I think it is responsible. The amendment identifies the Strategic Reserve as the technical funding source not because the proposer believes it should be used but, as we all know, any amendment must identify some mechanism. The clear intention is to place pressure on Government to do what this Budget has failed to do: review spending, control growth and restore fiscal discipline. The Strategic Reserve should not be run down to avoid hard decisions. It should be strengthened, not depleted. Ultimately I believe this amendment is about sustainability. It is about honesty in public finance and it is about fairness between generations. We should not treat these funds as a balancing figure in a spreadsheet, and for that reason I am going to support this amendment not as an act of opposition but as an act of responsibility.

Deputy M. Tadier of St. Brelade:

Sir, would it be appropriate to ask the Solicitor General a question at this moment or I can wait until later?

The Bailiff:

You can ask now if you want to.

Deputy M. Tadier:

There was an allegation or a suggestion from the previous speaker that what is being proposed by Government somehow contravenes the law and what is required of funds being put into the Social Security Fund. Is that the Solicitor General's understanding?

Mr. M. Jowitt, H.M. Solicitor General:

No, it is not my understanding. The only law that has to be conformed to is under Articles 4 and 9A of the Social Security Law, which sets the formula by which the amount of the grant into the Social Security Fund is to be determined but I do not see anything else that raises issues of law.

Deputy M. Tadier:

It is probably too late to ask for clarification from the previous speaker, then, whether she wants to reconsider those comments which might seem to be misleading to the Assembly.

Deputy H.M. Miles:

Sir, I am happy to. What I said was that the obligation to follow that formula is a legal one and I believe that is what the Solicitor General has just confirmed.

8.2.7 Deputy A.F. Curtis of St. Clement:

It is clear from the arguments made by the Minister for Treasury and Resources just now that either way we are taking money from our States funds, and in either position our funds will be weaker. This clearly shows that the activity of drawing from these funds for day-to-day expenditure is a challenge to our financial sustainability and Members are left in a bind in amending Government Budgets. The Minister for Treasury and Resources just highlighted that only 2 amendments to this year's Budget seek to reduce expenditure. If she and her other Ministers cast their minds back to last year, I believe I proposed the only amendment to reduce expenditure in a Government Plan that did not reallocate this. That was for the Transform budget. In response, the Government line was that I did not have sufficient information to make this request despite themselves providing no business case or evidence that demonstrated a precise need for the new expenditure. So what are Members to do when Government can treat themselves to new expenditure, and this is new expenditure as Ministers have shared in communications on social media, yet when other Members wish to have information about the sustainability of these, as we have heard from Deputy Bailhache, and despite continued requests the Government will not seek the information to inform Members themselves as to how to make decisions? So in some ways Deputy Bailhache's fourth amendment, like his Fort Regent one later, seeks us to confront the decision and challenge the impact in making it. By staring down a reduction of the Strategic Reserve which, as a Minister, Deputy Andrews and others have highlighted is an important aspect, we are asked in crystal clear terms: is our new expenditure sustainable? It is amusing that this is the same Budget that proposes an in-principle agreement for the Capital Investment Fund and suggests that this fund will be a better delivery model because we will be able to hypothecate the money for what is needed when there into the long term. What confidence can we have when the Government cannot hypothecate now? We were told last year that the drawdown of the fund for the Better Business Support grant was a minor drawdown and aligned to the aims of the fund at £10 million per year, I believe. This year the Government have not just doubled down. They have quintupled down on what they are seeking to withdraw. We are eroding the culture of good management of our funds and comparing where we are to last year. I remembered the folk and camp song that goes as follows: "The cow kicked Fred in the head in the barn, the doctor said it would do no harm, so we all kicked Fred in the head in the barn. The next verse the same as the first, a little bit louder and a little bit worse." We see the trajectory we are on. What we have to do however is face head on our expenditure and its consequences. We should be under no illusion that Deputy Bailhache's amendment does not solve the problem but it does force us to make a hard decision, bear the weight of that decision on our shoulders and perhaps, just perhaps, focus our mind into delivering within a model that allows us to live within our means.

8.2.8 Deputy I.J. Gorst of St. Mary, St. Ouen and St. Peter:

I am not sure I have got much new to say but I will say something new because otherwise I would be in breach of Standing Orders.

The Bailiff:

You would.

Deputy I.J. Gorst:

When Deputy Bailhache gave his opening speech it was in his normal, eloquent and powerful style, and he made points which I think the Assembly need to carefully consider. But the choice before us, to my mind, is a simple one because we are not being asked in regard to the spend that would be effected. No Member, apart from Deputy Moore in another amendment, has said that the health spending should not happen. No Member has said that the increased spend on nursery places should not happen and on we go. The question is, and you referred to this, a speech given by a former Connétable of St. Martin about which jar from the mantelpiece are we going to take the money to do this important health work? It is a straightforward decision. Are we going to not put as much money into that pot on the mantelpiece as we would normally do in any given year because there is already lots in it? Because the health provision needs to be provided for and it is still going to be able to provide for our pensions if we did not put that additional money in. Or are we going to go to another pot, the Strategic Reserve, which has got less money in it? If Members and Ministers and the Government want to look anywhere about where Governments have not saved for the future it is in the Strategic Reserve, and the F.P.P. have been clear in their reports for many a year that more money should be put into the Strategic Reserve for an economic shock. Members in their questions and in their commentary have talked about the economic uncertainty that the world is facing. We all know that and yet this is an amendment that says we will take money out of the fund that will help us deal with the economic shock so that the taxpayers can put additional money into the Social Security Reserve Fund. What is the difference in the size of the funds? We know that, do we not, about £2.5 billion in the Pension Fund, and it is important that Islanders listening realise that there is £2.5 billion in the Pension Fund. When we do a Pension Fund calculation and say that there is only 7 years' worth of spend in the fund and we try to indicate that that is not very much, we must be clear to Islanders that that is a 7-years' worth of spend on pensions if no money was going into the fund, if no Islander was making a social security contribution from their salary. It is a simple mathematical calculation but it shows the strength of the fund. No Government that I can think of is going to remove social security contributions. We are never going to be in the situation where no money is going into the fund. This is a question of whether taxpayers should put the same amount of money into the fund as they might have intended doing or it should fairly be reduced to allow for funding on health. On balance, despite the good points made by many speakers who are going to support this amendment, it makes no financial or economic sense to not do what is proposed in the Budget but rather take money from the Strategic Reserve. It is quite poignant that we are having this debate at the start of this Budget because Members know that I come from a tradition of balanced budgets, of reducing or making efficiencies. Some of my coalition colleagues will accuse me of having previously presented austerity Budgets but they have never ever answered the question how can it be austerity when we started at one level and at the end of a governmental period we were still delivering the same amount in the Budget. But let us not have that debate now because then we will be outwith Standing Orders. The reason I make this point, and it is an important debate to start with, is because western economies can no longer afford to fund healthcare in the way that they are, and I know that the Minister will want to say more about this. They can no longer afford it. The decisions before this Assembly in the future and before the electorate next year are not dissimilar to the decisions that the whole of Europe is facing. It is going to be probably impossible to fund what health needs and we all know that at the last election ... I am not sure what Islanders are going to tell us at the forthcoming election, but at the last election they had story after story about waiting lists and about

conditions that they were suffering from, never critical of the staff at the hospital, always felt that they were doing their best but critical of the system within which they were operating and the fact that somehow we were never spending enough money. As I say, it is not new to us and it is not unique to Jersey, and the reason I say that is because we are going to have to have some long, hard conversations about our reserve funds, about how we fund health, about the Health Insurance Fund, about the use of insurance schemes and, whether we like it or not, this Budget as presented can work for the year that is 2026 but it will need to have those difficult decisions made in 2026 and 2027. The work is ongoing. I know the Minister for Health and Social Services is doing a lot of this work, and his team, but there will be no easy answers in the future and if Members want this Government and they want Ministers to think about spending within their means and managing that spend then that will be done and should be done in those pieces of work that will be coming forward in due course, not in the way that the proposer is asking in this amendment. It makes no economic or financial sense to spend that money from the Stabilisation Fund. If we were being asked: "Let us just not do the work" and therefore we did not need to take the money from the supplementation calculation it is a totally different question, and we will get to that one later in the day, but as far as this is concerned I urge Members not to, as eloquently as a number of speakers have made this sound, as sensible as they have made it sound, when you drill into it it is not a logical way to deal with public finance.

The Bailiff:

Do Members wish to adjourn now?

LUNCHEON ADJOURNMENT PROPOSED

Deputy L.M.C. Doublet of St. Saviour:

Sir, before we adjourn, it is Deputy Doublet, may I just inform the Assembly that I have a commitment over the lunchtime period relating to parental responsibilities which may see me returning slightly later to the Assembly? I wanted to inform Members of the reason why.

The Bailiff:

Thank you, Deputy. The Assembly is adjourned until 2.15 p.m.

[12:36]

LUNCHEON ADJOURNMENT

[14:16]

The Bailiff:

We resume the debate on the fourth amendment. Does anyone else wish to speak on the amendment?

8.2.9 Deputy M.R. Ferey of St. Saviour:

In my colleague to my right's opening speech he mentioned that perhaps the Minister for Treasury and Resources fought like a wildcat in C.O.M. meetings, and of course if that was the case she would be a Scottish wildcat **[Laughter]** and anyone who has messed with one of those would know that they are not to be tangled with. The Minister for Treasury and Resources may remember that when she was Minister for Social Security we visited Guernsey to meet our counterparts in the Social Security authority and we proudly explained that we have 7 years' of spend in our fund, to which they responded that they had 2½ years' spend in their fund, a position which obviously was causing them some distress, but I guess the note of caution here is that one of their senior civil servants, when I said that we had 7 years' of spend in our fund, remarked that he remembered those days. So there was a time in Guernsey when their fund was in a far healthier position than it currently is. I think the difference is that the reason Guernsey's is not in such a healthy position is because they do not want to pay more social security contributions to keep that fund alive. Of course we are in the fortunate position that we are because of difficult decisions that were taken some years ago - unpopular

decisions - that put our fund in the healthy position that it is. So the note is just one of caution. I think this is perhaps the action that we need to take. For future years we will definitely need to do something different and I just wanted to highlight that at this juncture.

8.2.10 Deputy S.Y. Mézec of St. Helier South:

I am going to start by apologising to Members because at this early stage of the Budget debate I am going to start my series of contributions by switching on a turntable and placing a broken record on it because I will be making a point that I fear I will need to repeatedly return to throughout the course of this week. Like many, I have listened with great interest to the public discourse in the run-up to this debate. What is very noticeable about it is the consistency of criticism about the state of Jersey's public finances and even those who have proposed the Budget are not dismissive of those general concerns expressed and some are very sympathetic to those concerns, as Deputy Gorst explained earlier. Claims are made that we have increased public spending to an unsustainable level. We are living beyond our means and Jersey is putting off important decisions for future Governments to make instead. All of these points speak to the self-evident truth that Jersey's tax-and-spend model is broken. Deputy Bailhache in his opening speech made what I thought was a rather cheap comment in suggesting that most people were against the bad habits of Government except for Reform Jersey, when in fact it is our acceptance of Jersey's tax-and-spend model being broken that formed the very foundation basis of us as a party, and it has taken Deputy Bailhache over a decade to catch up with us on this. Our platform is absolutely clear. We support fixing our broken tax-and-spend model by reforming our tax system, drastically reducing the waste in the public sector that is generated from our fragmented political system that institutionalises indecisiveness and targeting investment in services that will strengthen the economic participation of more of our population. Some will like that offer, some will not, and that is democracy but it really is the easiest thing in the world to pontificate from a platform about how terrible everything is but it is much harder to unite people around a vision to fix it and then roll your sleeves up and do it. That is where the proponents of this amendment fall flat on their faces. They have diagnosed a problem but have no antidote of their own to prescribe. The supreme irony in this amendment is how it prays in aid the F.P.P. report's comments on the use of the States grant and the justification in many respects for this amendment, yet instead this amendment proposes raiding the Strategic Reserve, which is itself an even greater defilement of the F.P.P. recommendations on building up our reserves. You could not make this up. Others who have criticised the Government for absolving ourselves of making the big long-term decisions in this Budget themselves support this amendment because they think we should not take any action at all until an actuarial review is done. Do they not see the irony in that position either? But of course it is legitimate to question whether the States grant reduction is the option we should go for. It is a perfectly legitimate democratic point to debate. Here is what I contend with it in response to those who think this measure will be harmful in the long run. I think that the biggest threat to our social security system is not a Government temporarily tinkering with the arbitrarily set grant formula, because thankfully we do have head room there because of the strength of those funds. The biggest threat to our social security system is the prospect of the working class of Jersey abandoning the Island because they no longer feel this is a place that offers them hope and opportunity. Our social security system is not just funded by the States grant. It is also funded by the contributions of a working population among whom there is a falling birth rate and many who are considering leaving Jersey in search of somewhere else that will afford them the quality of life that they desire. We must make this an Island whose population feels that this is a place worth staying and grafting in, and what this Budget does is make key investments that aim to achieve that. It is perfectly fair to say that the mechanisms it chooses to do this with are not perfect but what they are, for the time we find ourselves in, is pragmatic. We are in the advantageous position of having the flexibility to be able to do that and look at what it is we are using it for. We are using it for things such as investing in our children's residential estate, something that is absolutely vital and I ask Members if they think it is imprudent to spend money on that do they realise how imprudent it would be to not do so? The cost that we

pay as a society and a Government of not providing stable, secure and loving homes for children in our care system, by spending that money through the mechanism proposed by the Government, in the long run will be to the benefit of the Island and ultimately lead to greater economic prosperity in the future, which in turn will help strengthen our Social Security Fund in the future. It proposes investing in more affordable childcare for families who are struggling. How often do we hear from those parents and people aspiring to become parents about the cost of childcare here being something that either puts them off having those children entirely or leads them to think that their chances will be better off elsewhere and the cost that the Island pays, not just economically but socially, in losing bright, talented and aspirational people here because we have not provided them with the framework of public services to make them feel that they can thrive and achieve their potential here. The investments that are made by this will help provide that bedrock in our economy and in our public services to hopefully turn around some of the trends that we have seen in recent years where successive Governments have not invested in these areas appropriately, and in doing so in the long run it will help Jersey become a more prosperous place. If a Member is absolutely aggrieved at the particular funding mechanism that the Government propose for it they are perfectly within their rights to say that and make their case but what I have not heard from the opponents of this measure and those supporting this amendment is what their alternative vision is and how they propose uniting people behind it to give us any confidence that what they propose will do anything to take us forward rather than just keeping us standing still while all of those problems that we acknowledge in our tax-and-spend model continue to get worse because we do not use our political system to properly fix them. That is why I oppose the amendment and why I support the position of the Government on this.

The Bailiff:

Does anyone else wish to speak on this amendment? I call upon Deputy Bailhache to reply. Deputy Renouf, your light was on.

8.2.11 Deputy J. Renouf of St. Brelade:

Thank you. I am glad you gave me that. Thank you. The Government get awfully het up ...

The Bailiff:

At the last minute, yes.

Deputy J. Renouf:

I will try to do better next time. The Government gets awfully het up when the Budget is described as a raid and plundering, that they keep going on about the £184 million that they are putting in, rather than the £250 million that is being withheld. I think it is legitimate to call it a raid or plundering, and I will explain it like this. Members will recall, at least older Members will, the film "Butch Cassidy and the Sundance Kid". They may also recall that the film starts with our 2 protagonists casing a bank but realising that it is just too well guarded. The bank reserves are too secure to be hit. They come up with a new plan, attacking the train that is taking the money to the bank. As far as I can see, the bank is plundered either way, just as the Social Security Fund is being plundered, whether you take the money from the fund or the money going on its way to the fund. It does not make much odds. The fact that you have left a little bit of cash behind in the train does not make it any less of a raid. Perhaps the Jersey version of the film could be called Butch Lyndon and the Scottish Kid. **[Laughter]** Whether the lead characters command so much public affection remains to be seen and it is of course unfortunate the film ends with both main protagonists being smoked in a hail of bullets. Let us hope that political retribution, should it come, is slightly more merciful or perhaps a better film title would be Raiders of the Last Fund. I do want to acknowledge, as Deputy Bailhache did, that the Government faces a dilemma when it put this Budget together. It had difficult choices to make and that is why I am pleased that it is the first amendment to be debated

because it does get to the nub of the issue. We know how we got here. Last year's Budget turned out to be in deficit but Ministers wanted to spend more money, around £200 million more, over the course of one Budget, hence the raid on the Social Security grant. But not just that of course, Pillar Two tax revenue, some of which had previously been earmarked for replenishing the Stabilisation Fund; they were thrown into the spending pot as well, plus a wedge of extra borrowing to pay for Fort Regent. Add it all up and the big picture is the Government is spending beyond its means, as the F.P.P. have made clear in their unusually blunt report. The funding gap is being closed by reducing the Social Security grant but it is a temporary fix. Even the Government admits they cannot rely on the grant beyond 4 years. Why does this matter? Because the Government are explicitly and knowingly entering into long-term spending commitments without a revenue source to cover them. Taking from the Social Security grant only papers over the cracks. I think it is a bit of a cheek for Deputy Mézec to say that the supporters of this amendment are avoiding the big decisions when the Government have explicitly said it is ducking the issue and explicitly said it is handing the problem to the next Government to sort out. It is a little shocking I think for many people in the Island to hear a Government in Jersey so deliberately throwing a hand grenade into the lap of an incoming Government; a rather casual trashing of the Island's reputation for fiscal prudence built up over decades. We cannot sort this mess out, so we will hand the problem on.

