

STATES OF JERSEY



Jersey

DRAFT PUBLIC FINANCES LAW (STATES FUNDS) (JERSEY) AMENDMENT REGULATIONS 202-

**Lodged au Greffe on 4th February 2026
by the Minister for Treasury and Resources
Earliest date for debate: 24th March 2026**

STATES GREFFE

REPORT

Part 1: Executive Summary

The Minister for Treasury and Resources has lodged these Regulations to establish the Jersey Capital Investment Fund (JCIF) by amending the [Public Finances \(Jersey\) Law 2019](#) (PFL).

The JCIF is a fundamental part of the “Investing in Jersey” vision. It will enable the foundation of investment within our infrastructure from being diverted to meet short-term, day-to-day pressures, and ensure that we are allocating sufficient funds to capital to maintain our assets in the medium and long-term.

The most significant change to the Law is the replacement of the Consolidated Fund (CF) with two new funds:

- General Revenue Fund (GRF) for day-to-day spending
- Jersey Capital Investment Fund (JCIF) for spending on infrastructure and other assets.

As well as creating the funds, the proposals include consequential changes to articles relating to approvals in the Budget, to refer to the correct fund. The powers of the Minister to transfer funds are also updated, with capital underspends retained in the JCIF and no longer being available for general day-to-day expenditure.

Whilst this proposition puts the relevant law changes into place, the full implementation of the fund will be part of Budget 2027-2030. As well as making approvals through the new funds, the Budget will propose the transfer of the relevant assets currently in the CF to the JCIF, as well as borrowing relating to the New Healthcare Facilities, and other balances relating to assets.

Moving forward, income and expenditure relating to assets, such as disposal proceeds, rental income and “hard” maintenance costs, will be managed through the JCIF. This will ring-fence related income towards the life-cycle maintenance and development of assets.

The Government won’t be transferring the costs of running services using those assets, or “softer maintenance” such as cleaning. These will remain in the GRF as costs of delivering services to Islanders.

How to fund the JCIF will be a key decision moving forward, and this paper highlights the various options available. It will be for future Assemblies to consider how best to fund capital expenditure, but the JCIF puts in place structures to make sure that these are transparent, by separating them more clearly from the costs of providing services and other day-to-day spend.

The establishment of the JCIF is the first change in the shift to longer-term financial planning and decision making. **Part 5** of this report sets out further actions, including moving to multi-year budgeting, embedding longer-term forecasting and developing a long-term financial strategy.

Multi-year budgeting will require further changes to the PFL, and these will be developed for consideration by the new Assembly in 2026.

1.1 Implementation Roadmap

If the States agree these important changes to PFL, the JCIF will be established in 2026. However, Budget 2027-2030 will be the first to make allocations to the fund, with capital spending being managed through the fund from 2027.

If approved, the Minister for Treasury and Resources will consider any changes required to the Public Finances Manual to implement suitable controls and governance in time for the 2027 Budget, although these are expected to be limited.

Part 2: What the Fund does

2.1 Strategic Rationale and Objectives

Jersey relies on a substantial and diverse portfolio of public assets that includes our transport network, coastal defences, schools, emergency response facilities, and sports infrastructure. Collectively, these assets play a critical role in sustaining economic activity and shaping Islanders' daily experience of government services.

Maintaining the standard of public infrastructure and buildings expected by Islanders requires the Government to adopt a long-term, strategic approach, ensuring assets continue to meet both current requirements and the Island's evolving needs. The Government has also recognised that some assets that have served the Island successfully for years, are now in need of renewal.

Through the Investing in Jersey programme, the Government has established a 25-year strategy for renewing and maintaining the Island's infrastructure and public buildings. The JCIF is a central enabler of that vision. It provides a mechanism to protect essential capital investment from short-term fiscal pressures and, by aligning funding with a long-term investment plan, extends the Government's planning horizon beyond the conventional budget cycle.

The development of longer-range capital planning will encourage a more systematic approach to assessing needs through robust asset management plans, helping to ensure infrastructure and public buildings are sustained through coordinated, strategic programmes and not reactive or ad-hoc, tactical interventions. In doing so, it enables capital decisions to be taken with greater foresight and at the right time, allowing funding strategies to be established that can build funds progressively. This will help to ensure that major future investments can be delivered in a planned and orderly way while allowing the impact on the taxpayer to be carefully managed as part of a long-term fiscal strategy.

Following the publication of Investing in Jersey 2026-2050, the proposed Budget 2026-2029 ([P.70/2025](#)) set out more information on how a dedicated JCIF will support the long-term vision for investment in our Island.

The Jersey Capital Investment Fund (JCIF) is a core component of the Investing in Jersey strategy to improve the long-term planning, coordination, and delivery of investment in public assets. The Jersey Capital Investment Fund strengthens the Island's fiscal framework by supporting the following long-term investment objectives:

1. Protect infrastructure investment from short-term pressures

Safeguard funding for essential capital projects so that long-term priorities are delivered consistently, even during periods of fiscal constraint or political change.

2. Provide long-term visibility to sustain and enhance the Island's assets

Set out a clear, forward-looking view of the investment needed to properly maintain, refurbish, and upgrade Jersey's public buildings and infrastructure ensuring they continue to meet the Island's social, economic, and environmental needs.

3. Strengthen strategic decision-making

Use strengthened governance processes to promote a longer-term planning horizon, allowing plans to identify potential connections between different investment needs, and unlock opportunities to deliver multiple priorities through a single, well-coordinated intervention.

4. Promote Transparency, Accountability, and Delivery Capacity

Ensure investment decisions are open to scrutiny, progress is clearly reported, and departments and the supply chain have the confidence to invest in the skills and resources required to deliver the Island's long-term infrastructure ambitions.

The importance of this fund, and its place as one of the key funds used to manage public finances, mean that it is appropriate and necessary to establish it directly as part of the PFL.

The Fiscal Policy Panel (FPP) endorsed this approach in their Annual Report 2025:

The Panel supports investment in productive capacity and recognises that the creation of a ringfenced Capital Fund may protect capital investment budgets from being reprioritised and used to fund other, non-investment, spending pressures.

2.2 Shift to Longer-term Planning

The Government owns over £4 billion of property, infrastructure and other assets, which are used to deliver vital services to Islanders. These assets are intrinsic to Island life. They include our transport network, coastal defences, schools, healthcare and emergency services buildings as well as sport infrastructure. They are fundamental to the successful functioning of our economy and to quality of life on the Island.

These assets have, in some cases, been used for generations, and it is essential that they are properly maintained, and continue to be fit for purpose for generations to come.

Jersey is not unique in facing challenges to public finances currently, with costs increasing due to both demographics and rising expectations of Islanders. In the past the capital programme has been scaled back to help meet wider cost pressures, but this can unfortunately lead to higher costs in the long run, as it is more expensive to fix an asset that has fallen into disrepair than it is to keep it in good order.

The introduction of the JCIF will support us in taking a longer-term view to ensure public infrastructure and buildings meet the current and emerging needs of Islanders. In line with the Investing in Jersey vision, the JCIF will be underpinned by a 25-year Long-Term Capital Plan (LTCP) that helps to ensure investment decisions are well-informed, sustainable, and properly sequenced to support core public services and meet future challenges.

The transparency of this LTCP will mean that Islanders will be able to clearly see if the Assembly is investing sufficiently in our infrastructure, scrutinise the rationale for changes and ultimately hold decision-makers to account.

The LTCP will be a live plan, that will evolve as required. Accordingly, the level of detail supporting projects will be higher for the earliest years of the plan. Projects included in the first four years of the plan (and also the Budget) will be expected to be developed to an Outline Business Case (OBC) level. Projects planned for years 5-10 should be supported by a Strategic Outline Case (SOC), whilst projects beyond this will be part of Strategic Outline Programmes (SOP). This approach allows work to be focused on the projects being undertaken soon, whilst ensuring that the basis of the overall financial requirement is adequately justified in later years.



Projects will be phased to ensure that we balance the need to invest in our infrastructure with our capacity to deliver. Ideally, the capital spend will be smooth, fluctuating a small amount around

the average requirement identified by the plan. However, there may be justification to vary this in particular years, and having a separate fund allows this to be managed over the medium term.

The primary focus of the LTCP is **essential capital spending**:

Investment required to sustain the delivery of current services at current levels in light of changes to demographics or other drivers. This plan is informed by individual Asset Management Plans and supported by condition surveys that will periodically be commissioned (e.g. every five-years).

The years 1 to 4 years of the plan could also include **change and improvement spending**, in line with each Government's priorities:

This includes investment that extends the scope, user experience or quality of public services. All such expenditure will need to be supported by a business case that demonstrates the value of the proposed change, including how it aligns with wider Government priorities and benefits Islanders.

This promotes a shift to a more considered, longer-term approach to investment in our Island, and should ultimately lead to better outcomes for us all.

The LTCP will have a substantial review every four years (in line with the electoral cycle). There will also be an annual refresh, which will generally consist of updates for profiling of spend and updates to assumptions and funding. As the LTCP is intended to cover all capital requirements in the longer term, the first budget of each new Government should include a detailed 4-year programme for their term, and the adding of new projects as part of the annual refresh would be exceptional.

This would be further supported by:

- A return to multi-year spending plans.
- A review of key fiscal measures (e.g. the operating balance) to ensure that these continue to support financial sustainability.
- Opportunities to enhance other aspects of the PFL, and fiscal framework to improve the Island's financial resilience and sustainability.

2.3 Changes to the Public Finances Law

The proposed regulations make the necessary amendments to the *Public Finances (Jersey) Law 2019* to create the JCIF and incorporate it into the operations of public finances.

The changes are broadly:

- Replacement of the Consolidated Fund with a "General Revenue Fund" and a "Jersey Capital Investment Fund" (Part 2).
- Changes to Articles relating to the Budget (previously Government Plan) to reflect the separate funds (Part 3).
- Removal of the definition of Major Project (with totals approved for all projects moving forwards).
- Changes to powers relating to legal approvals to reflect the creation of separate funds (Part 3).