[14:30]

It is, as Deputy Bailhache might say, a melancholy state of affairs. Every Budget tells a story. The story the Government are telling in this Budget is that we are okay for another 4 years. The show goes on, do not worry. The Social Security Fund can afford to take a hit. We can still increase spending without raising taxes. We can buy 4 more years and the next Government can use the time to find the long-term solutions. Deputy Bailhache's amendment tells a different story; it says no. We need to wake up, take the red pill, stop living in the matrix, face up to the real world. We are consistently running deficits. We are borrowing more and more. Jersey's long and enviable record of fiscal stability is crumbling. The raid on the Social Security grant is not prudent. The F.P.P. have laid it on thick; living beyond our means. If we kick the door down to the Social Security grant with 4 years of transfers, we will have institutionalised spending beyond our means. This amendment says, no, let us turn and face the issue. The problem with the Government's Budget is that it gives the next Government 3 years to continue living a lie. It will be all too easy to keep relying on the grant. This amendment proposes a different solution. In effect, it says, no, we do not have 4 years, we have one year to sort the mess out. Because by taking the money from the Strategic Reserve, we are clearly signalling that this must be dealt with. The practical effect of insisting that the shortfall is covered by the Strategic Reserve is that the incoming Government will have no choice but to prioritise finding a long-term solution straightaway. Its first Budget will have to address the matter because no Government will want to continue taking money from the Strategic Reserve to fund day-to-day expenditure. At the point when the next Government addresses these issues, more will be known about the health of the Social Security Fund. If the Government is right and the actuary report comes up trumps, then great. In that case it will be possible to immediately repay the Strategic Reserve in full; all will be back to normal. But if the actuaries say there is not enough money to pay back the Strategic Reserve next year, then we should never have been taking from the grant in the first place. In that case the new Government, as I say, will have to address the Government's funding gap immediately. But what is absolutely clear, as the F.P.P. says, is that no Government should be taking money from the Social Security grant without knowing that it can be afforded. I think Deputy Bailhache's amendment respects this central point. The Government's case rests on whether they can be sure that their actions are not affecting the fund in a significant way. They cannot say that for the simple reason they have not done the work. The problem is that the Government's entire approach to the raid on the Social Security grant has been back to front. They have tried to find ways to justify it, rather than to try and objectively work out whether the funds could take the hit and, if so, what size of a hit? There is one big tell, if you like, that exposes the weakness of the Government's case.

If they knew the true state of the Social Security Fund they would know how much money the funds could do without. The £50 million cut in the grant has been magicked out of thin air. They are taking £50 million, not because they know the fund can do without this sum of money but because it is what they need to close the funding gap. Recall this is the same fund that last year the Government was promising to protect once the 2-year funding for living wage transition had been spent. Nothing significant has changed in the health of the fund since then, except the Government's desperation. As we have heard belatedly, the Government tried to find some cover only in September, after the spending totals had been decided, that the Minister for Social Security write to the actuary to ask them to assess the impact of the £50 million a year cut. The Minister made some assumptions favourable to her case and they pointedly offered to assess whether the assumptions the Minister had given them were prudent or not. The Minister refused to take the actuary up on the offer. It is inexcusable not to have asked the actuaries for their judgment in this matter. It should not be up to Scrutiny and Back-Benchers to push Ministers to properly test the validity of the Government's actions. The Minister for Social Security in particular should have been relentless in her determination to find out whether or not the fund could do without £250 million. I am afraid that Ministers have been trying to persuade themselves that the fund can take the hit, rather than objectively pushing to understand the true situation. This is the original sin of the heart of this Budget. The Government did not try and find out how much money they had to play with. They came at it from the opposite side of the equation; how much do we want to spend? The Government says that it is preferable to take money from the Social Security Fund, rather than the Strategic Reserve. The problem with this argument is that it assumes the 2 funds are equal in purpose. They say that the Social Security Fund is in rude health. The Strategic Reserve is not and, therefore, it does not, as I say, make sense to take money from the one that does not have enough money and put it into the one that does. This would make sense if, and only if, the 2 funds served equivalent purposes but they do not. One is a contributions-based fund with a defined purpose and a clear set of rules as to its ongoing funding and related legal obligations. The other is a discretionary fund to be built up when possible; vital, yes. But the funding strategy for building up the funds can afford to be more long term, more strategic. But of course it has been used for short-term purposes before; Grève de Lecq café comes to mind. But more relevant, I well recall in 2023 asking the then Minister for Treasury and Resources after the previous Government had been defeated in its attempt to take money from the grant: "What are we going to do now?" "Take it from the Strategic Reserve" he said. The Government may well argue that they have vital funding priorities and without the grant they cannot be funded. But that is no more than they are asking the next Government to do in 4 years' time when the money from the Social Security grant runs out. What then? This Government has proved unwilling to do the hard thinking necessary to close the gap between income and expenditure. The effect of this amendment will be to force the new Government to deal with the situation. As an interesting by-product, it will ensure that the next election is an election focused on that existential question: what kind of Jersey do we want to see? The very issues that Deputy Mézec eloquently outlined. I do not say this myself as some small state vigilante. Deputy Mézec is, in my view, right to say that we probably need to spend more on public services. I am a believer in the power of Government to do good things but we also have to be honest. Spending money we do not have may seem like it is helping but it is doing so at the expense of future generations. We have to be more responsible than that. Gordon Brown used to call it being prudent with a purpose. In taking money from the grant for 4 years the Government is scraping the bottom of the barrel in a desperate attempt to find enough cash to fund current spending. The higher principle here is that we do not withhold money from the Social Security grant until we know for sure that it can be done. While we await the work that the Minister for Social Security should have done to establish this point, we should, effectively, borrow from the reserve, fund the good stuff the Government wants to fund, confident in the knowledge that if the Government is right then the money can be paid back straightaway. But if it cannot, then the next Government must face that challenge immediately.

8.2.12 Deputy M. Tadier of St. Brelade:

I do like a good analogy and I am yet to hear one today. [Laughter] The analogy about the train robbery I think is compelling in its visualness but, ultimately, flawed because we are not dealing with train robberies and bank accounts here that are seeking to be unlawfully raided by third parties. What we have here, at best, is that we are dealing with public funds that are being managed for the public by people who are elected by the public, and it is a completely different relationship. I would prefer to look at it perhaps from the point of view as a member of the public as somebody who contributes to the Social Security Fund or, more generally, as a taxpayer, which I am. But certainly most of our constituents are, certainly everyone contributes to tax nowadays and even if it is only by paying for things in G.S.T. (goods and services tax), which they never used to have to pay for. What we are not hearing about are the counterfactuals here. We are getting, I think, some very legalistic arguments saying, ultimately, you should be putting more money into the funds than we might otherwise be doing. But what would the consequence of that be to pay for the public services if we are to maintain the likes of the N.E.F. (Nursery Education Fund) funding going forward, which I do not hear anyone arguing against? I hear lots of arguments being made already in question time saying that it is terrible that we are cutting money to the Environment Department. No doubt many Members who have just spoken in favour of this amendment by Deputy Bailhache will be wanting to give more money to Government. Presumably the question, therefore, is where does that money come from? Does it come from that special arboretum that exists in cloud cuckoo land, the magic money tree? Because that is what I am hearing. There is lots of negative talk but no positive suggestions being put forward. The counterfactual would be that we go back to our constituents because this Government wants to continue to put exactly the same amount into a very health fund which has, we have heard, 7 years of spending available to it; that is if there was a catastrophe and nobody was to contribute into that fund from now onwards, which clearly is not happening. We would have to go back to our constituents and say to them: "Would you perhaps like to start paying 7 per cent or 8 per cent social security contributions?" As I noticed the advance party has been suggesting in one of its other amendments in its report, that maybe we increase G.S.T. to 6 per cent, of course only temporarily. Yes, only temporarily, perhaps to pay for things like Fort Regent. But it could also be to pay for things like balancing the books, so we can continue to put money into the Social Security Fund that we do not need to at the moment. I certainly would be aggrieved if somebody came to me and said: "You have either got to start paying more money or we have got to cut vital services to the community." At a time that Deputy Mézec said, quite rightly, we are trying to keep people in Jersey and we are trying to attract people to come to Jersey, stay here to live, work and contribute of course financially but presumably culturally and socially as well. I think those are the counterfactuals which are not being balanced here. I think we do have what is being presented as a balanced Budget by this Government. If people want to stand up and say that the Minister for Treasury and Resources is known for her fiscal imprudence and that Deputy Gorst, who spoke earlier in this debate, is well-known for this fiscal imprudence, by all means attack them at election time for that. I have sat down and I have considered this more widely and it seems that there is cross-governmental support to say, if you have got a fund here which is very strong and which can temporarily withstand a slightly smaller amount going into it, so that we can start to have that wider conversation about what the economy looks like in future, whether or not the economic model is either broken or it just needs some tweaking and we decide who the winners and losers are in that and what the public expectation is around wider public services, then absolutely that must form part of the next election and the detailed manifestos we hope to see from either independents or party politicians when they are putting themselves forward. But at the moment I am quite happy to accept the fact that this balanced Budget of course is never going to satisfy everyone. But those ideologues and perhaps legalistic minds in the Assembly who just simply fixate on this fund should be being topped up at the same rate always, without taking into account the wider economic and political circumstances, I think should perhaps, as they would say in French: "*Mettre un peu d'eau dans leur vin.*" They should put a little bit of

water in their wine and they should be willing to compromise on what I think is overall a generally very positive Budget.

8.2.13 Deputy L.V. Feltham of St. Helier Central:

As Minister for Social Security and the Minister responsible for the Social Security Fund, I do oppose this amendment. I fully endorse the views that were put forward by the Minister for Treasury and Resources in her speech. In particular, I think it is important that we remember the voices of the youth that she spoke about. Much of what I have discussed in the run up to this Budget debate has been about intergenerational fairness and ensuring that we put things forward that are going to be fair for future generations and also think about their needs now.

[14:45]

I do think that one of the biggest issues that we have and one of the biggest threats to the Social Security Fund is not having a working population into the future and it is that population that we need to put first. This amendment, as proposed, would only put the Social Security (Reserve) Fund into a slightly better position than that proposed by the Budget. However, that is only achieved by depleting our Strategic Reserve, our vital protection against severe economic risks. I cannot support that position. The Strategic Reserve is too low today and it would be irresponsible to seek further unnecessary drawdowns from that reserve at this time. As Minister, I am confident that the Social Security (Reserve) Fund is robust. Deputy Renouf talked about the Government picking and choosing the facts that it wished to use but I think that other Members are also picking and choosing. We have indeed sought actuarial advice which compares what we are proposing with the short-term change. We have that modelling to show us what the effect is, and we know that the effect does not affect this current generation of pensioners. It is indeed my daughter's generation that we need to be looking out for. I can reassure Members that during this 4-year term that not only does the fund increase in cash terms, it is also forecast to increase in the terms of benefits that it supports, and that is with this change being made. As discussed during Oral Questions, the fund balance at the end of 2026 is equivalent to 7.4 times the amount that the fund is due to spend in 2026 on benefits and pensions. In 2029, even with the change that the Government is making, the ratio increases to 7.5 times, confirming that the fund is healthy today and will be healthy in 4 years' time following the temporary reductions in the States grants. But should this amendment be adopted, the Strategic Reserve currently in the budget is forecast to represent 18.4 per cent of our G.D.P. The minimum that is recommended by the Fiscal Policy Panel is 30 per cent; we are well below that figure today. This amendment would reduce that figure even further to 16.6 per cent. There is no need to deplete the Strategic Reserve at this time to put more money into the Social Security Fund, which is robust and sustainable for decades to come. I urge Members to reject this amendment.

8.2.14 Deputy K.L. Moore of St. Mary, St. Ouen and St. Peter:

I was going to pick up on Deputy Mézec, who I believe talked about future generations and I agree with much of what he says. Because of course our work as custodians of the public finances for today have to look to the future and the future of Islanders. I was going to also say that we need to think not only of the pensioners of today but their grandchildren and their greatgrandchildren, and I was quite flabbergasted to hear the Minister for Social Security just remind us that we should be looking at her daughter's generation. I absolutely agree, and that is the problem with this move of the funds from the Social Security grant. It risks the future stability of future generations. I am sorry but there is no guarantee from the Minister for Social Security of how that money will be returned to the current levels that are proposed for returns to the grant in 2030. We are simply putting our faith in her word that a future Government will organise itself adequately to put itself in a place to return to the fiscal discipline and responsibility that we have had to date. I am sorry, but after watching painfully the past 2 years and now hearing again the former Minister for Treasury and Resources, now the Minister for External Relations, this morning say: "We will have a review and in next year's

Budget there will be some proposals for getting our expenditure under control.” I have no faith in those comments and I cannot put my faith in them to resolve the issues of the grant to the Social Security (Reserve) Fund. Although I feel that it may have some implications for people’s approach to my own amendment, which will be later in the debate of course, I do have a greater faith that Deputy Bailhache has proposed a sensible halfway option with regard to this transfer of expenditure and I will be supporting him.

8.2.15 Deputy I. Gardiner of St. Helier North:

I am grateful to Deputy Renouf on his speech and angle that he brought for me to the debate. I really do not like to take funds from the Strategic Reserve, and this is why I really was sitting and listening to the debate because I struggle with the amendment. What made for me, I think, go to supporting it is the restriction. We do not want to spend the Strategic Reserve. If we will vote for this we are opening a tap for 4 years’ forward. This will push the other Government to bring to the end. Deputy Mézec, I agree with everything that he said, apart from, did Members consider how much from this Budget is spent on the Common Strategic Policy in total? All absolutely right objectives that Deputy Mézec raised in this Assembly. If you look at the response of the Council of Ministers, in 2 years, it is £8 million in 2025 and £18 million in 2025 and 2026 together. We are spending 1.3 per cent of total budget for the Common Strategic Policy and objectives that were raised. But I am not standing to speak about it, it is kind of reflection. What I wanted to talk about, it is my problem with the trust. This is central for me. I am looking around the Chamber and I would like to ask Members, when they looked on page 48, do you have the Budget at page 48? On page 48 in the Budget, nowhere else, it was not announced, it did not come to the debate of the Assembly. In the small table number 12 on the left-hand side Members can see 2025 £10 million, which we agreed and approved in this Assembly, an extra £50 million that we had never been asked in this Assembly. It is adjustment to the Budget 2025. Why am I talking about the trust? The Government came back - it sneaked for me because it is a small, small table in table 12 on some page - and said: “Give us retrospectively £50 million because we overspent.” When we asked why overspent? The income was not as expected, the inflation was higher than expected. That means the public service payment, which is inflation plus 1 per cent, was higher than we expected. We overspent in health as usual year on year. How can Islanders trust this Government not to overspend in the next 6 months? What concerned me the most, and I think this was evident, this £50 million that is now being sneaked into this Budget to say: “Give us a retrospective £50 million” was clear direction in the summer. From the responsible Government I would expect act early to reduce spending pressures in 2025, and if it is really too painful come back to the Assembly in September. Why did you not come back to the Assembly in September and did not suggest an option for the cuts that we can all discuss as an Assembly and make maybe these difficult decisions? It is not easy decisions, nobody thinks these are easy decisions. But this £50 million overspent in 2025 was never discussed until we found it in the table number 12 on page 48. This Government did not do either. Instead we have a situation where actions were delayed and the fund was used as the balancing tool because we do not want to present the accounts for 2025 in red. We will not be able to see the accounts before the elections because the accounts probably will be presented after the elections. If the Ministers wants the Assembly’s and the public’s trust they might demonstrate discipline, as they are telling, and management and transparency for cuts and not retrospectively fixed. It is not about the numbers, it is about credibility and about responsibility. Let us be honest, going back retrospectively and saying the reserve grant first of £50 million, it is not sustainable. Nothing is sustainable. The Strategic Reserve is not sustainable. The Social Security Fund is not sustainable. It is a difficult decision and open conversation is sustainable but this Government never brought to us any options for cuts back in September when they knew they are overspending. This is what I feel that trust and where we can find ourselves in another 6 months will probably tip me over.

The Bailiff:

Thank you, Deputy. Does anyone else wish to speak on this amendment? If no one else wishes to speak, I call upon Deputy Bailhache to reply.

8.2.16 Deputy Sir P.M. Bailhache of St. Clement:

I thank all Members who have contributed to this debate. Deputy Gorst and a number of other Members I think have defended the Strategic Reserve. I hope it is obvious to Members that I have no enthusiasm at all for suggesting that money should be taken from the Strategic Reserve instead of from the Social Security (Reserve) Fund. It is not really the purpose of the amendment. I am grateful to Deputy Renouf for his incisive speech, if I may say so, and for underlining the intended effect of the amendment, which is to compel the Government or perhaps the next Government to confront the issues which ought to have been faced by this Government but, regrettably, have not. We cannot go on in this way and, up to a point, I agree with Deputy Mézec. Deputy Mézec wants us to go on in this way because he enjoys spending and he wants us to increase taxation to meet the spending requirements. Maybe that is to be an election issue; I think it could be a very good election issue. What kind of Island do the people want? Do they want to have a Reform Jersey kind of Island or do they want to have a smaller Government where people live within their means and produce services to the extent that taxes can provide them? I am disappointed by the Government's negative approach to the necessity to reduce spending. It is, I must say, what I find most depressing about this Government's approach to the Budget. The Government's comments on my amendment include the phrase or the sentence: "In terms of spending plans, the Council of Ministers is already delivering a considered, deliberate and responsible approach to curb the growth in the public sector." To which my response is difficult to frame in parliamentary language. Is poppycock allowed?

[15:00]

The Bailiff:

Probably.

Deputy Sir P.M. Bailhache:

I think that perhaps sums it up. The Government's comments go on: "£20 million of savings will be delivered in 2026." Maybe but £52.7 million of growth allocations is also being delivered; that is no real saving, it is additional expenditure. Again, I quote: "A further £29 million will be delivered in 2027." But so will £54 million of growth allocations and so it goes on. I do not know the figures exactly for 2024 and 2025. But I am pretty sure there was no net saving in either of those years. May I conclude with some uncontroversial words? We are spending more than we earn. We have been unable or unwilling to control our spending so that it does not exceed our income. Deputy Barbara Ward spoke very sagely of Mr Micawber's advice in Dickens' *David Copperfield*, which is as relevant today as it was 170 years ago. This Budget can only be balanced by taking money from the reserves and by borrowing. As the Fiscal Policy Panel advises in trenchant terms, that is not sustainable. Eventually chickens will come home to roost. If we continue to plunder our reserves they will surely run out. If we continue to increase our borrowing, we will betray future generations who will have to pay the bill for our profligacy. Already our borrowing involves a payment of more than £40 million in interest each year alone. I appreciate that the Government's task is not easy. Special pleading is rife in this Assembly. Our own priorities are always more important than the other person's priorities. The Corporate Services Panel seems determined to introduce a Public Services Ombudsman but that will cost at least £1.5 million extra in spending. The Children's Commissioner protests at a modest reduction in her budget when it could be argued that the very existence of the commission at a cost of £1 million a year is expenditure that we cannot afford. The Government's task is not easy but that is no excuse for overspending. This amendment seeks gently to push the Government in the right direction. No one wants the Strategic Reserve to be plundered, but that is a great incentive to reduce spending. As Deputy Renouf says, if the Minister is right - and I am sorry she did not respond to the criticism that was levied against her - about the well-being of

the Social Security Reserve Fund, it will be able to repay the Strategic Reserve in 2026. Taking only £25 million from the Social Security Reserve Fund is less imprudent than taking £50 million. I move the amendment, Sir. I call for the appel.

The Bailiff:

The appel has been called for. Members are invited to return to their seats. I ask the Greffier to open the voting. If all Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. I can announce the amendment has been rejected:

POUR: 15	CONTRE: 25	ABSTAINED: 3
Connétable of Trinity	Connétable of St. Helier	Deputy L.M.C. Doublet
Connétable of St. Clement	Connétable of St. John	Deputy M.R. Ferey
Connétable of Grouville	Connétable of St. Ouen	Deputy B. Ward
Connétable of St. Mary	Deputy G.P. Southern	
Connétable of St. Saviour	Deputy C.F. Labey	
Deputy I. Gardiner	Deputy M. Tadier	
Deputy K.L. Moore	Deputy S.G. Luce	
Deputy Sir P.M. Bailhache	Deputy K.F. Morel	
Deputy D.J. Warr	Deputy M.R. Le Hegarat	
Deputy H.M. Miles	Deputy S.M. Ahier	
Deputy J. Renouf	Deputy R.J. Ward	
Deputy H.L. Jeune	Deputy C.S. Alves	
Deputy T.J.A. Binet	Deputy I.J. Gorst	
Deputy A.F. Curtis	Deputy L.J. Farnham	
Deputy K.M. Wilson	Deputy S.Y. Mézec	
	Deputy T.A. Coles	
	Deputy B.B. de S.V.M. Porée	
	Deputy M.R. Scott	
	Deputy C.D. Curtis	
	Deputy L.V. Feltham	
	Deputy R.E. Binet	
	Deputy M.E. Millar	
	Deputy R.S. Kovacs	
	Deputy L.K.F. Stephenson	
	Deputy M.B. Andrews	

8.3 Proposed Budget (Government Plan) 2026-2029 (P.70/2025): fifteenth amendment (P.70/2025 Amd.(15))

The Bailiff:

The next item to be debated is the fifteenth amendment lodged by Deputy Warr, and I ask the Greffier to read the amendment.

The Deputy Greffier of the States:

Page 2, Paragraph (b)(i), after the words “Article 9(2)(a) of the law, insert the words – “, except that in Summary Table 1 the income estimate for Stamp Duty in 2026 should be reduced by £1,300,000 to reflect the removal of the current higher rate surcharge on the sale of second homes for one year. Page 3, paragraph (b)(xii), after the words “Appendix to the accompanying report”, insert the words – “, except that, on page 35, the section titled “Reduced higher rates of Stamp Duty on non-main residence properties” should be renamed “Removal of the higher rate of Stamp duty on non-main residence properties”, and for the words “A modest reduction of the surcharge is proposed, taking the surcharge down from 3 per cent to 2 per cent for one year” there should be substituted the words “The removal of the 3 per cent surcharge is proposed for one year”.”

8.3.1 Deputy D.J. Warr of St. Helier South:

The stamp duty surcharge of 3 per cent was introduced in 2023 on second homes in the belief that it would deter speculative buying and protect affordability for local residents. At the time that seemed like a reasonable call and so I was supportive of its intent. However, as time has gone on, it is very clear to me that the timing of its introduction was problematic and the economic consequences of that decision are still being felt today. Between 2023 and 2024 we saw the collapse of at least 6 construction businesses. We have seen base rate rises move from 0.25 per cent in 2021 to 5.25 per cent in 2023 and inflation running at over 15 per cent over the same period. Add the 3 per cent stamp duty charge and no wonder, despite there being some uplift in property transactions, they still remain 20 per cent lower in comparison to their pre-pandemic levels. The impact has also been felt by Treasury. In 2021 £54.5 million was collected in stamp duty. By 2023 that had fallen to just over £29 million with just £2.1 million of that figure being the result of the surcharge. If stamp duty revenue had remained at 2021 levels, we would already have been over halfway to paying for the refurbishment of Fort Regent or we may not be having to reduce the grant to the Social Security Fund by the levels being proposed in the current Budget. In 2023 the number of houses bought and sold in Jersey fell to its lowest level since records began more than 20 years ago. It literally ground to a halt. The problem is that this inactivity impacts the economy as a whole; removal firms, landscape architects, builders’ merchants, conveyancers, restaurants and bars, to name but a few. The third quarter House Price Index 2025 has also shown another worrying trend. Sales of rental properties significantly outstripped purchases of rental properties; that is homes for people who cannot get a mortgage or who do not want to purchase a home. A falling supply of rental homes will only lead to one outcome, rising rents. That does not just affect the private sector, that also impacts on the rents Andium Homes and other social housing providers charge, given their model of 80 per cent of private sector rent levels, despite the cap on increases. It is also not clear as to how many transactions that should be caught by the 3 per cent surcharge are being missed due to a lack of enforcement. I quote from the Statistics Jersey third quarter 2025 report, quote: “It is important to note that in some cases properties have obtained a rental licence shortly after purchase, even though they were initially declared as rental investments and, therefore, were not subject to the higher rate of stamp duty.” Even the Government recognises that there is a problem applying the surcharge correctly. The only data I can find on the subject matter is that within the total of £29 million collected in stamp duty in 2023, just £2.1 million or 7 per cent of that was from surcharge. Where is the data that evidences any beneficial impact of the surcharge on our economy? There simply is none. Why are we persisting with it when all the anecdotal evidence is showing that it has been a complete disaster? If the 3 per cent surcharge had not been introduced, given the market conditions from 2023 onwards, would we have seen a bigger drop in prices than the approximately 14 per cent we have already had? More activity, more sales, more investor offers being accepted at lower prices. Could that have driven a

larger percentage fall in headline property values? It is just a theory but of course we have no data. But it is worth remembering market activity does not only go up when prices are rising, it also increases when the market is falling. A stagnant market with hardly any activity is when prices do not move much at all. When the Minister for Housing claims that the introduction of the 3 per cent surcharge caused the market to drop, I fundamentally disagree. Market conditions caused the drop. It started the moment the first base rate rise landed. The surcharge would not have shifted the needle that much. What it did do was take potential buyers out of the market right when it was already tough, which meant fewer locals could complete their chains and move. Rather than helping locals to get on the housing ladder, it had the exact opposite effect. This surcharge should be removed immediately. The predicted loss in income of just £1.3 million against the opportunity of improving market conditions and thereby increasing stamp duty revenue is significant, not just for the Treasury but for our economy as a whole. I urge Members to support this amendment.

The Bailiff:

Thank you, Deputy. Is the amendment seconded? **[Seconded]**

8.3.2 Deputy S.Y. Mézec of St. Helier South:

Members should reject this confusingly-argued, uncosted and poorly thought through amendment. In terms of confusingly-argued, I can explain that briefly. The wording of the amendment is very clear that this would be a one-year holiday for the surcharge, yet in the report to it he refers to abolishing the surcharge. The Deputy has, therefore, made a case for the amendment which is all over the place and inconsistent as to what he wants to happen. In terms of uncosted, that is fairly self-explanatory. The amendment asks for us to take off £1.3 million from our revenue bottom line, which would officially put the Consolidated Fund into deficit in 2027. It is not that far off from doing it in 2016, which would have ruled it out of order had it gone just a bit higher.

[15:15]

Combine that with the financial implications of his other amendments and we are well on the road to bankruptcy, which is pretty poor politics if you ask me. But the amendment is poorly thought through for lots of other reasons and the proposer is doing the wrong thing at the wrong time. The buy-to-let stamp duty surcharge is one element in a package of policies that are designed to help steer our housing market to one in which more Islanders can achieve their dream of home ownership. We should make no apologies for that ambition. Our position as a Government is to focus on delivering decent affordable homes for Islanders to buy for themselves to live in and give them the security that provides and the ability to invest in their own futures, rather than nurture a market where so many are only offered the chance to live in a box flat and charged a high rent, which never leaves them able to save up for their own future. We do not need to rehearse the frequently well-articulated view of so many of our constituents but the years Jersey had of a boom in the provision of small high-rent flats at the same time average house prices frequently increased in a year by more than the entire average salary, made this Island a less attractive place to live. That was completely unsustainable and we must be vigilant in making sure we do not return to those days. Last year we had a big realignment where prices fell by the biggest amount since records began and turnover plummeted. While that has been challenging for some, it presents opportunities for others. The opportunity we must see in it as a Government is an opportunity for recovery. That means adopting policies to nurture this situation as carefully as possible to maximise the benefits for our population. We have done that by supporting extra supply of homes through Andium, initiatives like First Step and my reforms to the first-time buyer rules to support upsizing. The maintenance of the stamp duty surcharge has been a part of that. Now today we find ourselves in a situation where turnover is increasing but prices are not spiking. The proportion of homes bought by first-home buyers to investors has increased. I contend that that is exactly the trend we want to see and we should try to preserve it. If we artificially try to manipulate demand from investors to get turnover up and we may,

as the economic evidence from other jurisdictions show, risk seeing price increases that push homeownership further away from the exact people we are trying to help. Deputy Warr's amendment seems absolutely oblivious to that risk. He even cited the pre-pandemic levels as if they were some sort of halcyon error; they most certainly were not. There is of course a reasonable flaw in his argument, which is that house prices falling down last year is of benefit to investors too. In most instances that drop in prices will have saved the prospective buyer much more than the stamp duty will have cost them. This point may not be obvious to people if they inhabit particular echo chambers, but I have to tell Members and Deputy Warr this, the stamp duty surcharge on investment purchases is popular. Most Islanders like it, they like it because of what it stands for and they like it because they recognise the strategy that it is part of. It is a strategy for them and not just those who are directly affected by the cost of buying a home but for everyone in our Island who cares about others who wants to see them live happy and prosperous lives in Jersey in homes that they can afford. I have referred in previous debates to the parents who are themselves reasonably affluent, own their own home, who worry about the chances that their children have as they grow up to be able to afford their own home in Jersey and the tough decisions it forces them to make about where they may see that future happiness for them and whether that is in Jersey. I think Islanders recognise that this mechanism is one that at its heart is based on fairness. The rules should be swayed towards people buying homes to live in them and we should not nurture an environment where those who have more capital to leverage can swoop in and outbid those who are desperately trying their first foot on the ladder, and in doing so see house prices rise. I accept that all of these issues are complicated. The economics around it is complicated. As the Fiscal Policy Panel had referred to in a previous review they did of this, there are interlinked issues which make all of it complicated and difficult, like the rise in interest rates, for example, they said that it was difficult to disentangle that from the effect of the stamp duty surcharge. But making a decision like this in isolation without regard for the rest of the strategy and itself without costing it properly, nor making a coherent argument for it, as the Deputy does not do because the argument he makes in his report and his speech is not what is in the wording of the amendment, means that this is a poor amendment and Members should reject it.

8.3.3 Deputy M.B. Andrews of St. Helier North:

It was during 2022 when I stood for election. I stood on the platform and I said we need to introduce a stamp duty surcharge of 3 per cent. The reason why I said that at the time - and I still maintain my stance - is because we have seen so much investment in the past when credit was cheap. Many people knew they could get a good return if they invested in real estate. What we saw is this incessant demand in the housing market, and many young Islanders and middle Jersey were just being priced out continually and that is not really fair. If we have got a society where people are paying extortionate rents for the sake of somebody generating an economic rent for themselves and unearned income, how can that be healthy? How can that be sustainable, because it certainly is not? There is a need for a demand-side constraint to be in place to deter the level of investment. We also need to recognise as well, with most of the banks, if you want to go out and get a buy-to-let mortgage you need to put down a 20 per cent or, potentially, 25 per cent deposit; that in itself is significant. If you are looking at a 3-bedroom property 2 or 3 years you might be paying about £850,000. Yet the bank would turn around and say: "You need a 25 per cent deposit" and a lot of people could afford that. Even with those elements in place as a demand-side constraint, we still saw the demand and we still saw so many people losing out on house purchases and many people who could not afford property because house prices were going up and up and up. I do not really see we, as a States Assembly, setting out a long-term vision for Jersey's housing market in terms of when we look at, say, homeownership rates. In mainland Europe the percentage of homeownership rates is generally much higher compared to Jersey. I do not think anybody is looking at the long-term impacts of what happens with people my age once we are older, once we have to then, potentially, go into care, who is then going to be paying all of this? Because if you have got so many people who do not have any assets, there is nothing there to pledge as collateral to then pay off debt obligations. There is going

to be a significant cost to that in the future. For me, from my perspective, it is absolutely paramount that we are supporting people into homeownership. I want to see more people entering homeownership, compared to people investing in property to generate an economic rent for themselves. I get it, some people have to supplement their pension because the pension is very low and it is difficult to live in a very high-cost jurisdiction. But at the same time, how is it fair by saying, yes, let us just reduce the stamp duty surcharge? No, because what we will be seeing is we will be seeing so many changes in the housing market and we are going to be seeing more people investing in property. House prices will then in turn go up, especially with the lowering of interest rates, because that is where the trend is going and we are just going to be back to square one where we were a couple of years where many people were so disillusioned. Then the questions were being asked, what have consecutive States Assemblies been doing? They have just been sitting on their backside. They have not brought forward any policies to deter investment in second or additional homes and that, quite simply, is not good enough. Yes, it was long overdue the stamp duty surcharge, and thank God it is in place. It is just such a shame that it is being reduced down to 2 per cent because next term somebody is going to have to probably bring forward a proposal to increase it once again back up to 3 per cent. I think that is all I have got to say.