Other miscellaneous amendments to the Law to be brought in these regulations but not directly related to the creation of the JCIF include:

- Renaming, throughout the Law, from “Government Plan” to “Budget”.
- Change to the requirements relating to States trading operations.
- Removal of Schedule 4 – Specific withdrawals from Strategic Reserve Fund relating to the previous “Future Hospital” project and Hospital Construction Fund (to be closed in 2026).
- Change to Article 24 – Authority to withdraw a specified amount. This removes paragraphs relating to powers under COVID and adds a new paragraph allowing the Minister to make a transfer from the Strategic Reserve, of up to £100 million, to meet emergency expenditure (as defined in the law) if sufficient funds are not available in the General Revenue Fund.

2.4 What will change

2.4.1 Purposes of Funds

The PFL will be updated to separate the Consolidated Fund into the General Revenue Fund and Jersey Capital Investment Fund. This will ring-fence capital expenditure and protect it from being diverted to day-to-day spending.

States Fund	Purpose	Approval process
<i>Consolidated Fund (to be discontinued)</i>	<i>The Consolidated Fund is the main States Fund. It can be classed as the States’ current account, as it is the fund through which the majority of States income is received and out of which the majority of States expenditure is paid.</i>	<i>The States Assembly approves annual income and expenditure from the fund via the Budget under the provisions of the Public Finances (Jersey) Law 2019.</i>
General Revenue Fund	Will operate as the States’ operational fund. It will receive income from tax and other sources and pay out day-to-day expenditure (e.g. by departments). It will also be utilised to make transfers into the Capital Fund, Stabilisation and other funds.	The States Assembly will approve annual income and expenditure from the fund via the Budget under the provisions of the Public Finances (Jersey) Law 2019.
Jersey Capital Investment Fund	Will operate to safeguard and invest in the States’ property, infrastructure, equipment, and other fixed assets. It will hold these assets and receive suitable funding from the General Revenue Fund to undertake maintenance and capital projects including essential and improvement projects. It will incur both capital and revenue spend relating to assets and can also receive income relating to	The States Assembly will approve annual income and expenditure from the fund via the under the provisions of the Public Finances (Jersey) Law 2019. Borrowing to fund capital spend will also be approved through the Budget in line with the Public Finances (Jersey) Law 2019.

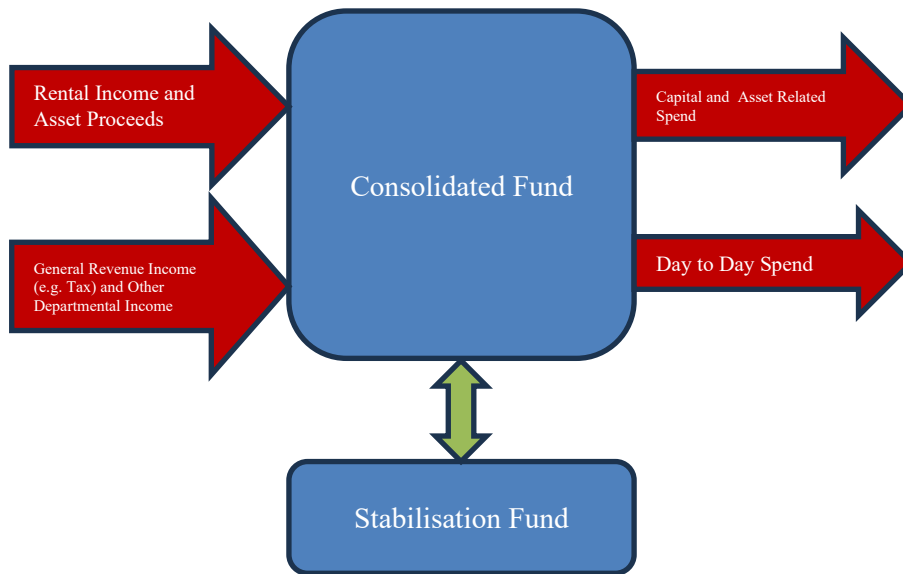
	<p>assets (e.g. rents) and proceeds from disposals.</p> <p>The fund can borrow to fund capital and will pay for financing costs relating to this borrowing.</p>	
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The funds will still be able to be considered together to give a “consolidated” view.

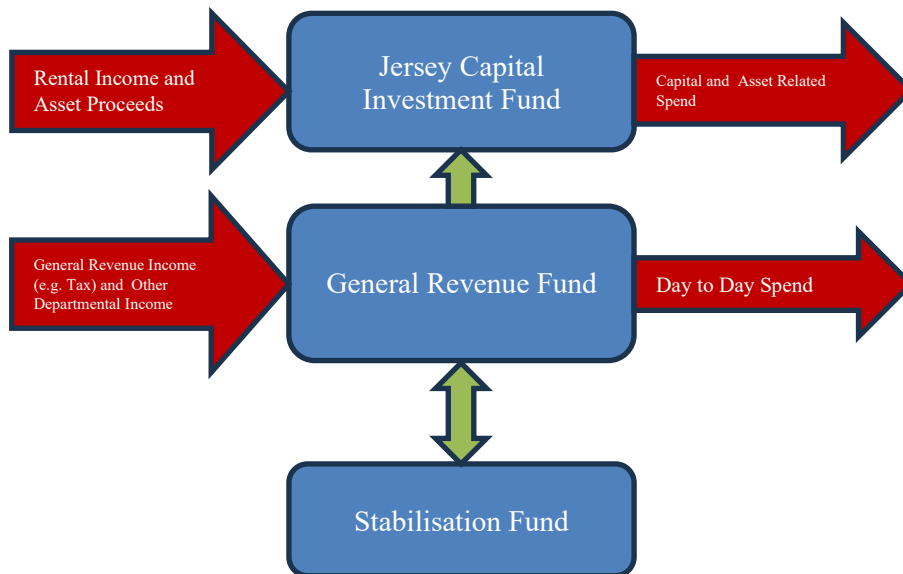
2.4.2 Changes to Fund Structures

Currently, taxation and other revenues are credited to the Consolidated Fund, and then both revenue and capital spend is incurred from the same fund.

Rental



Under the proposed changes, the CF will be separated into a GRF (which will continue to receive taxation and other income and incur the bulk of Revenue Expenditure), and the JCIF.



2.4.3 What will transfer into the Jersey Capital Investment Fund

The JCIF will be established in 2026, and the first funding allocations (via transfer from the GRF) and spending approvals will be agreed in Budget 2027-2030.

It is proposed that the following items relating to assets and capital move into the new fund:

Balance Sheet (see 6.1.1 for more detail)

- Property, plant, equipment and intangible assets (2024: £2.9 billion)
- Outstanding borrowing relating to capital projects (2024: £116m)
- “Right-of-use assets (ROU) and liabilities” under IFRS 16 (Leases)¹
- Associated current assets and liabilities e.g. capital creditors, accruals of spend

Capital Projects

- All projects currently approved through the CF via the Capital Programme (including capital and revenue costs) will be spent through the JCIF
- Future proceeds from asset disposals will be credited to the JCIF

Asset disposal proceeds would be credited to the JCIF and could be applied to capital projects (under Article 21). This will ring-fence these future receipts for reinvestment in assets.

Net Revenue Expenditure

Some elements of net revenue expenditure (departmental expenditure less departmental income) that primarily relate to capital assets are also proposed to be approved and spent through the JCIF:

- Rental Income received by departments
- Maintenance expenditure on property, infrastructure and other assets
- Finance costs relating to borrowing for capital
- Depreciation and impairment costs

It is presumed that all staff will be paid through the GRF. Where staff work to deliver capital projects or maintain assets, the appropriate costs will be recharged to the JCIF.

The JCIF also gives us the opportunity to explore how Trading Operations (Jersey Car Parking and Jersey Fleet Management) function and whether the Island’s wider infrastructure needs would be better met by managing them as part of the wider JCIF portfolio. This could be actioned by the States in future Budgets and does not form part of the current proposed changes.

2.4.4 Future Move to a Corporate Rental Model

The creation of the JCIF could facilitate the move to a corporate rental model, in support of the corporate landlord model. This would be considered as a development to be implemented in a future Budget.

Under this model, departments would be charged an internal rent charge to represent the costs of the use of assets in delivering services. This could be designed to cover the costs of both depreciation, maintenance and financing costs for assets. This would ensure full costs of using assets are allocated to the departments using them and hence give a better view of the costs of

¹ In general cash payments under these arrangements would remain in the GRF (as an operating cost), but non-cash adjustments to the ROU Assets and Liabilities would be recognised in the JCIF.

service provision. It could also help to strengthen the incentives in place to ensure the judicious use of space.

If a charge between the GRF and JCIF were recognised, this would replace part of the transfer to the JCIF (reducing the transfer required).

2.5 Impact on Fiscal Rules

There are currently two key metrics that are considered when preparing a Budget:

2.5.1 Consolidated Fund Balance

The key fiscal rule built into the current PFL relates to forecast balances in the CF.

In simple terms, this is similar to the amount of “funds” in the States “current account”, adjusted for any amounts already approved to be spent (e.g. amounts approved for capital but not yet spent). This is the maximum amount “available” for the States to allocate for spend (in addition to the income expected to be received in the year).

The PFL currently includes requirements around the balance in each Budget:

9 Preparation and lodging of government plan

- (5) The Council of Ministers must not lodge a government plan that shows a negative balance in the Consolidated Fund at the end of any of the financial years covered by the plan.

14 Limitations on approval

The States may not approve a government plan that would –

- (a) show a negative balance in the Consolidated Fund at the end of the first financial year covered by the plan;

The updated Law maintains and expands the requirement to maintain a positive balance in both the GRF and JCIF across all years of the plan. The changes to the Law further strengthen the provision, in that the Assembly would not be permitted to approve a Budget with a negative balance on either fund in any year of the plan. This means that the Assembly would become responsible for ensuring that the financial consequences of proposed amendments to the Budget are properly funded.

2.5.2 Operating Balance

Successive Councils of Ministers (CoM) have agreed a set of principles to be used as a framework for decisions. Recent Government Plans and Budgets have included the “Operating Surplus after Depreciation” as a key measure. The FPP advises on whether this should be run in surplus or deficit (when the economy needs support), but there is a general principle of running the operating surplus after depreciation at least in balance across each Budget period.