8.3.4 Deputy M.E. Millar of St. John, St. Lawrence and Trinity:

I find this amendment from Deputy Warr somewhat confusing. His other amendment, Amendment 14, states that he wants to facilitate homeownership and yet this facilitates the purchase of buy-to-let properties through a stamp-duty holiday and it is difficult to see how these 2 amendments can be anything other than a direct contradiction. As Deputy Mézec has pointed out, the Deputy is not proposing to remove the higher rate but simply a one-year holiday. We know from the house price data that first-time buyers are often directly competing for the same one and 2-bed properties as those purchasing buy-to-lets. The complete suspension of the higher rate of stamp duty for a year is likely to cause a rush on investment properties, potentially to the detriment of first-time buyers. I agree with Deputy Andrews, I think the 3 per cent was introduced unanimously because we had all heard those stories about young people struggling to compete with landlords to buy their first homes. A differential between those buying a new home and those buying a second property and a buy-to-let property should, therefore, remain. Ministers are aware that the current conditions are different to those at the time that the higher rate was proposed. We have seen significantly higher interest rates and transaction numbers are lower. The 2026 Budget proposes a one-year reduction in the higher rate, not an unfunded holiday but a temporary measure to stimulate a measured increase in the market. Time and again it has been shown that stamp-duty holidays inflate house prices. Jersey's house prices are beginning to adjust after years of unsustainable increases and this should not be jeopardised by house price increases as investors take advantage of a short-term break. We are also aware that the Bank of England base rate is anticipated to continue to fall. A complete removal of the higher rate, coupled with decreased interest rates, may serve to over-inflate a market that has already created itself. Ministers cannot support a measure that would leave the Consolidated Fund in deficit in favour of a proposal that could crowd out first-time buyers by creating more of a rush on the market. I ask Members to reject this amendment and support the Government in our proposed Budget to provide funded and stable support to the market.

8.3.5 Deputy J. Renouf of St. Brelade:

I am opposing this amendment and want to take issue with a couple of points that were made by the Deputy. I do not think that this stamp duty surcharge has been a disaster. I think it has worked reasonably well in fact, contrary to the doom and gloom that came from some parts of the real estate industry at the time it was brought in, and I think we have seen evidence that it was not quite as disastrous as people thought it would be. At the time it came in, it was argued that it was at the wrong moment because the market was collapsing, and this would kill off any chances of the market recovering, but of course the market did recover. In fact, if anything, the situation now is approaching

exactly the point at which you would want to introduce a surcharge, were it not in place, because the market is indeed starting to recover. It is telling that the Deputy brought the comparisons to just before the pandemic in 2018 to 2019 because that was the point of an overheating market. We do not really want to go back to that point and, in fact, that is exactly what the surcharge was designed to avoid. I will also make the point that I often make when this is brought up which is that, in my mind, when I was in the Council of Ministers and this was being proposed, it was not just with a cyclically overheating market. It was because there is a structural imbalance in the market in favour of investors partly due to the fact that we have investment tax relief for interest payments. We also have no capital gains tax and no inheritance tax in Jersey and, over the long term, that makes property in Jersey a very good bet and it means that there is a strong incentive for investors to enter the market and potentially outbid buyers. So, to me, the surcharge is a small measure that helps something to correct that. I did consider bringing an amendment to the Government's Budget to reintroduce the figure back to 3 per cent. I do not think, in general, it is a great thing to be messing with these rates. I think it encourages investors to think that, if they hang on a little bit longer, then they maybe can push it down even a bit lower but I decided that, in the interests of a pragmatic approach, it would be reasonable to reduce it to 2 per cent and see where that gets us, but certainly no lower than that.

[15:30]

I do think the Deputy slightly let the cat out of the bag when he put in the amendment that it was for one year, and then talks entirely about it in a sense in which it would have to be abolished. The only logic of what he is saying is that he does not favour it at all and not that is for one year at all and so, for all those reasons, I think we should keep the Budget as proposed by the Government. I would also note that, in the U.K., the surcharge is now 5 per cent and that is relevant to Jersey because people in Jersey who have a lot of money might be looking to compare where they are going to put their money and they might be deterred from putting it in the U.K. They might think this is a good moment to come back into the Jersey market and potentially to start inflating prices again, and so I think anything that widens the gap between those rates is probably not a good idea for that reason as well; so, no, I shall not be supporting this.

The Bailiff:

Does anyone else wish to speak on this amendment? If no one else wishes to speak on the amendment, I ask Deputy Warr to reply.

8.3.6 Deputy D.J. Warr:

I thank all Members who have spoken in this debate. The reason for the 3 per cent removal is we talk about Governments interfering in markets. I absolutely do not believe that Governments should be interfering in the marketplace. The market works its way out through all of these things. What we have to remember is that pre-pandemic level of interest rates where it was pretty much zero. That is an extraordinary situation of historic low interest rates. That is what was driving issues around the economy. We have had historic high inflation rates. There have been some extraordinary unusual events taking place which have been impacting the market. The sad fact is we have no data. No one is collecting any data in all of this. The only data is we know the whole housing market came to a grinding halt and, as a result of that, many businesses went out of business because of that, which reflects that the housing market is not simply about the price of homes. It is about the ecosystem of our economy, which is also impacted. I am absolutely up for home ownership. I think people get home ownership because investors get into chains and enable chains to be completed. If investors pull out of the market, that means chains collapse. That means individuals do not get an opportunity to buy their own home. It is noticeable also, I would say, that in a recent debate in Guernsey, tax was removed entirely, so maybe they have got it right and we are getting it wrong. I understand the sentiment here and I still feel - and the feeling from the industry is - this is a bad move; it is not helping anything at all to get the housing market going and we should remove it. As I said, I initially

put in for one year. I think it should be there in the long term personally to trial it, but I do believe we ultimately need more data around this because we are just doing this all blind. The one year seems appropriate because it would give us time to collect the data to identify exactly what the impact of that 3 per cent removal would be. At that point, I call for the appel.

The Bailiff:

The appel is called for. Members are invited to return to their seats. I ask the Greffier to open the voting. If all Members have had the chance to cast their votes, I ask the Greffier to close the voting. I can announce that the amendment has been rejected:

POUR: 2		CONTRE: 42		ABSTAINED: 0
Deputy Sir P.M. Bailhache		Connétable of St. Helier		
Deputy D.J. Warr		Connétable of St. Brelade		
		Connétable of Trinity		
		Connétable of St. John		
		Connétable of St. Clement		
		Connétable of Grouville		
		Connétable of St. Ouen		
		Connétable of St. Mary		
		Connétable of St. Saviour		
		Deputy G.P. Southern		
		Deputy C.F. Labey		
		Deputy M. Tadier		
		Deputy S.G. Luce		
		Deputy L.M.C. Doublet		
		Deputy K.F. Morel		
		Deputy M.R. Le Hegarat		
		Deputy S.M. Ahier		
		Deputy R.J. Ward		
		Deputy C.S. Alves		
		Deputy I. Gardiner		
		Deputy I.J. Gorst		
		Deputy L.J. Farnham		
		Deputy K.L. Moore		
		Deputy S.Y. Mézec		
		Deputy T.A. Coles		
		Deputy B.B. de S.V.M. Porée		

	Deputy H.M. Miles		
	Deputy M.R. Scott		
	Deputy J. Renouf		
	Deputy C.D. Curtis		
	Deputy L.V. Feltham		
	Deputy H.L. Jeune		
	Deputy M.E. Millar		
	Deputy A. Howell		
	Deputy T.J.A. Binet		
	Deputy M.R. Ferey		
	Deputy R.S. Kovacs		
	Deputy A.F. Curtis		
	Deputy B. Ward		
	Deputy K.M. Wilson		
	Deputy L.K.F. Stephenson		
	Deputy M.B. Andrews		

8.4 Proposed Budget (Government Plan) 2026-2029 (P.70/2025): thirteenth amendment (P.70/2025 Amd.(13))

The Bailiff:

The next amendment to be considered is the thirteenth amendment lodged by Deputy Bailhache, and I ask the Greffier to read the amendment.

The Deputy Greffier of the States:

Page 2, paragraph (b)(iii) – after the words “in line with Article 9(2)(c) of the Law, of up to those revised approval amounts”, insert the words – “, except that in Summary Table 2, the row including borrowing of £43,000,000 for Fort Regent should be deleted”. Page 3, paragraph (b)(iv) – after the words “Appendix 2 - Summary Table 3 in line with Article 9(2)(b) of the Law” insert the words – “, except that in Summary Table 3, the transfer from the Consolidated Fund to Strategic Reserve (Fort Regent) of £1,300,000 in 2029 should be deleted”. Page 3, paragraph (b)(vi) – after the words “Appendix 2 - Summary Table 4 to the Report” insert the words – “, except that in Summary Table 4, the row entitled Fort Regent Redevelopment should be deleted”. Page 3, paragraph (b)(viii) – after the words “Appendix 2 - Summary Tables 5(i) and (ii) of the Report” insert the words – “, except that (a) in Summary Table 5(i), the head of expenditure entitled Financing Costs should be reduced by £650,000; and (b) in Summary Table 5(ii), the project head of expenditure entitled Fort Regent Redevelopment should be deleted; with any consequential amendments to be reflected as necessary throughout the Budget”.

8.4.1 Deputy Sir P.M. Bailhache of St. Clement:

I am not opposed to the restoration of Fort Regent, as I made clear in my report. The purpose of this amendment is to call for a pause for 2 reasons. The first is to establish what exactly is going to happen at the Fort. The second is to rethink how we are going to pay for it. When I first began

thinking about this amendment, I asked the Greffier to let me know what reports had been produced on Fort Regent during the last 10 years. I received a very useful note, which made it clear that there have been references to the Fort in various Budgets, but not a single comprehensive report in the 2021 to 2024 Budget. It was said that: “The overall ambition for the Fort is larger than that contained in this Government Plan and will need to be considered as part of a wider debate which includes the agreement of the vision, the impact on sporting facilities and the overall funding mechanism for the agreed scheme.” Where is that vision and has it ever been agreed? £2 million was voted in 2020 and £4.8 million was voted in 2021, but in answer to a Written Question in February 2023, Deputy Tom Binet, the Minister at the time, stated that plans for Fort Regent developed by the previous Government were unfeasible in the current economic climate. In answer to a further question as to when proposals are expected to be brought before the Assembly, the answer was that the Ministerial group was looking to develop an affordable proposal and, again, I quote: “to securing an appropriate mandate from the States Assembly.” Subsequently in 2024, efforts seem to have been concentrated on decanting the sports facilities away from the Fort and developing a sport centre at Oakfield. In the 2024 Budget, there was a Scrutiny amendment adopted against opposition from the Government to establish a head of expenditure for Fort Regent. The amendment stated that the full redevelopment project will require a suitable funding model to be brought to the Assembly for approval. I ask where is that sustainable funding model? When Members were invited to a presentation by the Minister for Infrastructure a few weeks ago, we were told that it was the Minister’s aspiration that the development would, I quote “wash its face”. That is break even. I am afraid I was not encouraged by the Minister’s words. History is against us. The Fort has never, in its existence, broken even. I followed up by speaking at length to the chief executive of the Jersey Development Company who was again extremely helpful. I was told that he was hopeful that rental and concession payments would cover expenses but work was going and what exactly would be covered was not yet clear. There is an online business case for phase one and I asked for a copy, if necessary in confidence, but it seems that States Members are not allowed to see the business case. The only thing that was certain was that the interest costs and repayment of the borrowing were not included in the calculations. Our current position is that we do not know what the revenue implications of renovating Fort Regent are. We do not know how much money will be required from our revenue budget every year. I do not think that it is satisfactory that so much uncertainty clings to a project which can only be financed through substantial borrowing. What exactly will we put up there? We are told there will be a theatre, a 6-screen cinema, 10-pin bowling, a climbing wall and other children’s activities. It all sounds very attractive but why can the whole plan not be put before Members for a debate? Will there be a casino? I confess that my antenna twitched when I saw that e-gaming was one of the attractions. If there are plans for a casino, we need to debate it. We do not yet know how the Fort is going to be managed. Will it be through Property Holdings or through the Jersey Development Company? Will we have another battalion of civil servants? What are the commercial implications of re-establishing a huge commercial enterprise? We need, I would suggest, answers to all those questions and indeed many more. Although the request is for approval of £43 million in borrowing, we know that the real figure is much more and is at least £110 million. Phase 2, which will produce all these desirable changes, is to cost £67 million. We do not have a spare £67 million and so that will have to be borrowed too. Should we, in the context of a budget which can only be balanced by diverting substantial funds from the pension fund, be borrowing this substantial sum of money? It is again contrary to the advice of the Fiscal Policy Panel. They have told us that the trajectory of day-to-day spending is unsustainable but we carry on blithely as if there were no tomorrow. But there is, I am afraid, always a day of reckoning. The truth is that we cannot afford to renovate the Fort without finding another source of money. I was chatting the other day to a former chairman of the Jersey Heritage Trust.

[15:45]

He told me that whenever a trustee had a bright idea he would say: “That is an excellent idea. Now what are we not going to do in order to make that possible?” Sadly, we do not seem to do that. We seem to believe that there is a bottomless pit of money which can be borrowed to finance anything. Sometimes, as with the hospital, it is necessary, but renovating the Fort is, I am afraid, not a necessity. Ministers should have the courage to tell the public the truth. The truth is that we cannot afford to renovate the Fort without increasing taxes. In my report, I suggested one way of doing it. Increase G.S.T. by 1 per cent for 5 years ring-fenced for Fort Regent so that it could not be spent upon anything else and we have all the money that we need. After 5 years, G.S.T. goes back to 5 per cent. Put that proposition to the people and see what they say but Ministers, I am afraid, do not seem to have the courage to do that. My contention is that we ought to pause. Firstly, and perhaps most importantly, there ought to be a report and proposition so that we know exactly what is being proposed for this very substantial sum of money. Secondly, we ought to rethink how we are going to pay for it. It is absurd, in my view, to lodge through a scheme of this magnitude without having the opportunity to consider it and to debate it. Borrowing money is not the right option. It is contrary to the advice of the Fiscal Policy Panel and we ought to listen to the experts whom we have appointed. I move the amendment.

The Bailiff:

Is the amendment seconded? [**Seconded**]

8.4.2 Connétable A.N. Jehan of St. John:

I think Deputy Mézec has described this amendment as an effort to, and I will quote: “Make Jersey boring again.” He may say that but I could not possibly comment. I do recognise though that Deputy Bailhache, especially in his report, mentions the conflict that many in our community are feeling between their desire for a revived Fort Regent and their concerns at how it will be paid for. I respect those concerns, and while I will be voting against this amendment, I do not think that Deputy Bailhache and I are all that far away on our views on this matter. In his report - which I have to say I enjoyed reading - Deputy Bailhache says that Fort Regent has been a drain on taxpayers’ funds since its construction during the Napoleonic Wars, including since its conversion in 1967 into a recreational centre. In this respect, I am afraid that Deputy Bailhache risks not showing enough regard towards the real value that the Fort has offered to both Islanders and visitors alike. Fort Regent holds many warm and fond memories for generations of Islanders. It was the place to go in the 1970s and 1980s, and even young people in the 1990s have great memories of Fort Regent before its decline set in. Those are not only memories of the Fort but memories of a time when Jersey generally felt more alive. They are times that, sadly, we have slowly seen fade away. It is a trend we need to reverse. Fort Regent may previously have required some taxpayers support to sustain but that does not mean to say it was not the right thing to do. In many respects, Fort Regent is a microcosm of what we have allowed to happen to our Island in recent years. Previous Governments chose to move the swimming pool down to the waterfront. Some might say that that was almost a deliberate act of sabotage against the Fort. Previous Governments chose to accept its steady decline, refusing to invest and just watching its energy and sparkle slide away. Yes, the Fort has remained well-used in recent years but that has been in spite of the actions of previous Governments. A significant reduction in capacity due to fire constraints meant that no largescale events could be held at the Fort for a number of years. It can be no surprise then that Fort Regent has become a heavier burden on the public purse with each passing year and we sought to maintain public access, sport, recreational and leisure activities in an ageing and unmaintained building. We have reached the position today that the public face a significant cost at Fort Regent irrespective of what we decide to do. Deputy Bailhache asked for the truth. The truth is we cannot do nothing. Fort Regent needs investment. Even if we walked away and locked the door, we would have to do something and doing nothing as being not an option has been recognised by at least the last 3 Governments, those of former Senator Le Fondré, Deputy Moore and now Deputy Farnham. The Fort itself is, as we all know, a Grade I listed fortress and we

should not forget that the roof is also listed with a Grade II listing. It is a big part of our history and heritage both in respect of its Napoleonic roots and in modern times. For that reason, I do not consider a full closure of the building to be viable or acceptable, particularly given that this alone still comes at a significant cost of £12 million. I was asked earlier today at lunchtime: "Will the Fort be the next hospital project?" I certainly hope not. We need to make decisions, invest and move forward. We need to get Fort Regent into a state where it can be visited by the public and form a worthwhile visitor attraction. Indeed, as confirmed in the comments paper presented by the Council of Ministers, this work would be expected to cost £31 million. I should state that this sum does not include ongoing maintenance and running costs. There are no easy or cheap answers for the future for Fort Regent. The option to manage the Fort as a heritage site does remain open after this Budget. That is because the Budget deals only with the first phase of works making the structure safe and fit for future redevelopment, whatever the future may look like. Phase one will also support the scoping for the future use of the Fort but it does not set money aside specifically for that purpose. We could pause after phase one but I certainly hope that we do not. I therefore cannot see that there is much disagreement at the need for phase one work to take place. Regarding phase 2 proposals, I am pleased that Deputy Bailhache has confirmed he supports, in broad terms, the proposals for the redevelopment of the Fort as the Island's premier leisure and entertainment venue. I agree with him because simply returning Fort Regent to being a dormant historical fortress is, to be frank, not very exciting. We can do better. We have to have the vision and the courage. A reinvigorated Fort Regent is something we are crying out for as an Island. We have a wonderful opportunity. Various activities can be hosted at a revitalised Fort Regent including a concert hall, cinema, climbing, bowling and a gaming arcade, and I should emphasise that e-gaming is not some kind of betting. It is a facility used by youngsters, and there is a very good example of that in The Parade where young people go in, and the not so young, to enjoy that facility. There are no plans in this proposal for a casino, and I should say I totally agree with my predecessor, Deputy Binet, when he said that the previous schemes were unfeasible. This scheme costs less than half of the last proposal put forward by the Le Fondré Government. There is a capacity for heritage trails, skateparks, running tracks and potential for a 2,500 capacity acoustic theatre which will enable the Island to attract the larger live performances that we have not seen for many years. With this facility, they will be able to get on the plane and entertain Islanders rather than Islanders having to get a place in going to visit the U.K. or further afield. We will also be able to host some sporting events with a show court for netball, basketball, the potential for boxing and other sports with 1,500 or 1,000 spectators, and there are other possibilities as well. All of this in an indoor venue in St. Helier which, with the right planning, can be accessible and well-connected. By moving forward with these plans, we can help make Jersey more attractive for young Islanders and their families, attract people to Jersey as visitors and to bring their families if they are coming here to work and retain families on the Island, which is something we really need to do. We only need to look at the consultation results from earlier this year where 94 per cent of our 11 to 16 year-olds supported the plans and 82 per cent of the over 55 year-olds - that is people like me - supported the plans. To date, the public have indicated that they are behind us. There was support for various aspects of what is proposed, but it must be emphasised this is all subject to final plans and future agreement for those plans, and how they will be funded. Last week, I had the pleasure to attend 2 sessions of the School Council at Highlands, one for primary schools with 16 represented and approximately 140 young people, and the session in the afternoon saw 8 secondary schools represented with 60 pupils engaged. The excitement in the room was palpable, and the ideas that they shared will help to develop themes to be used in the planning phases. As I have said, this Budget does not ask for the funding for this purpose. It seeks funding only to make the structure safe and ready for whatever the future might entail. The issue, therefore, is how this is being funded, and that is a subject on which I also have strong views. Deputy Bailhache is opposed to borrowing and I respect his position. In fact, I too am not a big fan of borrowing. However, there is a time and a place for taking out loans for specific projects. Importantly, the Island is not highly geared. I would suggest it is the opposite and is lower geared. This amendment though cuts the

project off at its knees. The result would be stagnation and we would not be able to do anything, and that includes restoring the Fort as a heritage site. It would simply continue to decay, and has the potential to become the next hospital project. I am satisfied, therefore, that borrowing is the appropriate approach for this first phase of work. The work is essential. The approach we are taking means we will not have to displace other key infrastructure projects and there is a plan for repayment over time. Whatever the future for the Fort, this is an investment in the future of an Island asset. I remind Members that this Government - consistent with the objectives of past Governments - is seeking to rectify years of underinvestment in our public assets. That is why we are here. Phase 2 of the project, which is not included in this Budget, raises separate questions. I want to see proposals - as Deputy Bailhache has mentioned - for the future on how it is going to wash its face, and that has been one of my main conditions for supporting any future plans. It needs to create revenue to support ongoing maintenance and investment, and to avoid the mistakes of the past. I do think we are on the right path but there are still detailed plans to finalise and scrutinise, and any request for future borrowing will need to be approved by this Assembly with a full business case in the future. I do not think that Deputy Bailhache and I are too far apart in our views for the future of Fort Regent and of the work needed to get there. He does raise some valid points. But I do think though that the public's interests are best served by allowing this next phase of work to proceed, and that the funding proposal is an appropriate and manageable means of paying for it. We have to learn from the past; any delay will undoubtedly lead to more cost. Making Fort Regent ready for development will not get any cheaper; the price will simply increase. The case for any further borrowing to enable the detailed plans for the future of the Fort as a leisure and entertainment facility to proceed will need to be made, and Deputy Bailhache and I are at one on that. But now though I believe we need to undertake this essential work at Fort Regent and I respectfully ask that Members reject this amendment.

Deputy J. Renouf of St. Brelade:

Will the Minister take a point of clarification?

The Bailiff:

Yes.

Deputy J. Renouf:

Will the Minister clarify? He says that phase 2 will require a full business case and that will come to the Assembly. Does he envisage that would be a separate proposition or will it be buried within the budget?

The Connétable of St. John:

I am not sure that anything is buried within the Budget but I think it would benefit from a separate debate because what we have to do and what we are currently doing is consultation with key stakeholders. We have to put at Fort Regent facilities that people will use, and pay for in some cases, so that we can fund it.

[16:00]

8.4.3 Deputy I. Gardiner of St. Helier North:

I am grateful for the Minister's speech and his response to Deputy Renouf's question because I do believe this Assembly needs to debate a full business case and what is happening. The Minister presented consultation with the School Council and I have seen people who did this consultation last week, and everyone was very excited because we have lots of ideas. What I struggle with, all these ideas are for outside, and for all these ideas to be delivered we need separate funds. Everything that is going inside, everything that is under the roof, currently needs to be paid for. When I am thinking about a family with 2, 3, 4 children, it is really hefty to pay for what is going inside, and we all know our weather. Saying this, I do not like borrowing but if the Minister is convinced that we will debate

the full business case back in the Assembly, that everyone can be clear how we are going to pay - because it is £110 million - I think instead of having another site that will stay for ever, I might be convinced this time that I will support phase one.

The Connétable of St. John:

Could I ask the Deputy for a point of clarification?

The Bailiff:

Are you prepared to give way? Yes.

The Connétable of St. John:

Would the Deputy agree that the proposed plaza and circulation areas will not be costly and will be free entry?

Deputy I. Gardiner:

This is why it is important that we will have all debate. When I asked about the plaza I have been told that it will be an ice rink going there during the winter. The time when it is rainy outside and the plaza will be occupied, the rink does cost money; again we have really limited capacity. So it is really important that it will continue to be a community space and space where children can be developed without paying.

8.4.4 Deputy H.M. Miles of St. Brelade:

Originally when I read the amendment and the comments I was minded to support this amendment, but having heard the Minister I am now not so sure, so I would just like to make a couple of observations really. I am grateful to Deputy Bailhache for bringing this amendment because it does address a hard truth to the Assembly, and one that we must confront, that however worthy a project Jersey cannot really afford to borrow £110 million to restore Fort Regent. I agree with everything that the Minister has said, and I am sure everybody in this room knows that in its prime Fort Regent brought much joy to thousands of families. It became a really important part of Island life and its decline is genuinely regrettable. So I just want to be clear in that I do not oppose the Minister's vision in principle, and indeed the plans appear to be thoughtful and very ambitious, but again my concern - like that of other Members - is how it is going to be paid for. Phase one alone is to be funded by borrowing of £43 million, and I understand that is just to kind of almost keep the lights on and the doors there. But phase 2 is expected to cost a further £67 million, so the total borrowing commitment would be £110 million. Borrowing the full amount would push annual debt servicing costs beyond £8 million. We simply do not have that kind of spare capacity in the budget. We are already drawing down reserves to meet routine expenses, we are already warned by the Fiscal Policy Panel that our spending levels are unsustainable. Yet this proposal would load future generations with decades of debt for a project which, however desirable, is not absolutely essential infrastructure. I think Deputy Bailhache's proposal to increase G.S.T. by 1 per cent for 5 years, however unpopular, is really interesting because it does draw the attention to the public to say: "Yes, it is nice to have but you have to be able to pay for it." An increase of 1 per cent would be dedicated to Fort Regent and would also permit the Community Costs Bonus to be expanded to protect those on low incomes, but it is rather a nuclear option. I am really interested to hear what the Minister said about phase 2 because all the way through I have been thinking about this, there is another option which this Budget does not explore. That is the possibility of selling Fort Regent altogether, or granting a long lease, perhaps a 99-year lease to a private sector developer. I think we must be willing to ask ourselves a difficult but necessary question. Is there any compelling reason for this site to remain in public ownership, given the high costs of maintaining it? If after phase one, the £43 million, that is where I am wavering, you bring the Fort back up into a saleable condition, if sale or a long-term lease could eliminate the need for further borrowing, could it avoid burdening taxpayers with decades of repayments? It would certainly bring new life into the site and it would stimulate economic activity.

Surely that proposal deserves some serious examination. A 99-year lease in particular could preserve public ownership while allowing private capital and expertise to fund redevelopment, would generate income, remove a lot of the risk, and spare the public purse a heavy investment; yet it is noticeably absent from the Government's options. I do not think we should always assume that Government needs to be the developer, the operator, and the financier. Sometimes the most responsible course of action is to step back and not double down. So, for me, borrowing is not the only option. To me it seems to be the worst option at this point in time where Jersey finds itself. If Fort Regent is to be restored then it must be paid for honestly and affordably and with the public fully informed. So I intend to listen to the rest of the debate and then make up my mind accordingly.

8.4.5 Deputy A.F. Curtis of St. Clement:

Earlier today I suggested we confront our tough spending decisions face-on, and this is another example. I want to turn to other capital spending in this Budget. The Budget proposes £16 million roughly for the Ann Street Youth Project and associated Y.E.S. (Youth Enquiry Service) facility next door. By my calculations that is circa 1,000 square metres of facility. Members, despite their asking, have not been provided the detail as to that expenditure and whether it represents value for money. Ministers in this case seem beyond committed to this plan to invest what are astronomical sums in a facility in a listed structure, purchasing off the current owner. Could they not in that case have left the owner to implement at their expense the approved plans? Perhaps when we are making the decisions we are not being savvy enough as to where we prioritise. Perhaps then we could also make a decision as to whether we fund such a facility or the Fort, not necessarily both at once. Speaking of savvy and prudent decisions, indeed counting the Fort, States of Jersey Development Company spent over £600,000 to March 2025 on the soft play facility in the waterfront. They had budgeted £1.3 million and the spend was ongoing. They estimated the rental of the site would be for £125,000 per year. Their market testing revealed that no operator would touch at anywhere near that price and now we learn that they are, in essence, subsidising that through a much reduced rent on the site just to get the soft play facility running at the cost of Islanders, whether through a States-owned entity or not. This may be the right decision, maybe soft play has to be subsidised by the Government, but that kind of infrastructure delivery where the costs are so large and the numbers differ from what is realistically achievable in a return, does leave little confidence that the delivery of this project may even wash its face. Are there even enough food and beverage providers to run the sites they plan for? The cost of construction, as we have seen in many projects, has escalated in recent years. This is not just in materials but the labour, and yet again we are not provided with any detail as to where the £43 million go. Indeed, the Environment, Housing and Infrastructure Scrutiny Panel have a copy of the business plan but we cannot do anything with it that is meaningful, that we can use to inform other States Members. Maybe we should get to grips with why things cost so much before we throw good money after bad, and maybe that requires us being radical. Members might be interested to know that in the construction of Fort Regent in around 1806 and 1807 the workforce contingent on it was around 800 strong, of which was almost entirely formed from local labour forced to work in the project in support of the Island's defence. I am not suggesting we conscript the Island to rebuild the Fort, but the commentary that maybe we should ask them how we renovate it, and maybe looking at our construction methods and our appetite for best in class is a far better thing to do before we start spending in excess of £100 million. I would say it is tough to see the Fort rot slowly without rejuvenation, but to the crux of this amendment it is tougher, I think, to see the Island fail to get to grips with its spending and live within its means. The Minister, for example, highlighted that some of the provision in the Fort would be e-gaming, and then he highlights that this is already provided in the Island at no cost to the public purse by existing providers, such as the one in The Parade. This is a nice to have. My favourite part of the Fort is the ramparts, the beautiful views you can see around the Island, and some of the less beautiful views that show the mistakes we have made. But ultimately it is a place of calmness and quiet for me and is one where often I reflect. When I go up there next time I want to reflect that we continue to spend money wisely and we do not borrow to build things

beyond our means. The pure concept of borrowing for the Fort, I will not support that, and I will 100 per cent support Deputy Bailhache.

8.4.6 Deputy L.J. Farnham of St. Mary, St. Ouen and St. Peter:

Fort Regent has long been one of our most recognisable landmarks and it is a state of affairs that this Assembly should be ashamed of by allowing it to deteriorate in the way it has. Of course, I have been in this place longer than many other Members so I remember many debates over Fort Regent, and the criticism of Government after Government after Government for doing nothing for it. We want to change that. Now, the only thing that happens when we procrastinate and debate and delay and think of reasons why we cannot do things is that they get more expensive. In response to Deputy Miles, who asked the right questions about the financing, the financial models for the Fort are essential, as the Minister for Infrastructure mentioned. Early indications are that we can raise significant private investment through capital investment and rental income by the private sector. The idea is all, if not the vast majority, of what goes into the Fort will be run by the private sector. Socially this project will allow us to create a vibrant, accessible space - something that Jersey is lacking - that brings people together. By opening the Fort to new leisure, cultural and community uses we can provide facilities that support healthier lifestyles and create places where families can spend time, and showcase our heritage; and that includes the wonderful ramparts. We can do that in ways that inspire pride and greater connectivity between Islanders and visitors, so redevelopment will ensure that Fort Regent is not simply a relic of our past, but a living part of our future as it should be. Economically the benefits are equally significant. A modernised Fort will attract visitors, support local businesses and stimulate investment throughout the planning and construction process. That alone will create valuable jobs in an important sector. Once complete, new venues, activities, and events will generate ongoing economic activity by transforming an underused, becoming derelict asset into a dynamic destination, which will strengthen our tourism offering and reinforce confidence in our Island's future development. But we must also be clear - as the Minister for Infrastructure has, and I think other Members recognise - of the cost of inaction. I do not want to repeat what he said but the cost of doing nothing is many millions, in fact tens of millions. Not one-off spend, but ongoing maintenance. Do we really want that year after year after year by keeping what becomes a derelict and unused heritage site of importance lying empty, or do we want to go into partnership with the private sector and create something very special indeed? The neglect that has accumulated over the many years has left the site with an ageing and unsafe infrastructure, outdated facilities and areas that no longer meet modern standards, or in fact standards that we should be proud of. Without this decisive investment these issues will only worsen. Throughout this process we are undertaking extensive public consultation - as other Members have mentioned - with the community, ensuring that Islanders have a genuine voice in shaping what is going to be going in and around the Fort, particularly engaging closely with young people whose ideas and aspirations and expectations will help define the facility. It is going to be a facility that will evolve with time. It is not going to be build it and leave it, as we did in the past. We made very few changes to the old Fort. This is something that has to evolve, and if we get it right I think there would be considerable interest from the private sector, which will also evolve as times and trends change.