The current calculation of the operating balance is set out below:

Net Operating Surplus/Deficit

$$\text{Net Operating Surplus/Deficit} = \text{General Revenue Income} - \text{Net Revenue Expenditure}$$

i.e. the amount of tax and other General Revenue Income (GRI) left over after the costs of paying for day-to-day expenditure (Net Revenue Expenditure – NRE). This is the amount of “funds” generated in the year available for capital investment or transfers to other funds.

Operating Surplus/Deficit after Depreciation

$$\text{Operating Surplus/Deficit after Depreciation} = \text{GRI-NRE-Depreciation}$$

Depreciation is an accounting measure that spreads the value of an asset (like a building) over its useful life and reflects the cost of “using up” the asset.

Balancing budgets after taking into account depreciation in effect means that the amount available for capital investment is at least equal to the level of depreciation. If capital is spent at this level, then the total value of property and other assets will be maintained. Taking depreciation into account therefore helps to ensure that asset value is maintained at a minimum.

If, as in recent years, capital is spent at levels above depreciation then the value of property and other fixed assets will increase, but cash will decrease. The rules around the CF balance are designed to ensure adequate funds are available to pay for capital.

With the introduction of the JCIF, the way in which the operating balance is calculated will change for the GRF. The key change would be that rather than considering the balance after depreciation, it would be after the base transfer to the JCIF.

$$\text{Operating Surplus/Deficit} = \text{GRI-NRE-Base Transfer to JCIF}$$

The base transfer to the JCIF should be sufficient to fund the essential components of the LTCP (including any associated revenue expenditure). This new formulation will therefore ensure that there is sufficient cash generated from tax and other income to fund both revenue and essential capital expenditure. It should never be less than forecast depreciation.

The actual transfer to the JCIF could vary from the base transfer, e.g. using surpluses to invest in change, to build up the fund or to smooth out the impact of “lumpy” spend. This would be considered in each Budget.

The impact of this change is illustrated based on figures from the 2026 Budget in **section 6.1.2**.

2.5.3 Updated Financial Principles

The changes to the structure of public finances as a result of the proposed law changes necessitate some updates to the financial mathematics that are used when constructing a Budget.

Whilst the Government of the day will determine the guiding principles they wish to apply to overall public finances, an illustrative set of core principles is set out below (others would also be required):

Budget should be balanced across the “plan”

The separation of the JCIF means that the definition of “balance” needs to be revisited. The key measure moving forwards will be the operating surplus, after the transfer to the JCIF, rather than after depreciation.

Capital should be adequately funded

The transfer to the JCIF should be greater than or equal to the essential amount required by the LTCP across the plan, with allocations for change in addition to this amount.

The Jersey Capital Investment Fund should maintain an appropriate balance

Whilst maintaining a positive balance is essential, to give suitable assurance of funding to projects, the forecast balance in the JCIF for any particular year should be greater or equal to a specified amount, e.g. a percentage of the forecast for the next year's spend from the JCIF. Opportunities to build the fund should be explored, for example to build up balances for funding of larger projects required in future years.

The Stabilisation Fund should be forecast to meet or exceed the recommended level by no later than the end of the Budget period.

The FPP advise on suitable levels for the Stabilisation Fund (SF), but in recent years transfers have often not been prioritised due to more immediate pressures.

There should be adequate contingency in the General Revenue Fund to meet unforeseen pressures

In recent years it has been necessary to reprioritise capital underspends to help address pressures in day-to-day spending. The new structures are deliberately designed to avoid this. This means that an adequate contingency provision within the GRF will be essential for finances to be managed efficiently. For example, HM Treasury recommend that contingency reserves for departments should be at least 5% of expenditure (approximately £50 million). This would be more straightforward to manage under multi-year budgeting.

A contingency should also be maintained in the JCIF.

Sinking Funds to repay borrowing should be demonstrated to be adequate

If prudent use of borrowing is exercised within the JCIF, it will be even more essential to ensure that the building of sinking funds to repay is not neglected. These will typically be built in the Strategic Reserve (with suitable transfers from the JCIF).

Transfers to the Strategic Reserve should be planned until it is of sufficient size**The Social Security Funds should be sustainable in the medium term, with plans for longer-term****Part 3: Governance and Oversight Arrangements****3.1 Governance model****3.1.1 Accountability**

Accountable Officers will continue to be appointed for all projects approved in the Budget, and any other Head of Expenditure within the JCIF.

Fixed assets are currently held within the Consolidated Fund and allocated to Departments – with the Accountable Officer for the department also being accountable for the asset. The move of assets to the JCIF will not change this accountability.

3.1.2 Approvals

Approvals of capital projects will continue to be made through the Budget process. The PFL amendments propose removal of the definition of major projects. All projects of sufficient size or

importance to be allocated a head of expenditure will be treated equally, and the provisions in the Law that currently only apply to Major Projects will apply to them also. In particular, the States Assembly will be asked to approve the total cost of each project in the Budget.

Moving forwards, there will be three types of Project Heads of Expenditure:

- Projects
- Rolling Votes
- Grouped Heads of Expenditure.

The Budget will approve project budget totals for all projects and grouped Heads of Expenditure. The existing model of annual cashflow-based allocations will remain in place, but projects will also be given funding certainty over their total budget approval, helping to improve the balance between efficient financial management and the certainty needed for successful delivery. Where there are underspends on projects, for example due to delays in delivery, the Minister for Treasury and Resources can (under Article 20), directly roll these amounts to the following year for the same project.

Rolling Votes will continue to have annual approvals but also include estimates for future years. It is also planned that Heads of Expenditure will be approved within the JCIF relating to revenue income and expenditure, for example to receive rents or incur maintenance expenditure.

The Minister will also be able to transfer any underspends on Heads of Expenditure within the JCIF into a Reserve in the same fund in the following year. It would not be possible to transfer underspends on capital to the GRF without States approval – an additional safeguard to protect capital investment from reprioritisation to address pressures in day-to-day delivery of services.

3.1.3 Operational Governance

The current capital programme is governed in line with the requirements of the Public Finances Manual (PFM). Whilst the PFM will be updated as required, the majority of the governance arrangements will continue. Some key features are:

- **Accountable Officers (AO):** An AO will be appointed for each project, and will have overall responsibility for propriety, regularity, value for money and feasibility. AOs will also remain responsible for stewardship of assets.
- **Senior Responsible Officers (SRO):** For every project with a head of expenditure the accountable officer must appoint a Sponsoring SRO (and where applicable a Supplying SRO).
- **Delivery framework:** All projects must follow a defined delivery framework for project and programme management. Projects will continue to be suitably classified to ensure that levels of governance are both rigorous and proportionate. This will include risk management.
- **Documented Governance Arrangements:** The AO must ensure appropriate governance arrangements are put in place and documented. This will include details on expenditure approvals, performance reporting and risk management.

Any balances in the JCIF (and GRF) would be invested in line with an agreed investment strategy (as for all other funds). Whilst this would need to be reviewed, it is anticipated that this will be similar to the current strategy of the CF.

3.2 Long-term capital plan

A clear, well-governed approach to investment planning is essential to ensure that public funds are used effectively and that infrastructure projects are delivered on time, on budget, and in line

with strategic priorities. A crucial element of the wider change being introduced with the JCIF involves strengthening internal governance and processes around the identification and specification of required capital projects, before approval.

The LTCP is an evidence-based plan for future capital requirements. The essential elements of spend will be based on asset management plans, condition survey processes and other available data to inform investment priorities, identify risks, and shape the essential spending required. This will help ensure that business cases and investment decisions are grounded in evidence about asset condition, service needs, and long-term cost.

All projects proposed for inclusion in the LTCP will continue to be reviewed through the investment appraisal process. It will also be necessary to prioritise within the plan to ensure both deliverability and affordability.

The LTCP will be presented to the Assembly, to inform the formulation of the 4-year capital programme that will continue to be approved through the Budget. It is anticipated that the LTCP is refreshed annually to reflect progress, but more substantially reviewed and published to support the first Budget of each electoral period (every four years).

3.3 Transparency, Reporting, and Performance Measurement

Sustained, strategic investment in the Island's core public assets requires a cross-Assembly consensus on the importance of committing funds in line with long-term needs, particularly those identified in the essential spending component of the LTCP.

To support this, it is important that the Assembly is both empowered and equipped to hold the Government of the day to account for the allocation of funds and whether projects are being delivered when they should. This includes having the tools and information needed to assess whether investment decisions are being delivered effectively, efficiently, and in the interests of Islanders over the long term.

There are three key documents that will deliver transparency on the capital programme:

Long-term Capital Plan (25 years)

- Whilst this document will primarily set out the future capital requirements it will also include:
 - Progress in delivery against the previous plan, and any reprioritisation in the period.
 - Updates on asset condition and maintenance forecasts.
 - Updates to other key planning assumptions that underpin long-term capital investment – such as the implications of climate change, demographic trends, technological change and shifts in service demand.

Budget

- Each year the Budget will include updated approvals for existing projects alongside new approvals.
- It will also include the transfer to the JCIF from the GRF, and a narrative to justify the level of transfer, including a comparison to the estimate in the LTCP.

Annual Report and Accounts

- Alongside the existing financial reporting, the Annual Report and Accounts and Annex will be used to summarise for each element of the programme (estates, infrastructure, etc):
 - delivery performance against time, cost and scope
 - update on programme risks
 - a comparison of capital spend against the LTCP requirements.
- Accompanying departmental annual reports will provide additional performance metrics at a more granular level, typically at a project level, for example value for money, project completion rates and cost variance.

Together, these steps are intended to support a more transparent, collaborative and accountable capital planning and delivery process – one in which the States Assembly is fully empowered to play its integral role in both approving investment priorities and holding the Government to account for delivering them.

Changes to the Public Finances Manual and Jersey Financial Reporting Manual will be made to document and codify the appropriate disclosures.

3.3.1 Additional Transparency

The separation of the CF is not intended to reduce the transparency of budgeting and the overall position of States finances. Each Budget will include detailed approvals of expenditure from both the GRF and the JCIF, alongside estimates for other States Funds.

In addition, it will present information on a more holistic basis – including for example:

- Combined revenue income and expenditure of the GRF and JCIF – equivalent to the current CF.
- Aggregated income and expenditure of States Funds, for example, incorporating benefit expenditure through the Social Security Funds.

Part 4: How the Jersey Capital Investment Fund will be funded

There are a number of options in terms of funding sustained capital spend at the higher level required. However, whichever option is used, it is inevitable that the expenditure must be paid for. Some options require funds up-front; some can be paid for over time. When selecting the most appropriate funding mechanism it will also be necessary to consider the opportunity costs of funding strategies alongside direct costs.

The most appropriate funding strategy will depend on how much funding is required, and the timing of spend. Funding within the JCIF could either be project specific or aimed at providing more general funding for the wider programme.

Any funding options would need to be approved by the States Assembly in the Budget, and this proposition does not seek to make a recommendation of which should be used. Some options will undoubtedly be more palatable than others, but the list below is intended to give a broad range:

- existing capital budgets
- capital receipts
- reprioritisation of spending
- efficiency savings
- general revenue surpluses

- limited borrowing, where appropriate
- investment by States funds (where an investment case exists).

Whilst borrowing can be used to accelerate the availability of funding, CoM is committed to its current approach of prudent borrowing, and only using borrowing where there is a clear, affordable plan to meet the costs of interest and eventual repayment.

If the ambition to spend more on capital than depreciation on an ongoing basis is to be met, it will inevitably be necessary to run operating surpluses to pay for it. This will require either reduction in day-to-day spending or increases to tax or other revenues.

Part 5: Embedding Longer-term Financial Planning

Whilst the establishment of the JCIF (and LTCP) is a key step toward ensuring that we protect investment in our assets, it is one element in a shift to a more considered, longer-term approach to public finances. The Budget 2026-2029 reconfirmed a previous commitment in the Treasury business plan to develop Longer-Term Planning and to develop changes to the PFL to reinstate multi-year expenditure budgeting.

5.1 Recent Experience (2019 – 2024)

2019 was the last year before the changes to the PFL that moved from a Medium-Term Financial Plan (MTFP) to a Government Plan.

At the end of 2019:

- the available Consolidated Fund Balance was **£161 million**
- the Stabilisation Fund Balance was **£50 million**.

By 2024 the CF balance had dropped to **£59 million** and is forecast to be nil by 2027.

In the same period, the SF has effectively been exhausted. The £50 million was transferred to the CF to support public finances during the pandemic, and no transfers have since been made to replenish the fund. The FPP have recommended transfers of £50-80 million into the fund based on economic conditions since 2021. Any transfers would require further operating surpluses to be run to generate the funds to transfer.

Operating balances after depreciation were run broadly in balance (with an overall deficit of £23 million across 2020 to 2024). Any additional income has been spent on day-to-day expenditure, and balance would not have been possible without the suspension of the States Grant to the Social Security Fund from 2020 to 2023. Whilst the Social Security Fund did still grow across the period, this was slightly behind inflation.

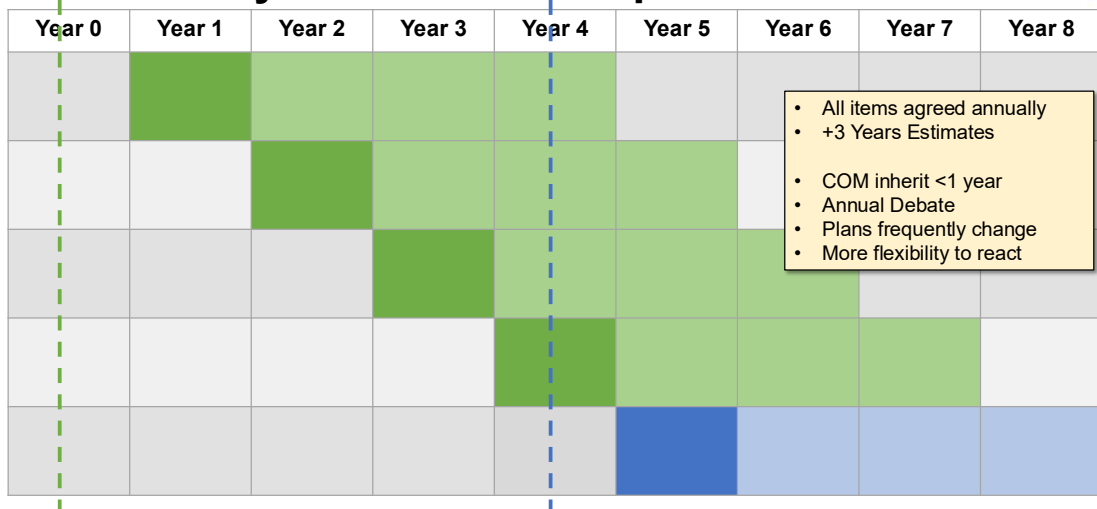
The balances in the CF have been used to fund investment in capital, with spend consistently in excess of depreciation. Project spend across the period was £626 million, which is £360 million more than depreciation (£274 million). Existing approvals and the available balance in the CF have been supplemented by transfers from the Strategic Reserve for hospital projects (£83 million) and the application of receipts from Prior Year Basis (PYB) taxation (£59 million).

The reduced CF balance means that capital spend above the level of depreciation can no longer be funded in this manner. With the establishment of the JCIF, it is proposed to change the operating balance calculation to use the transfer to the JCIF rather than depreciation. This will ensure that delivering balanced budgets will provide adequate cash for the capital investment required, rather than just at the level of depreciation.

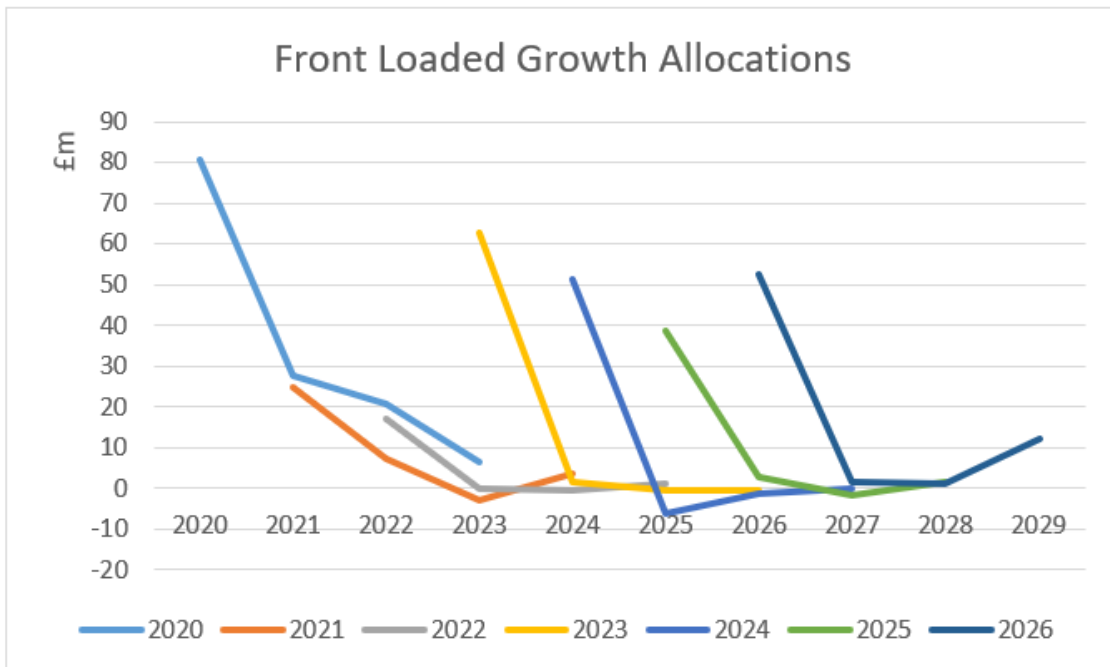
5.2 Re-introduction of multi-year Budgeting

Since the introduction of an annual Government Plan in the PFL 2019, the public sector has seen a marked growth in revenue expenditure – over 25% growth in excess of inflation between 2019 and 2024.

Current Government Plan Cycle



This has appeared to be driven in part by the annual process itself, as growth is typically front-loaded in the first year of each plan, with limited growth in years 2-4. Each subsequent plan has then added further growth in the first year of that plan.



This growth has led to a common pattern, with relatively stable expenditure forecast in each plan, but a step up between each plan. This ongoing growth in revenue spend is unsustainable and has been at the expense of rebuilding the States Reserves (notably the Stabilisation Fund).

The move back to multi-year budgeting is primarily intended to build more financial discipline into the process, helping limit an annual cycle of growth in revenue and protect transfers to the JCIF and SF. It also:

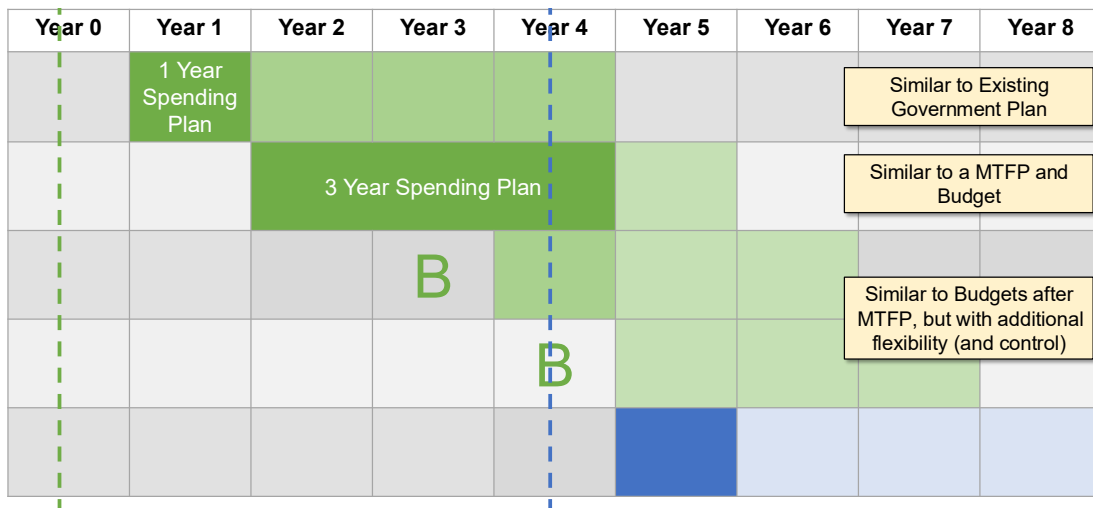
- reduces the overhead of a detailed annual debate by agreeing medium-term plans
- ensures funding solutions for growth are delivered before allocation
- retains flexibility to adapt to emerging economic changes.