[16:15]

We must also be clear that increasing G.S.T. is not the right way to fund this project. Raising consumption taxes places a greater burden on families and households at a time when many are already facing cost-of-living pressures. Instead of asking Islanders to pay more for everyday goods we should take a longer-term responsible approach that spreads the costs fairly and protects the financial well-being of our community. Of course I then turn to the Investing in Jersey programme and the Jersey capital investment fund, which if established as part of this Budget will present perhaps different funding opportunity for the Fort. We may well decide to allocate some of the capital budget to this project moving ahead, but first of all we need to get phase one done and give Members a full

understanding of what phase 2 will look like, with all the relevant financials. I certainly do support bringing that back to this Assembly as a separate proposition so we can have a fully informed debate about it. Just to conclude, redeveloping Fort Regent is more than just about improving the building; it is about investing in our people - something that we have not done for a long, long time - investing in our young people, investing in our economy and our identity, and collaborating with the vision already shown. I would commend the work of the Jersey Development Company and the engagement they are going through to give this project some momentum. We can ensure that this iconic site will serve our community for many generations to come. I do not criticise Deputy Bailhache for bringing this amendment; I think it is a worthy one to have. It is an important point and could establish a precedent about how we use consumption taxes, how we invest and how we borrow to invest, though I ask Members to reject the amendment.

8.4.7 Connétable K.C. Lewis of St. Saviour:

I am old enough to remember the good old days, 1970s and 1980s, Fort Regent was absolutely humming with people. We did not really have to advertise, especially in the U.K. with “Bergerac” on television, we just had to open our doors and people flooded in. The decline of Fort Regent is not really anybody’s fault because we lost tourism. People found they could go to the Costas, Spain, southern France, lots of package holidays, Greece. It is a cheaper price and I would not say guaranteed sunshine but chances were you were going to get some good sun if you went south. In the early days obviously British Rail owned the boats coming over, so people either had free trips over if you worked for British Rail, or at vastly discounted prices. It was the heyday of Jersey. We had the swimming pool. I used to go up in the cable cars, go for a swim, have a meal, maybe come back in the evening and see a show. But we lost the pool - the pool was relocated - and obviously bits of the Fort went. The funfair went, the cable car went, it was a Napoleonic fort designed to keep people out so when we lost the cable car we did exactly that. I know there is good access from Pier Road but people need pedestrian access, and that is the key to revitalising Fort Regent. Several years ago when we hosted a dance competition at Fort Regent I was stopped at Snow Hill by some young ladies asking how to get to Fort Regent and where is it Fort Regent. I pointed to the sky and they said: “How on earth do we get up there?” So I said: “Follow the road right down to the end, take a left, walk up the hill for about half a mile through the car park, hop in a lift, get in the escalator, in you go.” So, as I say, good pedestrian access - either a cable car or similar - is absolutely essential to revitalise Fort Regent. I sincerely hope it is going to happen. I am not sure how I am going to vote on this particular amendment. I am delighted that the cinemas are included in Fort Regent. I can speak from experience, we do not need cinemas with a sea view at the waterfront, so that could be redeveloped. But, yes, I think it is heading in the right direction. I wish the development panel well and let us see how we go with this. As I say, I am not sure how I am going to vote but I will wait to listen to Members.

8.4.8 Deputy S.Y. Mézec of St. Helier South:

Last year I was really lucky to be able to represent Jersey at a Commonwealth Parliamentary Association Conference in Saint Helena, which is a little island in the middle of the Atlantic Ocean where Napoleon was exiled to. In between the proceedings their Government there explained to us as visitors their system of governance, and one day took us up to their equivalent of Fort Regent, a big Napoleonic fort on top of the hill, which unlike us they had left to fall into ruins. As we were up there I saw the Guernsey representative at that conference, the then Deputy Peter Ferbrache, who many Islanders will remember as a good friend of Jersey. I went up to him and said: “Look, if they want my advice I suggest that they build a dome on top of it, relocate all of their sports facilities there and then neglect it for 30 years.” He leaned over to me and said: “Sam, who would be stupid enough to do such a thing?” So there are certainly lessons that we need to learn from our past here. Having been critical in a debate on a previous amendment about those proposing amendments without themselves advancing an alternative vision, I do have to commend Deputy Bailhache. He takes a

position on this - which undoubtedly is democratically legitimate - to say: "Do not fund it this way" and he does, to his credit, in his report explain what an alternative mechanism would look like. Though it would not be my preferred mechanism, I cannot deny it would probably work and, therefore, to advance that as part of the democratic debate is absolutely legitimate, and I for one thoroughly encourage Deputy Bailhache next year to put that proposal in their manifesto and see if it is one that the public like. That is ultimately how we should do these things, and if the public prefer that as a mechanism among the rest of the context of the manifesto as opposed to another one, that will be how we improve how Government works in Jersey and improve democratic participation, by giving the public genuine choices like that, rather than electing politicians who end up working in a siloed and fragmented way, coming up with things on the spot that do not really have that much of a democratic mandate behind them. So I commend him for that and certainly encourage him in that direction. That being said, we are now at a point where this Government towards the end of its term of office, could achieve what previous Governments over many years now have completely failed to do, which is to put things in motion to restore Fort Regent. We are now on, I think, maybe my third iteration of a plan for Fort Regent in my time in politics - there may well have been versions before that - each of which beforehand was a failure; they came to nothing, came before an election and then proceeded to be completely forgotten about after that election. All in the meanwhile the Fort has continued to deteriorate to the point where, every year that has gone by without that moment or rejuvenation for that site, it ultimately becomes more and more expensive to deal with it. That is why I am actually quite excited by the prospect of being able to say as a Government and States Assembly before an election, that we have put the wheels in motion to get the substantial bulk of the work that is necessary - whatever you want to do with the Fort afterwards - to get it in a position where we can have confidence that something will happen. If there is more to be said about the detail of what goes in it that is totally fine as well, but we need to do this first phase of it irrespective of that. I think that what the Government is proposing to enable us to get on with that in this moment in time must be the most cost-effective way of doing it. Because even though Deputy Bailhache proposes in the report an alternative funding mechanism, it is not in the amendment itself, and ultimately at the most optimistic would still involve us doing absolutely nothing for a year and, let us face it, probably nothing for a few more years after that as well. So as our best chance to do what previous Governments failed to do and get the wheels in motion for restoring Fort Regent, I hope Members will reject this amendment and support the Government position on it. Hopefully we can find ourselves in a few years' time proud of that facility up on Mount Bingham, have it no longer serve as a monument to political failure in Jersey.

8.4.9 Deputy R.J. Ward of St. Helier Central:

Somebody mentioned about the youth facility. I think we need to learn from that. The reason the price of that has increased is because we did not build it 6 years ago when it was agreed, because we managed to hesitate and procrastinate and look again and again and put obstacles in the way of building what was agreed by this Assembly and the previous Assembly, right at the beginning of the Bridging Island Plan, to say that it needed a new facility there. There was a site that could not happen because people could not be co-operative and bring that site forward. Now, we have got to learn from that. Points have been made that I was going to make, to be quite frank, but I will say I can remember ... soft play areas as well. When you have small children - and I have been there - and it is raining, a soft play area is an absolute godsend. I think that I spent many hours in the Fort Regent soft play area hoping my children would be exhausted so we can actually go home. Many an hour. I think any of those facilities for the Island are really important. But we cannot leave what is an iconic site for the Island just to rot. I want to re-emphasise one thing and not fall foul of Standing Orders because we will all repeat now, but if we do nothing that costs us money. Doing nothing costs. Leaving a facility to just rot and doing nothing with it is not what the Island needs. There is one important point, the Fiscal Policy Panel - I will mention that - it does warn against unsustainable revenue spending but it does not prohibit borrowing for projects that deliver long-term social and

economic benefits. Fort Regent is exactly that kind of project; a long-term social and economic benefit that comes from investment now. The best time to do this, as with so many other things on this Island, was probably 15, 20 years ago. But that time is gone so either someone will stand here in 20 years' time and say: "What on earth happened with the Fort?" or we will get on with it. There is an opportunity here. I urge Members to reject this amendment because it just simply takes that opportunity away.

8.4.10 Deputy J. Renouf of St. Brelade:

Like some other Members I find myself on the horns of a dilemma because I do want to support the rejuvenation of the Fort but the funding method is very concerning, and so I think is the lack of transparency. Personally I have always said that the Fort needs to be the answer to the question: "What do you do in Jersey when it is cold, dark, wet and windy?" Just about like today. For those people who are not fortunate enough to spend time in the States Assembly on a day like today, they need another option. The question is about how we do it. This is a huge project and it has not been debated in the States during this term of office. The reason I said earlier in my point of clarification to the Minister that I was worried about something being hidden in the Budget in regard to the plans for Fort Regent is because that is what is happening in regard to the non-Overdale parts of the health estate. There has been no debate on those. We approved them through the Budget; they are hiding away in the Budget. Nothing is presented. We do not get to see the figures. I do not think that should be the case in regard to very large investments. As Deputy Alex Curtis said, there is a business case for this but we have not seen it. We are not allowed to see that. That is part of this rather worrying pattern. The spending is committed but not on the basis of complete information and not on the basis of a debate about the subject on its own terms. As we have heard, it is £43 million now but expected to be £110 million in total, and it is worth reflecting that total Government borrowing when this is all taken into account will require almost £50 million of interest payments. That is a staggering sum of money. More than enough to pay for 2 or 3 Environment Departments. Loads of good stuff we could be doing with that £50 million a year that we will not be doing because we will be paying it to the banks. So the question of where the sustainable funding model is for this is a very relevant one. The main case for is when the public were asked if they like the plans, they said yes. But it is an incomplete question. Were they asked whether they liked the plans enough to pay 1 per cent extra on G.S.T. because that is how much it costs?

[16:30]

Were they presented with any funding options at all? I do not believe they were. They were simply asked: "Would you like lots of good stuff up at the Fort?" They were not asked: "Would you like lots of good stuff up at the Fort and this is how much it will cost you?" The Chief Minister in response to the point about G.S.T. said: "Putting G.S.T. on food will hurt too much." That was very revealing because it is falling into the trap that borrowing is pain free in comparison. The strength of the argument against using G.S.T. suggests indeed that we are avoiding the difficult decision about funding. Neither was I reassured in this context by the Minister saying that we are not highly geared as an Island. That suggested to me quite an appetite for a little bit more, quite a low pain threshold there if we are not highly geared, for a little bit more gearing. Likewise, therefore, I was not reassured by the Chief Minister's comment that we cannot fund the Fort through G.S.T. because of the pain it will cause, because borrowing causes pain too; it is just pain deferred. I do think it shows that worries about the attractiveness of borrowing for the Government as a funding model are well-justified. I would say it is an absolute essential that this project comes back to the Assembly for phase 2. Absolutely essential. It would be unconscionable for it not to do so. I do wonder if the Government realises that one of the problems with not putting these things into the public domain at an early point is that it does actually make it easier to cancel it further down the road. The less the Assembly has had a chance to scrutinise something the easier it is for a future Assembly to say: "You know what, that was waived through without a proper debate. We will take a different view." It is better in the

long run to be upfront, transparent, clear about the costs and so on. That is not really what has happened. I too was at the briefing that the Minister gave about the plans for the Fort, and I asked the question of the Minister, when he says the Fort will “wash its face” is the intention that that washing its face should include paying the debt interest payments that have been spent in getting the Fort to this stage. He said no. So the money we are committing now is to fund the repair of the Fort and we do not intend to get it back, it will be paid for out of general revenue in the future. The rental and concession payments will only cover - if they do cover, and we have no figures on what these are likely to be - ongoing maintenance; the ongoing maintenance of the Fort once it has been brought up to standard. So all of those are things that cause me significant worry. On the other side of the equation I think the most persuasive argument is that we are going to be committed to a significant sum of money at Fort Regent in whatever we do. The Fort will require money to be spent on it. Even if it is locked up and we walked away from it, it would require money if we were to dismantle the existing structures. All of those options also require money. So on the basis that the Minister’s plans are for phase one and phase one alone - and I would hope that he will reiterate his comments earlier in his summing-up speech to confirm that this is his understanding as well - on the understanding that it is for phase one only I think I will reluctantly support this. Not reluctantly because I do not want to see the Fort rejuvenated; reluctantly because I am deeply worried about the funding implications of this. But on the principle that we will have to spend a significant sum of money anyway, I think we probably do need to bite the bullet. But when it comes to phase 2, we should be coming back with much clearer plans about how much it will cost to do phase 2, what it will buy, what the plans are for things that will go on inside the Fort, and how the public will interact with them and at what price point. Because it is all very well saying we will have lots of great stuff in the Fort but my understanding is that everything will have to be paid for by the end user, but we do not know at what level. That could be fine if it is at a low level but we do not know whether it will be at a high level. It is also the case, I understand, that we will need about half a million visits a year compared to 1 million during the Fort’s heyday. Half a million visits a year is well over 1,000 a day of course and we really need to think whether that is feasible in the current climate of what people have to do with their time. So for all of those reasons, I think phase 2 will need an awful lot more fleshing out before it would be plausible for the Assembly to vote in support of it. So on the basis that we have to spend money on the Fort anyway I will support phase one, so long as the Minister will absolutely commit that it is his and the Government’s intention that phase 2 will come back to the Assembly as a separate proposition.

8.4.11 Connétable M. O’D. Troy of St. Clement:

Having spent more than 40 years in hospitality in the Island I have the fondest memories - as Deputy Lewis - at Fort Regent, but the numbers are not there anymore. But there is a new tourism around and that is winter tourism, and it exists in the mainland in the form of dance weekends and music weekends. Some of the biggest resort organisations in the U.K. and Europe - and I will not name them but you think of the biggest identifiable resorts of park land, infrastructure and community space - have lots and lots of weekend in winter-accommodated dance facilities and music weekends. If you had asked me 3 years ago what I would do with Fort Regent I would have moved Highlands College to Fort Regent, built accommodation in Highlands College grounds and used Gloucester Street almost entirely for the uses that Fort Regent had previously because it is more accessible. The reason for that is the biggest capture of Fort Regent has to be the access. We have never got the access right; Deputy Lewis is correct about that. It has to be free, it has to be regular, and it has to be virtually 18 hours a day. But I am convinced that if we have to spend money on Fort Regent in any case to get it safe and sound for anything that happens in the future, whether it is accommodation, Highlands College, or the new winter tourism - and summer tourism, the winter tourism is a bonus, we do not have it here because we do not have the facilities - then it can be done. So we need to park the health and safety and the refurb to get it up to date as a separate entity, and then bring private enterprise in. If one compares the amount of money that people were prepared to spend on the Strive

complex against the £67 million potential for Fort Regent, it is not a bad price tag. But I do think that we are totally inexperienced ourselves in developing Fort Regent to the kind of turnover and profitability that it needs to be. But I am convinced it is doable. The one caveat on that from experience I have learnt that fundamentally one thing not to do with Fort Regent is to make it a suburb of Benidorm. [Laughter]