In developing a proposal, it will also be necessary to ensure that:

- each new CoM can influence financial plans in a reasonable timeframe after an election
- each new CoM will have sufficient time to develop a medium-term plan after election.

The proposal would be for a “1+3” year cycle, whereby CoM’s first spending plan following election is for a single year (due to time constraints), allowing sufficient time for a 3-year spending plan covering the rest of their term to be developed. An annual Budget would be used to agree taxation measures, make detailed allocations for capital and allow for the impact of changes in economic assumptions.

3-year budgets would also provide departments with certainty to plan which, for example, facilitates multi-year funding agreements for Arm’s Length Bodies. It would also release capacity for delivery or improvements of services and projects for Islanders, rather than being utilised on perpetual growth cycles.



5.2.1 What would be approved (draft)

Spending Plan (1 + 3)	Budget (Annual)
	Income Forecasts (GRF)
	Budget Measures (GRF)
Departmental Budgets (GRF)	Provisions for Inflation (GRF)
Growth Allocation	
Savings Allocation	
Transfers to JCIF and SF (GRF)	Capital Projects and Allocations (JCIF)

Borrowing and Fund Transfers	
<p>Additional Control</p> <ul style="list-style-type: none"> • Growth allocations in future years should be contingent on the delivery of savings or tax measures. 	<p>Additional Flexibility</p> <ul style="list-style-type: none"> • Any additional Income could be used to update inflation provision and/or make additional fund transfers to the Stabilisation Fund, Jersey Capital Investment Fund or other Reserves.

5.3 Other Changes to the PFL to be considered

In addition to the changes to the Budget process and approval, the opportunity will also be taken to review a number of other related articles, for example:

- Which part of the planning cycle is most appropriate for the consideration of sustainable wellbeing (CSP, Spending Plan, Budget).
- Process for inclusion of allocation for non-ministerial and other bodies.
- Whether amendments to a spending plan or Budget should formally consider the impact on financial sustainability.

5.4 Longer-term financial planning and forecasting

The financial planning required under the PFL continues to relate to the relatively short-term, with annual approvals of income and expenditure and a 4-year forecast.

Many of the challenges and opportunities facing government operate over a much longer timeframe, and the Law includes the additional provision that the CoM must account for the medium-term and long-term sustainability of the States' finances.

As well as the production of the LTCP, the Treasury and Exchequer Business Plan includes an additional project to help enhance the information available to CoM when considering financial sustainability, by providing a holistic view of finances in the longer-term.

The Longer-term financial planning (LTFP) project will consider longer-term forecasts (10-25 years) for revenue, expenditure and capital (informed by the LTCP), and the impact of levels of borrowing and reserves (and hence net assets) based on current policy.

The LTFP will include the implications of:

- Ageing population on health and care costs, tax income and benefits (e.g. Long-term Care and Old-Age Pension)
- Wider trends in costs of healthcare
- Climate change, including costs of decarbonisation and reaction to the impact of climate (e.g. shoreline management)
- Population demographics on Health (including the HIF), Education and wider spend.

The LTFP will generally represent the position without any future policy interventions, which are the remit of the government of the time. It is anticipated that this work is updated to inform each successive Budget, and the model will be refined using an iterative approach. The model is likely to be developed in stages (e.g. incorporating Social Security Funds in a later stage) and will draw on existing work and data where possible.

Whilst the work is ongoing, based on other jurisdictions' work in this area, it is anticipated that it will show, in the absence of any offsetting action by Government:

- expenditure growing faster than income
- capital requirements exceeding depreciation and budgets available
- increasing pressure on either borrowing or reserves.

There are several policy choices that Government can use to respond to these longer-term challenges. The timescale over which any of these policy choices could be implemented would also need to be decided, taking into account the impact on both current and future wellbeing of Islanders. This work would ideally be set in a context of a wider long-term financial strategy.

Commencement and implementation

The Regulations will come into force on dates to be specified by the Minister for Treasury and Resources by Order. Some Regulations will be brought into force to enable a Budget relating to the new Funds to be lodged in 2026. It is intended that the remainder will be brought into effect from the start of 2027 when the Consolidated Fund is replaced.

Financial and staffing implications

These regulations will change the PFL, and hence the process by which the States approves and manages public finances.

Notwithstanding the improvements proposed, the resource required to prepare a budget is not expected to substantially change. Any resource implications of implementation will be absorbed within existing resources (primarily within the Treasury and Exchequer).

Any decisions to change the level of capital expenditure, and how to fund it will be decided in the relevant Budget.

Children's Rights Impact Assessment

The Minister for Treasury and Resources considers that this proposition has no direct or indirect impact on children and that the duty to have due regard to the UN Convention on the Rights of the Child does not arise. Accordingly, a Children's Rights Impact Assessment is not required under the [Children \(Convention Rights\) \(Jersey\) Law 2022](#).

Part 6: Appendix – Illustrative Tables

6.1.1 Illustrative Balance Sheet – using figures as at 31 December 2024

£m	Current	Restated	
	Consolidated Fund	General Revenue Fund	Jersey Capital Investment Fund
Assets			
Property, plant, equipment and Intangible assets	2,912		2,912
Strategic Investments and Other Financial Assets > 1 year	1,406	1,406	
Trade and other receivables > 1 year	291	291	
Current Assets	345	345	
Total Assets	4,954	2,042	2,912
Liabilities			
External borrowing > 1 year	509	465	44
Provisions > 1 year	4	4	
Defined benefit Pension schemes net liability > 1 year	2	2	
Current liabilities	327	256	72
Total Liabilities	842	726	116
Taxpayers' equity	4,112	1,316	2,796

6.1.2 Illustrative Operating Balance – based on 2026 approvals

	Current ²	Restated	
	Consolidated Fund	General Revenue Fund	Jersey Capital Investment Fund
General Revenue Income	1,339	1,339	
Rental Income	(12)		(12)
Maintenance Spend	13		13
Finance costs	33	17	16
All other spend	1,245	1,245	
Net Revenue Expenditure	1,278	1,262	16
Net Operating Surplus/(Deficit)	61	77	(16)
Depreciation and amortisation	73		73

Operating Surplus/(Deficit) after Depreciation	(12)	77	(89)
Transfer to Jersey Capital Investment Fund		(107)	107
Revised Operating Surplus/Deficit		(30)	18

² Estimated values – further work would be carried out to refine and reflect in Budget 2027.

Some items currently included in Net Revenue Expenditure (estimated at £16 million) would be paid through the JCIF. This doesn't change total expenditure and is allowed for in the transfer to the JCIF.

In 2026, capital spend (£91m) is £18 million more than depreciation (£73 million). The transfer to the JCIF would be equal to capital spend plus the net revenue spend in the JCIF (£91m + £16m = £107m). The JCIF will run an operating surplus of £18 million – which funds the capital over depreciation. Conversely, the GRF deficit on the revised basis is £18 million worse than the current measure.

EXPLANATORY NOTE

The draft Public Finances Law (States Funds) (Jersey) Amendment Regulations 202- (the “Regulations”), if made, will amend the Public Finances (Jersey) Law 2019 (the “2019 Law”) to replace the Consolidated Fund with 2 funds to be known as the General Revenue Fund and the Jersey Capital Investment Fund. In particular –

Regulation 1 provides that the Regulations amend the 2019 Law.

Regulation 2 amends Article 1 (interpretation) to replace the term “government plan” with “budget”, and in the definition “States fund” replace the Consolidated Fund with the newly created General Revenue Fund and Jersey Capital Investment Fund.

Regulation 3 amends Article 2 (designation of States trading operation) to give the Minister for Treasury and Resources the power to approve an additional withdrawal from a fund if the amount required for a head of expenditure exceeds the approved amount if there is a surplus available in the fund that is adequate to cover the additional withdrawal.

Regulation 4 deletes Article 3 (consolidated fund).

Regulation 5 inserts new Articles 3A and 3B. New Article 3A establishes the General Revenue Fund and provides that –

- all money received by the States must be credited to the Fund except under the stated circumstances;
- money cannot be withdrawn or transferred from the fund except under the stated circumstances;
- money forming part of trust assets must not be paid into, and does not form part of, the fund.

New Article 3B establishes the Jersey Capital Investment Fund and provides that –

- money cannot be withdrawn from or credited to the fund other than under the stated circumstances;
- the fund is to receive all proceeds from the disposal of assets, income from the rental or lease of assets, income from investment of the fund, or any income specified in an approved budget.

Regulation 6 deletes Article 4(4) (Strategic Reserve Fund) to remove a reference to Schedule 4 (which is deleted by Regulation 16).

Regulation 7 substitutes Article 8 (winding up of States funds) to replace references to the Consolidated Fund with references to the General Revenue Fund.

Regulation 8 substitutes Article 9 (preparation and lodging of government plan). The revised Article makes provision consequential on the replacement of the Consolidated Fund with the General Revenue Fund and the Jersey Capital Investment Fund. It also updates the terminology to refer to a “budget” rather than a “government plan”.

Regulation 9 amends Article 14 (limitations on approval) to provide that the States may not approve a budget that would show a negative balance in the General Revenue Fund at the end of any of the financial years covered by that budget.

Regulation 10 substitutes Article 16 (amendment to an approved government plan). The new Article 16 provides that a proposition to amend an approved budget must not result in the budget showing a negative balance in the General Revenue Fund or the Jersey Capital Investment Fund at the end of a financial year covered by the budget (which includes a government plan approved under the 2019 Law prior to these amendments coming into force).

Regulation 11 amends Article 18 (power to re-allocate) to provide that an amount cannot be re-allocated from the Jersey Capital Investment Fund to the General Revenue Fund.

Regulation 12 amends Article 19 (power to transfer amounts to following year's reserve) to provide that while an unspent amount in the General Revenue Fund may be deemed to be appropriated for a reserve head of expenditure in the General Revenue Fund or the Jersey Capital Investment Fund, an unspent amount in the Jersey Capital Investment Fund may be deemed to be appropriated only for a reserve head of expenditure within that fund.

Regulation 13 amends Article 21 (power to allocate excess income) to provide that while excess income in the General Revenue Fund may be allocated to a head of expenditure in the General Revenue Fund or the Jersey Capital Investment Fund, excess income in the Jersey Capital Investment Fund may be allocated only to a head of expenditure within that fund.

Regulation 14 amends Article 24 (authority to withdraw a specified amount) to delete spent paragraphs (but with a saving provision) and provide that the Minister may transfer up to £100 million from the Strategic Reserve Fund to the General Revenue Fund under the specified circumstances.

Regulation 15 inserts new Article 63A to provide for transitional provisions on the commencement of these Regulations.

Regulation 16 deletes Schedule 4 (specific withdrawals from Strategic Reserve Fund).

Regulation 17 amends Schedule 5 to replace a reference to the Consolidated Fund with a reference to the General Revenue Fund and the Jersey Capital Investment Fund.

Regulation 18 introduces the Schedule, which contains minor and consequential amendments, including –

- deletion of the term “major project” in each place it occurs;
- replacement of the term “Consolidated Fund” with the terms “General Revenue Fund” or “Jersey Capital Investment Fund” in each place it occurs;
- replacement of the term “government plan” with “budget” in each place it occurs;
- deletion of spent provisions.

Regulation 19 gives the citation and provides that in Regulation 5, the inserted Article 3A(2) (which provides that all money received by the States must be credited to the General Revenue Fund), comes into force at the same time as Regulation 4 (which deletes the provisions relating to the Consolidated Fund). It further provides that the remaining Regulations come into force on a day or days to be specified by the Minister for Treasury and Resources by Order.



Jersey

DRAFT PUBLIC FINANCES LAW (STATES FUNDS) (JERSEY) AMENDMENT REGULATIONS 202-

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Jersey

DRAFT PUBLIC FINANCES LAW (STATES FUNDS) (JERSEY) AMENDMENT REGULATIONS 202-

Made *[date to be inserted]*

Coming into force *[date to be inserted]*

THE STATES make these Regulations under Article 55 of the [Public Finances \(Jersey\) Law 2019](#) –

1 [Public Finances \(Jersey\) Law 2019](#) amended

These Regulations amend the [Public Finances \(Jersey\) Law 2019](#).

2 Article 1 (interpretation) amended

In Article 1 –

- (a) before the definition “Council of Ministers” there is inserted –
“budget” means a plan prepared and lodged by the Council of Ministers under Article 9;
- (b) the definition “government plan” is deleted;
- (c) for the definition “States fund” there is substituted –
“States fund” –
 - (a) means –
 - (i) the General Revenue Fund;
 - (ii) the Jersey Capital Investment Fund;
 - (iii) the Strategic Reserve Fund;
 - (iv) the Stabilisation Fund;
 - (v) a fund established under Article 6, including a States trading operation’s fund; or
 - (vi) a fund, established or continued under another enactment or an Act of the States, in which money of the States is held; but
 - (b) does not include trust assets;

3 Article 2 (designation of States trading operation) amended

After Article 2(3) there is inserted –

- (3A) Despite paragraph (3), the Minister may approve an additional withdrawal from a States trading operation's fund if –
 - (a) the estimated amount required for a head of expenditure funded by the States trading operation exceeds the amount approved for that head of expenditure in a budget; and
 - (b) there is a surplus amount available in the fund equal to or exceeding the additional withdrawal.

4 Article 3 (Consolidated Fund) deleted

Article 3 is deleted.

5 Articles 3A and 3B inserted

Before Article 4 (Strategic Reserve Fund) there is inserted –

3A General Revenue Fund

- (1) The General Revenue Fund is established.
- (2) All money received by or on behalf of the States is to be credited to the General Revenue Fund, except –
 - (a) as otherwise provided by this Law or by another enactment; or
 - (b) as otherwise specified in an approved budget.
- (3) Money must not be withdrawn from the General Revenue Fund except –
 - (a) under an approved budget;
 - (b) by transfer to another States fund under paragraph (4) or (5); or
 - (c) in accordance with paragraph (6).
- (4) Money must not be transferred from the General Revenue Fund to the Strategic Reserve Fund, Stabilisation Fund or Jersey Capital Investment Fund except under –
 - (a) an approved budget;
 - (b) a decision of the States made on a proposition lodged by the Minister; or
 - (c) a written decision, published by the Minister.
- (5) Money must not be transferred from the General Revenue Fund to any other States fund except under –
 - (a) an approved budget; or
 - (b) a decision of the States made on a proposition lodged by the Minister.
- (6) With the approval of the Treasurer, money may be withdrawn from the General Revenue Fund to cover expenses that will afterwards be charged to a head of expenditure set out in an approved budget.
- (7) Money forming part of trust assets must not be paid into, and does not form part of, the General Revenue Fund.

3B Jersey Capital Investment Fund

- (1) The Jersey Capital Investment Fund is established.
- (2) Money must not be withdrawn from the Jersey Capital Investment Fund or transferred to another States fund except under –
 - (a) an approved budget; or
 - (b) a decision of the States made on a proposition lodged by the Minister.
- (3) Money may be credited to the Jersey Capital Investment Fund under –
 - (a) an approved budget;
 - (b) a decision of the States made on a proposition lodged by the Minister; or
 - (c) a written decision under Article 3A(4)(c).
- (4) The following must be paid into the Jersey Capital Investment Fund –
 - (a) proceeds from the disposal of assets held in the Fund;
 - (b) income derived from the rental or leasing of assets held in the Fund;
 - (c) income derived from investment of the Fund;
 - (d) the other income specified in an approved budget.
- (5) Money forming part of trust assets must not be paid into, and does not form part of, the Jersey Capital Investment Fund.

6 Article 4 (Strategic Reserve Fund) amended

Article 4(4) is deleted.

7 Article 8 (winding up of States funds) amended

For the text of Article 8 there is substituted –

On the winding up of a States fund other than the General Revenue Fund, any remaining balance must, unless otherwise specified upon approval of the creation of the fund, be transferred to the General Revenue Fund.

8 Article 9 (preparation and lodging of government plan) substituted

For Article 9 there is substituted –

9 Preparation and lodging of budget

- (1) Each financial year, the Council of Ministers must prepare a budget and lodge it in sufficient time for the States to debate and approve it before the start of the next financial year.
- (2) The budget must set out –
 - (a) the estimated income to be paid into the General Revenue Fund in the next financial year;
 - (b) the estimated income to be paid into the Jersey Capital Investment Fund in the next financial year;

- (c) the proposed amount to be appropriated from the General Revenue Fund in the next financial year for each head of expenditure;
- (d) the proposed amount to be appropriated from the Jersey Capital Investment Fund in the next financial year for each head of expenditure;
- (e) the proposed amount of any transfer of money from 1 States fund to another during the next financial year;
- (f) the amount of any other proposed financing to be obtained for the next financial year;
- (g) each project for which a separate head of expenditure is identified that –
 - (i) is proposed to be started in the next financial year; and
 - (ii) has not previously been set out in an approved budget;
- (h) the proposed total cost, from start to finish, of each project set out in sub-paragraph (g);
- (i) any amendment to the proposed total cost, from start to finish, of a project for which a separate head of expenditure is identified, that was set out in or designated under a previously approved budget or (before the commencement of the Public Finances Law (States Funds) (Jersey) Amendment Regulations 202-) government plan;
- (j) the estimated income from each States trading operation to be paid into its fund in the next financial year; and
- (k) the proposed amount to be appropriated from each States trading operation's fund for the next financial year for each head of expenditure.

(3) The budget must also set out, more generally –

- (a) the estimated income to be paid into the General Revenue Fund or Jersey Capital Investment Fund for each of the 3 financial years following the next financial year;
- (b) the estimated amount of any proposed transfer of money from 1 States fund to another during each of those 3 financial years;
- (c) the estimated amount of any other proposed financing to be obtained for each of those 3 financial years;
- (d) the total estimated expenditures from the General Revenue Fund and Jersey Capital Investment Fund for each of those 3 financial years;
- (e) the estimated expenditures from the General Revenue Fund and Jersey Capital Investment Fund for each project to be carried out for which a separate head of expenditure is identified in each of those 3 financial years;
- (f) the estimated income from each States trading operation to be paid into its fund for each of those 3 financial years; and
- (g) the total estimated expenditures from each States trading operation's fund for each of those 3 financial years.

(4) The budget must also include –

- (a) the estimated amounts that will be in each of the States funds listed in Schedule 5 at the start and at the end of each of the 4 financial years covered by the budget; and

- (b) any other information that the Council of Ministers reasonably believes may be needed for the States to be able to consider the matters mentioned in paragraphs (2) and (3) and sub-paragraph (a).
- (5) The Council of Ministers must not lodge a budget that shows a negative balance in the General Revenue Fund or Jersey Capital Investment Fund at the end of any of the financial years covered by the budget.
- (6) The Council of Ministers must –
 - (a) in preparing the budget, take into account the medium-term and long-term sustainability of the States’ finances and the outlook for the economy in Jersey; and
 - (b) set out in the budget how the proposals in the budget take those matters into account.
- (7) The budget may include a reserve as a head of expenditure.
- (8) The budget may, in relation to a head of expenditure, set out an amount of the estimated income to be earned by, or be attributable to, a specified States body or area of operation of a States body in the next financial year.
- (9) The Council of Ministers must –
 - (a) in preparing the budget, take into account the sustainable well-being (including the economic, social, environmental and cultural well-being) of the inhabitants of Jersey over successive generations; and
 - (b) set out in the budget how the proposals in the budget take that sustainable well-being into account.