8.4.12 Deputy M. Tadier of St. Brelade:

I cannot resist speaking on a Fort Regent debate, especially because last week I was contacted by an older constituent; he is maybe one of the most elderly constituents in St. Brelade who I had the pleasure of going to see a few months ago. He sent me an email saying that he feels strongly - I think just as the Constable of St. Clement has reminded us - that access to the Fort is a major problem. He reminds us that it was designed to be impregnable. But he did use the words "let us be bold" and in a particular context he said let us have 2 10-person spectacular glass lifts and a glass entrance feature at Snow Hill which could take people up and down, and that the spectacular glass feature would enhance the view from Halkett Place and the whole of the town centre. I am reminded of course that this is not an exclusively new idea, that there was a consultation in the late 1990s where members of the public took their time to sit on a panel, I believe, and they came up with an idea which very much did have access for glass lifts from St. Helier. So in the same way that Deputy Ward is saying the best time to do this is 20 years ago, or perhaps 30 in this case, the second best time is very much now. I do have to maybe bring 2 sides of the argument into this, and it is the question of if Fort Regent did not exist would we build it now and would we decide to put all of this stuff up there now? Or are we simply harking back to a bygone, nostalgic era, where we have all got very fond memories, I am sure, depending on your generation. It could be in my generation of playing Quasar up there, and I would very much like Quasar to reappear somewhere on the Island but it does not necessarily have to be at Fort Regent. [Aside] Well, you cannot play it on your own, indeed. For others it could be the ghost train, it could be the pirate ship, it could be the Cine180, it could be the golf that takes place up there, it could be the number of slides that used to be there or the fact you could play table tennis one moment and then next you could be doing the roller disco or you could try your hand at indoor green bowling. So of course there is always going to be an element of nostalgia, but what are the counterfactuals, I suppose. If we did nothing with Fort Regent and in fact just said it is a fort, it was built by the British, slightly too late unfortunately for the Napoleonic war that it was built for, so that when it opened luckily there was peace in Europe, but we had a fort there. I do not know if they were anticipating that one day there would be a roller disco and maybe comedians would be performing in a slightly oversized sports hall which still smelt distinctly of sweat from the 5-a-side football that had been played there only a few hours earlier, but it was certainly a unique Jersey venue. Or would we simply find a different venue? If it is a concert hall that we want, why not build a concert hall in the centre of town. This argument and the parallels that we are seeing with the hospital. Constituent after constituent, whether they are from St. Brelade or not, saying: "Do not build a hospital on top of a hill, do not build an A. and E. up there." We reassure them that is not what we are looking to do. There is a reason that the hospital was built in the centre of town, because it is easy to get to. Similarly, you presumably want all your facilities as easy to get to. That said, I am not one to stand in the way of progress. If it is absolutely the right thing to do that these new facilities need to go up to Fort Regent, and it sounds like they are going to be funded and owned privately, and that seems to be the direction of travel - there are questions around that - then perhaps we do need to get behind the idea. Of course somebody will need to pay for it somewhere along the line. But I do think that prevarication really is the biggest enemy here. You have got one Government getting to a position where we are told all the time that we need to do something with Fort Regent only for others to come in, especially those who perhaps were in Government and no longer in Government, saying: "Well, I support the principle but there might be a better way to do that. There might be something else that could go up there." I think at some point we have to accept the democratic mandate that we want to move this forward, and let the consultation that has happened and all the great ideas for what could

be going on up there be featured. Probably not too dissimilarly to the Constable of St. Clement, I am very concerned about the state of our economy, but particularly the tourist economy in Jersey. Rightly or wrongly, we can look at some of the decisions that have happened in the last year or so and I hope very much that the downturn in tourists that we have had into the Island will be a short term blip, and I hope that my optimism is not badly placed. But I think that the biggest enemy that we have got in Jersey to our economic success and prosperity is not any of these individual things but complacency more generally. We cannot keep going on as we have been in the past. I was particularly attracted by that idea of the winter economy because if you are sitting in a concert hall listening to that favourite musician that you have always wanted to hear but never quite got to manage to see their tour, or that comedian, and they are in Jersey playing to a 2,000 seat hall in your very town at St. Helier in the rotunda, you will be of course not too bothered whether it is raining outside or if it is blaring heat. If the reason that you have come to Jersey or the reason that you are buying your ticket to see that concert is to see the individual then you might as well do it in the middle of November or in the middle of February when the flights and hotel rooms are cheaper, rather than necessarily doing it somewhere else when it is more expensive.

[16:45]

I think that is the key to Jersey's success, is making sure we think outside the box, plan ahead, and I very much see this as invest to save, as an economic multiplier, and indeed economic stimulus. Of course we do not do it blindly and we want to make sure that Government is looking not just 5 years ahead but 15, 20 and 30 years into the future to ask the question that indeed ... at the event that I know the Minister for Sustainable Economic Development was at, at the Pomme d'Or not so long ago, when the youngsters were given that last question, the question was very much what can you do for us to make sure that the Island that our children are growing up in, in the future, is the type of Island that they do not want to leave, that they want to stay here, and that they will not be asking the question: "Why is there nothing for us to do in this Island?" So I think we do have to be positive, and if it means that we have to have borrowing, which can ultimately bring finance into our Island, economic growth and stimulus, then I think that is something we all need to get behind. I do have to say that I think the automatic jump of saying that we may need to look at 1 per cent extra on G.S.T. shows that there is a political divide in the Assembly. G.S.T. in its current format does have the great potential to be a regressive tax. I think it is regressive, and of course if you are going to ask people to pay an extra 1 per cent of tax on their schoolbooks, on their newspapers, on their children's nappies and on essential food items, I think that clearly that is a divisive question to ask when you are comparing it to: "But would you like to see Fort Regent ..." if the question was: "Do you think those who can afford to pay a bit more tax should do so? Do you think there should be wealth taxes in Jersey?" the answer might be completely different when posed with that counterfactual. So I think it does depend on what kind of question we are asking the public but, hey, let us have these debates when it comes to the new election because certainly none of us should be proposing that there are those magic money trees for future growth and future spending in whichever land we happen to be living.

The Bailiff:

Now, for those participating remotely we have a problem with the computer which means we need to reboot between now and 5.00 p.m. This should take about 2 or 3 minutes and during that period you will be unable to speak or vote. If we reach a vote in that time we will suspend the sitting so you can rejoin. Is that a difficulty for anyone joining online if we reboot now? You will know when the reboot is finished because there will be apparently a message in the chat. No problems with that. In that case we will reboot. Does anyone else wish to speak on this amendment?

8.4.13 Deputy D.J. Warr of St. Helier South:

I only rise to make one small point. It is so interesting the G.S.T. point has been made. We have got to remember that in the 1960s Fort Regent was built by lottery funding. It is quite interesting the attitude then was: “Let us get some funding, let us get community funding, let us get the community investing.” It was not about borrowing money; it was about investing in the future. What I like about the parallel of the G.S.T. 1 per cent is that is exactly another community coming together and putting Fort Regent back up on a pedestal again.

The Bailiff:

Does anyone else wish to speak on the amendment? If no one else wishes to speak I call upon Deputy Bailhache to reply.

8.4.14 Deputy Sir P.M. Bailhache:

I shall be brief because I sense that the Assembly is not with me. I just really want to say that I think this is not the way in which the Assembly should deal with matters of this kind. We should have had a debate on the business plan for phase one. We should have had the opportunity to discuss the proposal and we have not, so we do not know exactly what is going to be proposed for the second phase of the project. We do not know exactly what it is going to cost. We do not know what the revenue implications are going to be. We do not know who is going to run it, and we are not really sure how we are going to be paying for it because we are being asked only to approve a borrowing facility for phase one. That seems to me to be not the proper way to go about things. In fact, I would go so far as to say that I think the Assembly is being irresponsible in contemplating borrowing a large sum of money when there are all these unanswered questions. We say that it is a community facility but we do not know precisely to what extent it will be free to members of the public to go into the renovated Fort Regent, or to what extent they will have to pay to access different parts of the facilities. Borrowing is a wonderfully seductive process; it gives people the impression they can get something for nothing. I was told that 89 per cent of people who were consulted were in favour of the idea. Of course they were; they were not told that they were going to have to pay for it. I was also told that about 20,000 people used Fort Regent in the recent past, but 30 years ago it was 1 million. The aspiration is to go back to a time when the tourism industry was something very different from what it is today. So I hope that the ideas are good. I must confess that I have some reservations about it, but my real reservation is about the way in which we are proposing to pay for it. I think it is completely wrong that we should be committing to borrow £110 million in these circumstances. Some speakers - Deputy Renouf I think was one of them - suggested that we were going to have to spend money on the first phase anyway so we might as well go ahead with that and then we can think about phase 2 and have a proper debate about that in due course. Well, it seems to me to launch upon an irreversible course when you do not know what the destination is, is not the best way to go about things. My amendment is opposed to the borrowing of £43 million and I maintain that amendment and ask for the appel.

The Bailiff:

The appel has been called for. Members are invited to return to their seats. I ask the Greffier to open the voting. If all Members have had the chance to cast their votes I ask the Greffier to close the voting. I can announce the amendment has been rejected:

POUR: 10		CONTRE: 34		ABSTAINED: 0
Connétable of St. Helier		Connétable of St. Brelade		
Connétable of Trinity		Connétable of St. John		
Connétable of St. Saviour		Connétable of St. Clement		
Deputy S.M. Ahier		Connétable of Grouville		

Deputy K.L. Moore		Connétable of St. Ouen		
Deputy Sir P.M. Bailhache		Connétable of St. Mary		
Deputy D.J. Warr		Deputy G.P. Southern		
Deputy A.F. Curtis		Deputy C.F. Labey		
Deputy K.M. Wilson		Deputy M. Tadier		
Deputy M.B. Andrews		Deputy S.G. Luce		
		Deputy L.M.C. Doublet		
		Deputy K.F. Morel		
		Deputy M.R. Le Hegarat		
		Deputy R.J. Ward		
		Deputy C.S. Alves		
		Deputy I. Gardiner		
		Deputy L.J. Farnham		
		Deputy S.Y. Mézec		
		Deputy T.A. Coles		
		Deputy B.B. de S.V.M. Porée		
		Deputy H.M. Miles		
		Deputy M.R. Scott		
		Deputy J. Renouf		
		Deputy C.D. Curtis		
		Deputy L.V. Feltham		
		Deputy R.E. Binet		
		Deputy H.L. Jeune		
		Deputy M.E. Millar		
		Deputy A. Howell		
		Deputy T.J.A. Binet		
		Deputy M.R. Ferey		
		Deputy R.S. Kovacs		
		Deputy B. Ward		
		Deputy L.K.F. Stephenson		

8.5 Proposed Budget (Government Plan) 2026-2029 (P.70/2025): thirty-second amendment (P.70/2025 Amd.(32))

The Bailiff:

The next amendment to be considered by the Assembly is the thirty-second amendment proposed by the Environment, Housing and Infrastructure Scrutiny Panel. Deputy Jeune, is it right that you want to propose and have read only part of this amendment?

Deputy H.L. Jeune of St. John, St. Lawrence and Trinity:

Yes, Sir, I would like to withdraw part 1 and only read part 2, page 2.

The Bailiff:

You want part 2 only to be read. Yes, the Greffier will read part 2.

The Deputy Greffier of the States:

Page 2, paragraph (b)(viii) - after the words “Appendix 2 - Summary Tables 5(i) and (ii) of the Report”, insert the words - “, except that in Table 5(i) the Departmental Head of Expenditure for the Environment should be increased by £656,000, with any consequential amendments to be reflected as necessary throughout the Budget.”

8.5.1 Deputy H.L. Jeune:

We often talk in this Assembly about what we value but budgets are where those values become real. Today I and my Scrutiny Panel are asking Members to make a simple but fundamental statement that Jersey’s natural environment is not a discretionary add-on or a nice-to-have; it is a core public service that protects our health, our safety, and our economy. Let me be absolutely clear: this amendment does not create new growth, nor does it expand the public sector; it is simply about ensuring the Environment Department can meet the statutory duties that this Assembly has already placed upon it. All we are proposing is to restore next year’s Environment budget to its current level, a modest £656,000, so that we do not knowingly weaken the departments responsible for safeguarding our air, our water, our food safety, our biodiversity, our international compliance, our trade position and ultimately, the well-being of this Island. The Minister has been consistent in Scrutiny hearings, many specialist teams in the Environment Department consist of just 2 or 3 officers and, in some cases, there is only one single point expert. He told us directly that losing even one such post would have a massive impact on service delivery. These are his words, not mine. He was also unequivocal that any further savings could only be made by cutting essential services and essential personnel and then this would, in his own words, severely undermine service delivery across the board. The proposed savings rely almost entirely on leaving vacant posts unfilled, including upcoming retirements in roles held by highly specialised officers. This means the loss of irreplaceable technical expertise, no opportunity for proper knowledge transfer and no succession planning. Let us be clear, if in the future we decide these functions are essential after all, rebuilding that lost capability will be significantly more expensive, slower and far harder to restore to the level the Island needs and has at the moment today. We know precisely what this will mean in practice because the deepest cuts fall on Natural Environment, directly undermining the Minister’s ability to carry out his statutory duties in this area. Scrutiny asked the department for more detail of what this would mean. Wildlife protection and enforcement will be weakened. The department will struggle to administer the Wildlife Law 2021, including licence, monitoring and enforcement of high-risk activities which must be managed through strict procedures. It also places the Minister in difficulty of meeting his statutory obligation under Article 34, which sets a clear duty for the Minister to promote the conservation of biodiversity. The Article explains that Jersey must have a biodiversity strategy. An update to the 2000 Biodiversity Strategy was planned for 2023 but with the V.O.N.C. (vote of no confidence), a new Minister, and now cuts in this area, this has been indefinitely delayed at a time when we are in the middle of a biodiversity crisis. The ability to protect biodiversity in habitats will be reduced further. Officers will be unable to fully engage in planning applications, as required by Policy N.E.1 (Natural Environment 1) of the Bridging Island Plan, which obliges our applicants to demonstrate their proposals do not harm biodiversity, including trees. Article 17 of the Planning and Building

(Jersey) Law 2002 requires statutory consultation on ecological impacts. Without staff, these statutory duties become undeliverable, and the impacts do not end there. Reduced capacity will affect air quality and water quality monitoring, including P.F.A.S. (per- and polyfluoroalkyl substances) and nitrates entering watercourses. Plant and animal health regulation will weaken. Public path maintenance will decline.

[17:00]

Marine monitoring will be significantly reduced. These cuts place at risk the fundamental environmental protections that safeguard our daily lives. Ten multilateral environmental agreements currently sit within Natural Environment, and many require statutory reporting. Cuts will compromise Jersey's obligations under the Convention of Biological Diversity; the Bern and Bonn Conventions regarding conservation of migratory species of wild animals and conservation of wild flora and fauna in their natural habitats; O.S.P.A.R. (Oslo and Paris Conventions), which is the protection of marine environment of the north-east Atlantic; the Ramsar Convention on wetlands; the Food and Environmental Protection Act; and E.P.P.O. (European and Mediterranean Plant Protection Organisation), plant health reporting, damaging not only our international credibility but also our trade positions in agriculture and fisheries. The Biodiversity Team will effectively be halved leaving just 2 part-time officers responsible for monitoring an entire Island's ecology and collecting the data required for this treaty reporting. This is not a sustainable model for any jurisdiction. The Minister has acknowledged that more than 500 volunteers already give extensive time supporting the environmental monitoring and conservation. We cannot expect them to replace professional expertise or to carry even more weight while the department shrinks around them. We have heard strong warnings from the Asian Hornet Group. Cutting invasive species work means nests go untreated. This means more hornets, higher public health risks, greater agricultural losses and increased destruction of pollinators. This is not a theoretical risk. It is already happening in neighbouring regions. At the same time, the department has no contingency for environmental emergencies, disease outbreaks or extreme weather events. Storm Ciarán demonstrated just how quickly these crises arrive and how costly they are when the department lacks resilience. The Environment Department delivers essential cross-Government benefits that will be weakened if these cuts are proposed. First, on public health, we have already discussed P.F.A.S., heavy metals, air pollution and water quality monitoring but it must be understood in its wider context. These are core public health protections. If these functions are weakened, illnesses could increase, pressure on Health could rise and long-term costs could grow. Undermining preventative health actions now simply shifts costs into future Health budgets. Second, invasive species in the wider community. Asian hornet control is not just an environmental task. It is an economic and public safety necessity. When nests appear, tree surgeons stop work, land managers halt operations, and public spaces become unsafe, all of which hits productivity, business income and tourism. We have seen in Brittany how unmanaged hornet activity has closed sections of the coastal national path. Cuts here do not just affect one department. They will ripple across the economy, agriculture, tourism and emergency services. Third, our agricultural sector. Plants and animal health officers protect our crops, livestock and export standards. Their work supports food security, local production and our compliance with trading partners. If we lose this expertise, a single outbreak could reverberate across multiple areas of Government, raising food prices, requiring emergency interventions and weakening Jersey's trading reputation. Fourth, tourism and our national identity. Tourism depends on Jersey's landscape, access to public pathways and coastal environment. Sixty per cent of visitors use our footpaths, we have heard this year, and more than 70 kilometres are managed by the very team facing cuts. If the team cannot maintain access, repair damage or manage erosion and invasive species, the visitor economy suffers, as do the hundreds of businesses that depend on it. Finally, Jersey's international reputation and trade. Environmental standards are not just ecological commitments; they are economic ones. Many of Jersey's trading opportunities rely on meeting international environmental obligations. The Minister has already confirmed the Brexit reset work remains