9 Article 14 (limitations on approval) amended

In Article 14 –

- (a) for “may not approve” there is substituted “must not approve”;
- (b) in sub-paragraph (a), for “at the end of the first financial year” there is substituted “at the end of any of the financial years”.

10 Article 16 (amendment to an approved government plan) substituted

For Article 16 there is substituted –

16 Amendment to approved budget

- (1) The States may amend an approved budget only on a proposition lodged by the Council of Ministers.
- (2) A proposition to amend an approved budget must not result in the budget showing a negative balance in the General Revenue Fund or Jersey Capital Investment Fund at the end of any financial year covered by the budget.
- (3) In this Article, “approved budget” includes a government plan approved under this Law before the commencement of the Public Finances Law (States Funds) (Jersey) Amendment Regulations 202-.

11 Article 18 (power to re-allocate) amended

After Article 18(2) there is inserted –

- (2A) Despite paragraph (2), an amount must not be re-allocated from the Jersey Capital Investment Fund to the General Revenue Fund.

12 Article 19 (power to transfer amounts to following year's reserve) amended

In Article 19 –

- (a) the text is numbered as paragraph (1);
- (b) after paragraph (1) there is inserted –
 - (2) An unspent amount in the Jersey Capital Investment Fund must not be deemed to be appropriated for a reserve head of expenditure within any fund other than the Jersey Capital Investment Fund for the following financial year.
 - (3) An unspent amount in the General Revenue Fund may be deemed to be appropriated for a reserve head of expenditure for the following financial year either within the General Revenue Fund or within the Jersey Capital Investment Fund.

13 Article 21 (power to allocate excess income) amended

After Article 21(2) there is inserted –

- (2A) Excess income in the Jersey Capital Investment Fund must not be allocated to a head of expenditure within any fund other than the Jersey Capital Investment Fund.
- (2B) Excess income in the General Revenue Fund may be allocated to a head of expenditure either within the General Revenue Fund or within the Jersey Capital Investment Fund.

14 Article 24 (authority to withdraw a specified amount) amended

- (1) This Regulation amends Article 24.
- (2) Paragraphs (6) to (10) are deleted.
- (3) For paragraph (11) there is substituted –
 - (11) If, after 30 September 2020 but before the commencement of the Public Finances Law (States Funds) Amendment Regulations 202-, the Minister obtained financing, lent money or provided guarantees or indemnities under Article 26, 27 or 28, the financing, lending or provision of guarantees or indemnities remain valid and are not included in any monetary limits set out in those Articles.
- (4) After paragraph (11) there is inserted –
 - (12) The Minister may transfer an amount not exceeding £100 million from the Strategic Reserve Fund to the General Revenue Fund if –
 - (a) the circumstances in paragraph (2) apply; and
 - (b) there are insufficient funds in the General Revenue Fund to cover the emergency expenditure necessary in addition to the approved expenditure from that Fund.

- (13) The Minister must present a notice to the States of a transfer under paragraph (12) as soon as is practicable after it occurs.

15 Article 63A (transitional provisions) inserted

After Article 63 (appointments continued) there is inserted –

63A Transitional provisions

- (1) On the commencement of the Public Finances Law (States Funds) (Jersey) Amendment Regulations 202-, a project that was, immediately before that commencement, designated as a “major project” is designated as a project with its own head of expenditure.
- (2) On the commencement of Regulation 4 of the Public Finances Law (States Funds) (Jersey) Amendment Regulations 202- –
 - (a) the balance of the Consolidated Fund is credited to the General Revenue Fund;
 - (b) unless otherwise specified by a written decision published by the Minister –
 - (i) an amount due to the Consolidated Fund becomes due to the General Revenue Fund; and
 - (ii) an amount due from the Consolidated Fund becomes due from the General Revenue Fund;
 - (c) a reserve head of expenditure appropriated from the Consolidated Fund is taken to be appropriated from the General Revenue Fund;
 - (d) an expenditure approval for a project approved from the Consolidated Fund is taken to be approved from the Jersey Capital Investment Fund;
 - (e) an approval made under Article 3(4) is taken to have been made under Article 3A(6);
 - (f) any of the following decisions duly made by the Minister with respect to the Consolidated Fund continue as if they had been made with respect to the General Revenue Fund –
 - (i) an overdraft or financing under Article 26;
 - (ii) a loan under Article 27;
 - (iii) a guarantee or indemnity under Article 28; and
 - (g) in the terms of reference for any States fund, a reference to the Consolidated Fund is taken to mean a reference to the General Revenue Fund.

16 Schedule 4 (specific withdrawals from Strategic Reserve Fund) deleted

Schedule 4 (specific withdrawals from Strategic Reserve Fund) is deleted.

17 Schedule 5 (States funds for which estimates must be included in a government plan) amended

In Schedule 5, for “The Consolidated Fund” there is substituted –

The General Revenue Fund
The Jersey Capital Investment Fund

18 Minor and consequential amendments

The Schedule contains minor and consequential amendments.

19 Citation and commencement

- (1) These Regulations may be cited as the Public Finances Law (States Funds) (Jersey) Amendment Regulations 202-.
- (2) In Regulation 5, the inserted Article 3A(2) (General Revenue Fund) comes into force at the same time as Regulation 4 comes into force.
- (3) The remaining Regulations come into force on a date to be specified by the Minister for Treasury and Resources by Order.

SCHEDULE

(Regulation 18)

MINOR AND CONSEQUENTIAL AMENDMENTS

PART 1

MINOR AMENDMENTS TO PUBLIC FINANCES (JERSEY) LAW 2019

1 Definition "major project" deleted

- (1) In Article 1 –
 - (a) in the definition “head of expenditure”, “(including a major project)” is deleted;
 - (b) the definition “major project” is deleted.
- (2) In Article 15(2)(a), “, that is to be designated as a major project” is deleted.
- (3) In the following places, “major” is deleted –
 - (a) Article 15(2)(b) and (c);
 - (b) Article 18(1)(b);
 - (c) Article 20, in the heading and in both places;
 - (d) Article 22(2)(b);
 - (e) Article 59(2)(b);
 - (f) Article 62(5)(b).

2 Change of name of funds

In the following places, for “Consolidated Fund” there is substituted “General Revenue Fund or Jersey Capital Investment Fund” –

- (a) Article 14(a);
- (b) Article 15(1)(a) and (b);
- (c) Article 17(2);
- (d) Article 18(2);
- (e) Article 21(3);
- (f) Article 22(3);
- (g) Article 24(1) (in both places) and (4);
- (h) Article 27(1).

3 Change of name of budget

- (1) In the following places, for “government plan” there is substituted “budget” –
 - (a) Article 1, in the definition “head of expenditure”;
 - (b) Article 2(1), (3) and (4);

- (c) Article 4(2)(b) and (3);
 - (d) Article 5(2)(b) and (3);
 - (e) Article 10(1), (2) and (3);
 - (f) Article 11(1);
 - (g) Article 13, in the heading and in paragraphs (1) and (2);
 - (h) the cross-heading between Articles 13 and 14;
 - (i) Article 14;
 - (j) Article 15(1), (2), (3) and (4);
 - (k) Article 17(1), (2) (in both places), (3) (in both places), (4), (5) and (6);
 - (l) Article 18(1) and (1)(b);
 - (m) Article 19;
 - (n) Article 20;
 - (o) Article 21(1)(a), (2) and (3);
 - (p) Article 24(1) and (1)(b), (4) and (5);
 - (q) Article 29;
 - (r) Article 30(2)(a)(i), (3)(a)(i) and (ii);
 - (s) Article 35(1)(b);
 - (t) Article 45(1), (2)(e) and (f) and (3) (in both places);
 - (u) Article 62(4)(a);
 - (v) Schedule 5, in the heading.
- (2) In the following places, for “the plan” there is substituted “the budget” –
- (a) Article 1, in the definition “head of expenditure”;
 - (b) Article 13(1);
 - (c) Article 14(a);
 - (d) Article 15(1), (1)(a), (b)(ii), (c), (d) and (e), (2)(a) and (b), (3) (in both places in which it occurs) and (4);
 - (e) Article 17(1) and (6);
 - (f) Article 18(1), (1)(a) and (1)(b);
 - (g) Article 21(1)(a) and (2);
 - (h) Article 22(2)(a).
- (3) In Article 17(2) and (3), for “unapproved plan” there is substituted “unapproved budget”.
- (4) In Part 3, in the cross-heading immediately before Article 9, for “Government plan” there is substituted “Budget”.

4 Spent provisions deleted

- (1) Article 58 (continuing application of previous law) is deleted.
- (2) Article 59(1) to (3) (expenditures carried forward) is deleted.

PART 2**CONSEQUENTIAL AMENDMENTS TO OTHER ENACTMENTS****1 [Air and Sea Ports \(Incorporation\) \(Jersey\) Law 2015](#) amended**

In Article 20(5) of the [Air and Sea Ports \(Incorporation\) \(Jersey\) Law 2015](#), for “Consolidated Fund” there is substituted “General Revenue Fund”.

2 [Banking Business \(Depositors Compensation\) \(Jersey\) Regulations 2009](#) amended

In the [Banking Business \(Depositors Compensation\) \(Jersey\) Regulations 2009](#) –

- (a) in Regulation 1 (interpretation), after the definition “function” there is inserted –
“General Revenue Fund” has the meaning given in the [Public Finances \(Jersey\) Law 2019](#);
- (b) In Regulation 30(2)(a) and (6) (payment of shortfall), for “consolidated fund” there is substituted “General Revenue Fund”;
- (c) in Regulation 32(2) (repayment of overpaid compensation levy), for “consolidated fund” there is substituted “General Revenue Fund”.