unfunded and that as many as 89 laws may need amendment to maintain alignment and market access. Without the specialist officers who do this work, Jersey risks slipping into third country status, creating barriers for exporters, weakening our competitiveness and damaging the Island's international standard. This is not an environmental risk; it is a strategic economic threat. If next year we decide that suddenly the Brexit reset ramps up its work and we have to then put money in there, this means that other money within the Natural Environment and within the Environment Department will have to also be directed to that particular unfunded work, and we will see even more impact in other areas in the Environment Department. Let me be clear, as I know that I have just given Members a lot of information, these cuts will significantly weaken regulatory services by reducing qualified and experienced staff. This compromises environmental law enforcement, treaty compliance and confidence in Jersey's environmental governance. Members, this is not trimming the fat; this is cutting into the bone. Despite its modest budget, the Environment Department holds some of the widest ranging statutory and strategic responsibilities in Government. If the Government cannot or will not meet the statutory obligations this Assembly has set, then the proper course is to amend the laws, not to undermine them through incremental cuts. Death by 1,000 cuts is not transparent policy making. The Environment Department has one of the smallest budgets in Government, smaller than the Cabinet Office and Overseas Aid, despite its substantial responsibilities and, unlike other areas, Natural Environment cannot easily draw on income made from planning or regulation fees due to statutory ring-fencing. Cutting £656,000 risks undermining public safety, economic resilience and environmental protection to save a relatively small sum when compared with much larger other departments' budgets. I believe this amendment is reasonable, proportionate and responsible. This is not an ideological amendment; this is a risk mitigation amendment. It simply prevents damage that the Minister himself has warned will occur. The evidence before us is clear. The Minister has been explicit that the cuts are unsafe and will undermine statutory duties. The question for the Assembly is this: are we willing to accept risks to public health, water safety, biodiversity, treaty compliance and trade for the sake of £656,000? That is why I am asking Members to focus solely on part 2 of the amendment, which is the proposal specifically to appropriate £656,000 from the Consolidated Fund for the Environment, as read by the Greffier. Part 1 has been withdrawn because the panel took the decision to prevent this debate from becoming sidetracked by differing views on the Strategic Reserve rather than the substantive risk I have outlined today, and we want to hear from the Council of Ministers about this, specifically about the risks that I have outlined today and have the debate on that rather than around the Strategic Reserve. Yes, approving this amendment will place the Consolidated Fund in a negative position but Scrutiny was clear in its disappointment that the Government, despite being fully aware of the scale of the risks, chose not to bring forward its own amendment to support the Natural Environment Department. That responsibility should not be shifted on to Scrutiny who, as the Minister for Treasury and Resources has even pointed out today, do not have the same access to Government officials and details contained within the whole Budget. It is for the Government to determine where resources can be rebalanced, especially given that the consequences of these cuts will not sit neatly within one department. They will spill into public health, agriculture, fisheries, environmental protection, tourism, and Jersey's international competitiveness. Failing to fund statutory environmental functions now simply pushes higher costs and deeper problems into other areas of Government later. I remind Members of Standing Order 80A, which allows the Chief Minister or the Minister for Treasury and Resources to lodge without notice an amendment to the Government Plan to correct any negative balance in the Consolidated Fund that arises from a States-approved amendment. If Members decide that this amendment is necessary and the evidence shows - I hope that it does - then the mechanism exists for the Government to return promptly with a proposal that would meet the Assembly's request and restores balance; one that should have happened before this debate. I therefore urge Members to support Scrutiny's amendment to support the important work in the Environment Department, especially Natural Environment.

The Bailiff:

Is the amendment seconded? **[Seconded]** . Does any Member wish to speak on the amendment? Deputy Catherine Curtis, then the Minister for Treasury and Resources.

8.5.2 Deputy C.D. Curtis of St. Helier Central:

I fully support the reinstatement of the intended Budget for 2026 to the Environment Department. If you ask anyone what is special about Jersey, they will talk about the beaches and the countryside. These are our assets and if we want to protect Jersey's assets then we need to invest in our environment. The amendment lists what will be cut, starting with preventing full administration of the Wildlife (Jersey) Law 2021 and ending with a lack of support for the Meteorological Team and Deputy Jeune has described the impacts of these cuts in her speech. The particular cut that I want to focus on, though, is the effect on biodiversity and habitat protection. As the chair of the Ecology Fund, I am regularly up at Howard Davis Farm. I am proud to chair the Ecology Fund and have done for the last few years. The trustees and officers do great work in supporting many environmental projects, but it concerns me that we have extremely knowledgeable people working there who are being put under extreme pressure and that they may feel uncertain that they will be able to fulfil their roles. The Biodiversity Team is going to only consist of 2 part-time officers, although I have heard that might even be cut to 1½. Do States Members really think that our whole Island's biodiversity protection can be looked after by such a small team, however hardworking and expert they are? Of course, there are volunteers who do essential work, but projects still need to be organised and many other projects managed. To conclude, I ask Members to consider what is special about Jersey - our beaches, our countryside, both to Islanders and to tourists - and to support investment in our Environment Department.

8.5.3 Deputy M.E. Millar of St. John, St. Lawrence and Trinity:

I find myself rising once again in defence of the Strategic Reserve. This time the proposal is to use it for day-to-day spending, in fact to use the reserve to grow public sector spending on an ongoing basis. This is not acceptable and is directly contradictory to the advice of the Fiscal Policy Panel. The amendment and the chair of the panel speaks passionately about the valuable work of the Department and its role in protecting our natural environment. That is not in question ...

The Bailiff:

Are you prepared to give way for a point of clarification from Deputy Jeune?

Deputy M.E. Millar:

Yes.

Deputy H.L. Jeune:

I do not know whether the Minister was in the Chamber when I suggested that part 1 of the amendment of the panel will be withdrawn, which is specifically related to the Strategic Reserve. So we are only focusing on part 2 which is about the Consolidated Fund so that we can have a debate about the environment.

Deputy M.E. Millar:

Sorry, Sir. Let me start again then. The amendment and the chair of the panel speak passionately about the valuable work of the department and its role in protecting our natural environment. That is not in question. We have, however, also heard repeated calls that the public sector is too large and that we must curb the growth, including from some of the speakers this morning. Last year, with this in mind, the Assembly agreed in the Budget for 2025 to savings allocations across departments which were designed to protect front line services. This included savings of £749,000 allocated to the Environment Department. It is, therefore, unsurprising that the department's total budget would

reduce. If we are serious about curbing growth we cannot afford to backtrack on previous commitments to reduce spend. Every department has been asked to look closely at its services and find ways to prioritise and deliver efficiently and effectively. I trust and hope that the capable professionals running our departments will do their utmost to find solutions to living within our means; again a theme from our debate earlier today. We need to move away from a culture of providing more and more money and shift to a culture where we provide more from less. We need to stop waving shrouds and focus on delivering the services Islanders rely on. This is a Budget debate. We do need to allocate funds across departments in line with our democratic mandate. If the Environment Department is to be prioritised then funds have to be found in line with the longstanding financial principle that public services should be funded through balanced budgets, and this will create - as the Deputy rightly points out - a deficit in the Consolidated Fund, which we cannot accept. Operating expenses should be funded through operating revenues. Sorry, my speech was written before part 1 was withdrawn.

[17:15]

At the end of the day, if this amendment is accepted there is a gap that is currently unfilled and we will have to find a way to fund it, which will mean taking funds from elsewhere. We are all aware that there has been considerable correspondence sent to Members regarding the challenges surrounding Asian hornets and the potential impact the proposed savings within the Environment Department will have. In 2025 the overall budget for managing the Asian hornet programme is £113,000 with an increase to £115,000 in 2026. When viewed against the department's overall budget of £11 million this spending is relatively modest and I would hope that the Minister and his team would be able to find a way of ensuring that any necessary funding was provided for that important work, and we all agree it is important work. As the Minister said in response to an Oral Question at the start of this sitting, while he would welcome the additional funding he is aware that all departments need to make savings. I fully accept the intention behind this amendment but it is inconsistent with previous decisions of the Assembly. I have already agreed as a separate matter that a letter of comfort will be provided to enable the department to conduct the essential work required in respect of P.F.A.S. through its water quality and safety programme, and we have agreed a means of finding up to £300,000 for that work. But otherwise, this amendment is not consistent with previous decisions of the Assembly and, in fact, the demand from the Assembly today to reduce spending and curb growth. I cannot support the amendment, regrettably, and I do ask Members to reject it. Thank you.

Deputy A.F. Curtis of St. Clement:

Will the Minister give way for a point of clarification in her speech?

The Bailiff:

Will you give way for a point of clarification?

Deputy M.E. Millar:

Yes, Sir.

Deputy A.F. Curtis:

It was just that she said that the Minister for the Environment had an £11 million budget. Could she clarify that number includes hypothecated income from the statutory fees that he cannot split between other parts of his service line, such as planning and building?

Deputy M.E. Millar:

That is a detailed question and I do not have the answer in front of me so, no, I cannot answer that. Possibly the Minister could.

Deputy J. Renouf of St. Brelade:

Sir, I had my light on to make the same point that Deputy Jeune made but I will make a speech if nobody else is waiting.

The Bailiff:

It could be your moment. [Laughter]

8.5.4 Deputy J. Renouf:

Excellent. In the summer I was invited to go out on a bat survey by the officer in the Environment team who does bat surveys, and possibly I am one of the few Members who would regard that as a great invitation to receive. A bat survey involves driving around the lanes, the narrower and more overcrowded with vegetation the better, just at dusk and with a machine that is able to detect the sounds that are made by bats, the audio frequencies, and in fact tweaks them so that they can then be heard by the people in the specially adapted van. Also automatically, through clever software, which this particular officer had been involved in developing, to record exactly how many bats and - with a bit of A.I. (artificial intelligence) cleverness - what the species are. Because they do this transect a few times every year at the same time every year it is a smart way of working out how we are doing in terms of bat protection in the Island. Bats are not too bad as it turns out, or at least the Pipistrelle bats, but the other species are still under an enormous amount of pressure. He had asked me to go out with him - and I had met him on another occasion to talk about something else - he wanted me to go out because this was the last bat survey he was doing because he was leaving, taking retirement I think. He is not, I believe, going to be replaced. Of course he did not just do bat surveys. Members will be pleased to know that he was not waiting just to do that every year. He did lots of other work monitoring, and in fact had developed quite a lot of mapping software that the public are able to interact with to determine various features of the natural environment. My point is that in doing what the Government wishes to do we are stripping out capacity. Not replacing people, as Deputy Jeune said, is a reduction in capacity. No work has been done before we lose this capacity to work out whether it is a good thing to lose this capacity, as we had established I think in questions earlier today. There has been no assessment. It is simply a general instruction to save money on the basis that every department should be able to find some savings. But I think, as Deputy Jeune says, it is different for small departments which rely on one or 2 key people in each position at most. That is a much harder thing to make a saving in efficiency terms. What you are really saying is: "We will do less." In that regard it was very good to hear Deputy Jeune make such an unapologetic case for the importance of the environment, not just to people who care about the environment for its own sake, but because of its importance in all sorts of other aspects of our life, not least the economy, health, and so on. When you add up the list of things that it is acknowledged by the Minister will suffer because of this, we will be effectively cutting back on the public realm. We may not be as far down the road as the U.K. in that regard but it is certainly a step down that road. The public realm in the U.K. in many areas has become very tatty because of consistent underinvestment in infrastructure and in the environment. I think we are in danger of making the same short-sighted decisions as have been made elsewhere. It is a false economy. We have seen, for example, in town the effect of what happens when you stop spending money on key infrastructure. Natural infrastructure fits into the same category. In Scrutiny when we were quizzing the Chief Minister and the chief executive about this - or it may have been the Minister for Treasury and Resources, I cannot remember - they tried to argue that the Environment Department got a big boost in the recent past and that was a reason why it could now afford to lose some money. Indeed, it did get a boost. I would like to say it was down to me but it was not; it was my predecessor. But it is interesting to think why he won that case. Why did he get that increase in the budget? If I remember correctly there were 2 key issues. One of them was to do with Brexit, which had led to an exponential increase in the regulatory work that was required to be done by his department in order to meet the new requirements, particularly around fishing which - as Members will recall - was an exceptionally tortuous discussion with the E.U. But

also around other wider phytosanitary issues that came about as a result of Brexit, which meant that we had to take responsibility for things that we previously had not had to. The other thing at the time when that budget was increased was to increase capacity within the regulatory department in recognition of the fact that the planning system was not working as well as it should, that more resource was needed to make it work, and I tried, when I was Minister, to make use of that by beginning a process of regulatory improvements, which the current Minister has taken on and also done work with. But my point in raising this is if you are going to argue that the department got a lot of money in the past that it does not need now, you have to identify what of those reasons are no longer relevant. What is it that you increased the funding before because it was needed, that you no longer need? Otherwise you are simply marching up the hill and then marching down the hill, marching straight back into the problems that you identified in the first place when you increased the budget. It does not make sense. It needs to be a bit more intelligent than that. I would just draw a little comparison here. The Minister for Health and Social Services will not like it, but in questions I asked recently we determined that a lot of COVID vaccines are being thrown away. We determined that luckily that was not apparently costing the Jersey taxpayer any money because I think it must be that the U.K. Government is giving them to us, which is great. But it was £500,000 if they were being paid for. It just strikes me that if that kind of money is floating around in Health I think it indicates that it is slightly easier to deal with these issues in a very large department. That COVID wastage is wastage, whether we are paying for it or not, and I hope - and I am sure - the Minister will tackle that. I am sure he will. But the point is, it is not as easy for an Environment Department with £11 million to deal with wastage in that way, and in fact there will not be wastage in that way. Every pound is visible. So I think Environment is a soft target. I do want to finish by just tackling the argument raised by the Minister for Treasury and Resources about there being people always asking for more money and nobody putting in for cuts. I resent that argument in the context of this Budget. I think it is a hell of a cheek ... a heck of a cheek, I beg your pardon, it is a lot of cheek.

The Bailiff:

That is better.

Deputy J. Renouf:

It is a lot of cheek because this is a Government that at some point in the summer decided that they had a cool £50 million down the back of the sofa ready to spend on extra things. They found £50 million. They did not tell us about it at the time. They decided how to spend it. They decided how to spend it, and that is what Governments do. They come up with spending plans. But we did not know about that extra £50 million; had we known about that extra £50 million when it was materialising we might have had a different view and we might have suggested that maybe it should be allocated differently. But we do not get the chance to do that until this debate comes along, which is too late really. It is too late because we are no longer in that decision-making phase. The Government has spent all the extra money and now says: "Well, you cannot have any." That is a little unfair, I would suggest. This is a tiny amount of money we are talking about. The Government managed to find £50 million to spend on extra things, on good stuff that they like. This Assembly is perfectly within its rights I think to say: "Look, we were not in there at that point when those decisions were being made but had we been we think we would have probably found £100,000 or so for the Environment Department and we will look for some savings elsewhere." We might have decided to do that and, effectively, what this amendment does is say we would like to reintroduce ourselves into that process and we would like to correct that small deficiency.

The Bailiff:

The adjournment is proposed. Tom Binet, you want to say something?

Deputy T.J.A. Binet of St. Saviour:

Chair, 2 matters to address. One relate to the discussion that is happening at the moment and I would just ask if I could check the figure that Deputy Renouf put forward for wasted vaccinations because I think it is completely wrong.

The Bailiff:

You can speak later on if you want to, tomorrow.

Deputy T.J.A. Binet:

I can ask that question tomorrow. What I had wanted to stand up and clarify is that a little earlier this afternoon - as I think Members will have noticed - I voted against the Government completely inadvertently. I had just come in from a rather bruising interview with Channel Television about waiting lists and I resumed my seat and I voted the wrong way.

The Bailiff:

In the first vote, was that?

Deputy T.J.A. Binet:

I think it was the first vote. Not that I did not have a degree of sympathy for what Deputy Bailhache was saying, but I had intended to stick with the Government and I just think that should be on record. I do not know if I am also allowed to make a comment about waiting lists; probably not.

The Bailiff:

Probably not at the moment, no. [Laughter]

Deputy T.J.A. Binet:

I might tomorrow morning; it is an important thing for the public but I might do that tomorrow morning, Sir.

The Bailiff:

Well, we will see. The adjournment is proposed.

Deputy M. Tadier of St. Brelade:

Before we do, can I just give notice that I have put an amendment to my own amendment which is amendment 33, and I will be seeking leave tomorrow morning to move that. It is just a minor amendment but Members may wish to look at it overnight and I am happy to speak to them if it helps.

The Bailiff:

Are Members content to adjourn? The Assembly is adjourned until 9.30 a.m. tomorrow morning.

ADJOURNMENT

[17:30]