3 [Children \(Convention Rights\) \(Jersey\) Law 2022](#) amended

In the [Children \(Convention Rights\) \(Jersey\) Law 2022](#) –

- (a) in Article 1(1) (interpretation) –
 - (i) after the definition “Article 6 duty-bearer” there is inserted –
“budget” has the meaning given in the Public Finances Law;
 - (ii) the definition “government plan” is deleted;
- (b) in the following places, for “government plan” there is substituted “budget” –
 - (i) Article 6(1), (1)(a) and (9) (in both places);
 - (ii) Article 8(6);
 - (iii) Schedule 2(f), (g) and (h).

4 [Civil Asset Recovery \(International Co-operation\) \(Jersey\) Law 2007](#) amended

In Article 11 (civil asset recovery fund) of the [Civil Asset Recovery \(International Co-operation\) \(Jersey\) Law 2007](#) –

- (a) in paragraph (9), for the definition “consolidated fund” there is substituted –
“General Revenue Fund” means the fund of that name established under Article 3A of the [Public Finances \(Jersey\) Law 2019](#);
- (b) in paragraphs (4), (7) and (8), for “consolidated fund” there is substituted “General Revenue Fund”.

5 [Court of Appeal \(Jersey\) Law 1961](#) amended

In the [Court of Appeal \(Jersey\) Law 1961](#) –

- (a) in Article 42(4) (shorthand notes of trial), for “consolidated fund” there is substituted “General Revenue Fund”;
- (b) in Article 45(3) (reference to Court of Appeal of point of law following acquittal), for “consolidated fund” there is substituted “General Revenue Fund”;
- (c) in Article 49 (interpretation), before the definition “judgment” there is inserted –
 - “General Revenue Fund” means the fund of that name established under Article 3A of the [Public Finances \(Jersey\) Law 2019](#);

6 [Crime \(Public Order\) \(Jersey\) Law 2024](#) amended

In Article 11(4)(a) (power to impose fines summarily) of the [Crime \(Public Order\) \(Jersey\) Law 2024](#), for “Consolidated Fund continued under Article 3(1)” there is substituted “General Revenue Fund established under Article 3A(1)”.

7 [Currency Notes and Currency Fund \(Jersey\) Law 1959](#) amended

In Article 7A (currency fund) of the [Currency Notes and Currency Fund \(Jersey\) Law 1959](#) –

- (a) in paragraph (3)(b) and (4), for “Consolidated Fund” there is substituted “General Revenue Fund”;
- (b) for paragraph (5) there is substituted –
 - (5) In this Article, “General Revenue Fund” means the General Revenue Fund established under Article 3A(1) of the [Public Finances \(Jersey\) Law 2019](#).

8 [Damages \(Jersey\) Law 2019](#) amended

In Article 5(4) (guarantees for periodical payment orders made against public bodies) of the [Damages \(Jersey\) Law 2019](#), for “consolidated fund” there is substituted “General Revenue Fund established under Article 3A of the [Public Finances \(Jersey\) Law 2019](#)”.

9 [Gambling \(Jersey\) Law 2012](#) amended

In Article 39 (civil financial penalties) of the [Gambling \(Jersey\) Law 2012](#) –

- (a) in paragraphs (7)(c), (15)(a) and (17), for “consolidated fund” there is substituted “General Revenue Fund”;
- (b) after paragraph (17) there is inserted –
 - (18) In this Article, “General Revenue Fund” means the General Revenue Fund established under Article 3A(1) of the [Public Finances \(Jersey\) Law 2019](#).

10 [Harbours \(Administration\) \(Jersey\) Law 1961](#) amended

In Article 5(3) (power to levy fines summarily) of the [Harbours \(Administration\) \(Jersey\) Law 1961](#), for “consolidated fund” there is substituted “General Revenue Fund established under Article 3A(1) of the [Public Finances \(Jersey\) Law 2019](#)”.

11 [Harbours \(Jersey\) Regulations 1962](#) amended

In the [Harbours \(Jersey\) Regulations 1962](#) –

- (a) in Regulations 2(6)(b) and 45(6), for “consolidated fund” there is substituted “General Revenue Fund”;
- (b) in Regulation 51 (interpretation), after the definition “enactment” there is inserted –
“General Revenue Fund” means the General Revenue Fund established under Article 3A(1) of the [Public Finances \(Jersey\) Law 2019](#);

12 [Income Tax \(Jersey\) Law 1961](#) amended

In Article 141 (penalties to belong to States’ revenues) of the [Income Tax \(Jersey\) Law 1961](#), for “consolidated fund” there is substituted “General Revenue Fund established under Article 3A(1) of the [Public Finances \(Jersey\) Law 2019](#)”.

13 [Law Reform \(Miscellaneous Provisions\) \(Jersey\) Law 1967](#) amended

In Article 5(1)(a) (disposal of fines and other pecuniary penalties) of the [Law Reform \(Miscellaneous Provisions\) \(Jersey\) Law 1967](#), for “consolidated fund” there is substituted “General Revenue Fund established under Article 3A(1) of the [Public Finances \(Jersey\) Law 2019](#)”.

14 [Long-Term Care \(States Contribution\) \(Jersey\) Regulations 2013](#) amended

In Regulation 1 (obligation of States to contribute annually to costs of long-term care) of the [Long-Term Care \(States Contribution\) \(Jersey\) Regulations 2013](#), for “Consolidated Fund” there is substituted “General Revenue Fund established under Article 3A of the [Public Finances \(Jersey\) Law 2019](#)”.

15 [Misuse of Drugs \(Jersey\) Law 1978](#) amended

In Article 28A(3)(a) (power to impose fines summarily) of the [Misuse of Drugs \(Jersey\) Law 1978](#), for “Consolidated Fund continued under Article 3(1) of the [Public Finances \(Jersey\) Law 2019](#)” there is substituted “General Revenue Fund established under Article 3A(1) of the [Public Finances \(Jersey\) Law 2019](#)”.

16 [Motor Traffic \(Third-Party Insurance\) \(Jersey\) Law 1948](#) amended

In Article 20(2)(c) (power to inflict and levy fines summarily) of the [Motor Traffic \(Third-Party Insurance\) \(Jersey\) Law 1948](#), for “consolidated fund” there is substituted “General Revenue Fund established under Article 3A(1) of the [Public Finances \(Jersey\) Law 2019](#)”.

17 [Official Analyst \(Jersey\) Law 2022](#) amended

In Article 7(2) (office of the Official Analyst) of the [Official Analyst \(Jersey\) Law 2022](#), for “government plan” there is substituted “budget”.

18 [Rates \(Jersey\) Law 2005](#) amended

In Article 26(1) (island-wide rate – payments from and to the parishes) of the [Rates \(Jersey\) Law 2005](#), for “consolidated fund continued under Article 3 of that Law” there is substituted “General Revenue Fund established under Article 3A(1) of that Law”.

19 [Regulation of Care \(Fees\) \(Jersey\) Order 2022](#) amended

In Article 4(2) and (3) of the [Regulation of Care \(Fees\) \(Jersey\) Order 2022](#), for “government plan” there is substituted “budget”.

20 [Residential Tenancy \(Jersey\) Law 2011](#) amended

In Article 13(8) (execution of order for eviction) of the [Residential Tenancy \(Jersey\) Law 2011](#), for “consolidated fund” there is substituted “General Revenue Fund established under Article 3A(1) of the [Public Finances \(Jersey\) Law 2019](#)”.

21 [Social Housing \(Transfer\) \(Jersey\) Regulations 2014](#) amended

In Regulation 4 (assets transferred to company) of the [Social Housing \(Transfer\) \(Jersey\) Regulations 2014](#) –

- (a) in paragraphs (4) and (5) (in both places), for “consolidated fund” there is substituted “General Revenue Fund”;
- (b) after paragraph (10) there is inserted –
 - (11) In this Article, “General Revenue Fund” means the General Revenue Fund established under Article 3A(1) of the [Public Finances \(Jersey\) Law 2019](#).

22 [Social Security \(Christmas Bonus\) \(Jersey\) Regulations 2016](#) amended

In Regulation 5(5) (claims for, and payment of, Christmas bonus) of the [Social Security \(Christmas Bonus\) \(Jersey\) Regulations 2016](#), for “consolidated fund” there is substituted “General Revenue Fund established under Article 3A(1) of the [Public Finances \(Jersey\) Law 2019](#)”.

23 [Social Security \(Jersey\) Law 1974](#) amended

In Article 28(2A) (overlapping benefits, etc.) of the [Social Security \(Jersey\) Law 1974](#), for “Consolidated Fund (as continued by Article 3 of the [Public Finances \(Jersey\) Law 2019](#))” there is substituted “General Revenue Fund established under Article 3A(1) of the [Public Finances \(Jersey\) Law 2019](#)”.

24 [States of Jersey Law 2005](#) amended

- (1) In Article 18(2A)(a) and (2B) (in both places) of the [States of Jersey Law 2005](#), for “government plan” there is substituted “budget”.
- (2) In Article 44 (remuneration of elected members) –
 - (a) in paragraphs (1) and (2), for “consolidated fund” there is substituted “General Revenue Fund”;
 - (b) after paragraph (2) there is inserted –
 - (3) In this Article, “General Revenue Fund” means the General Revenue Fund established under Article 3A(1) of the [Public Finances \(Jersey\) Law 2019](#).

25 [Taxation \(Accounting Records\) \(Jersey\) Regulations 2013](#) amended

In Regulation 9 (penalties to belong to States’ revenues) of the [Taxation \(Accounting Records\) \(Jersey\) Regulations 2013](#), for “consolidated fund” there is substituted “General Revenue Fund established under Article 3A(1) of the [Public Finances \(Jersey\) Law 2019](#).”

26 [Terrorism \(Enforcement of External Orders\) \(Jersey\) Regulations 2008](#) amended

In Regulation 8(2) (implementation of registered external forfeiture orders) of the [Terrorism \(Enforcement of External Orders\) \(Jersey\) Regulations 2008](#), for “consolidated fund” there is substituted “General Revenue Fund established under Article 3A(1) of the [Public Finances \(Jersey\) Law 2019](#).”