

STATES OF JERSEY



PROPOSED BUDGET (GOVERNMENT PLAN) 2026-2029 (P.70/2025): TWENTY- SIXTH AMENDMENT

INFLATION ADJUSTMENT TO APPRENTICESHIP GRANTS

Lodged au Greffe on 24th November 2025
by Deputy I. Gardiner of St. Helier North
Earliest date for debate: 8th December 2025

STATES GREFFE

PROPOSED BUDGET (GOVERNMENT PLAN) 2026-2029 (P.70/2025):
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1 PAGE 3, PARAGRAPH (b)(xii) –

After the words “in the Appendix to the accompanying report” insert the words -
“, except that on page 16 after “Figure 6: Common Strategic Policies” there
should be inserted a new paragraph –

“Additional funding will be allocated to increase apprenticeship grants from the
current rate of £1,852 per student to a maximum amount of £2,350 per student,
to factor in inflation from the date at which the rate was set. The additional
funding required for 2026 shall be allocated from the Better Business Support
Package.”.

2 PAGE 3, PARAGRAPH (b)(xii) –

After the words “in the Appendix to the accompanying report” insert the words -
“, except that on page 16 after “Figure 6: Common Strategic Policies” there
should be inserted a new paragraph –

“During 2026, the Minister for Education and Lifelong Learning, in consultation
with the Minister for Treasury and Resources and other relevant Ministers, shall
develop proposals for an apprenticeship grants funding model to be managed
using an Annually Managed Expenditure (AME) model rather than as part of
general departmental budgets.”.

DEPUTY I. GARDINER OF ST. HELIER NORTH

Note: After this amendment, the proposition would read as follows –

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 two 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.
- 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 Article 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.
- 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 in the Appendix to the accompanying Report, except that on page 16 after “Figure 6: Common Strategic Policies” there should be inserted a new paragraph –
 - (a) Additional funding will be allocated to increase apprenticeship grants from the current rate of £1,852 per student to a maximum amount of £2,350 per student, to factor in inflation from the date at which the rate was set. The additional funding required for 2026 shall be allocated from the Better Business Support Package; and
 - (b) During 2026, the Minister for Education and Lifelong Learning, in consultation with the Minister for Treasury and Resources and other relevant Ministers, shall develop proposals for an apprenticeship grants funding model to be managed using an Annually Managed Expenditure (AME) model rather than as part of general departmental budgets.

REPORT

This amendment proposes a temporary but essential measure to address a long-standing inequality in the funding of apprenticeships.

1) Apprenticeship grants to increase by inflation

The current apprenticeship grant remained frozen at £1,600 from 2016 and was only recently adjusted to a current maximum of £1,832¹. However current value for a grant should be around £2,350 in line with inflation. This erosion has had a direct impact on employers, training providers, and ultimately on the apprentices themselves.

If Jersey is genuinely committed to developing apprenticeships, building technical skills, and supporting lifelong learning, then the very minimum required is to ensure that the grant keeps pace with inflation. At present, it does not.

Despite the clear economic significance of vocational pathways, the Government has not brought forward any updated model or funding structure to ensure that apprenticeship support is fit for purpose or aligned with inflation, participation rates, or sectoral needs. The funding for skills was split between CYPES, Highlands and Skills Jersey, Back to Work and Economy though better business support scheme administrated by Jersey Business.

The Proposed Budget 2026–2029 has been presented as a “bridging budget,” intended to maintain financial stability until the next Government, at which point decisions will need to be made regarding medium and longer-term funding.

This is why it is even more important that immediate corrective action is taken now, while preserving flexibility for the next Government. This amendment therefore provides an interim uplift to restore the real-terms value of the apprenticeship grant from already existing funds which just administrated by different department while a more coherent and sustainable skills funding model is developed by the next Government.

The Minister for Sustainable Economic Development confirmed at a Public Hearing of the Common Strategic Policy Review Panel that there is “£1.5 million in the skills pot”. (see [2025-10-28-Transcript](#), Common Strategic Policy Review Panel Public Hearing Witness: Minister for Sustainable Economic Development 27 October 2025).

This demonstrates that there are funds dedicated to skills and training are available within the Better Business support which can be used as a bridging funding for 2026. This allows a new Council of Minister to either adopt the proposed mechanism of funding in the paragraph (2) or to create their own model.

We are all aware that the cost of training increased since 2016 and this is why the Minister has signed the [Ministerial Decision](#) to increase fees or apprenticeship courses at Highlands by 5.5 % this year.

The same changes experience private training providers.

It is important that the level of funding catches up to the cost of living in real terms ensuring that apprenticeships remain accessible to prospective students. The inclusion

¹ Written Question 441/2025

of an annual rise linked to inflation ensures that the grant negates this situation arising in the future.

2) Apprenticeship funding to be moved to an AME style model similar to the Higher education grants for 2027 - 2029

What is AME: Annually Management Expenditure (AME) budgets are set annually, based on updated demand forecasts. AME typically includes social benefit payments, pension adjustments, and from 2024, Higher Education Student Grants.

Under the Public Finances Manual, an equivalent methodology is used for Social Benefit Payments (including Student Finance).

Although AME does not sit within a standalone head of expenditure, changes due to demand forecasts are incorporated into updated financial forecasts in the Budget, and any in-year pressures are managed centrally. In practice, this means that if student awards exceed the forecast in-year, the Department is not required to offset this pressure through underspends in other areas of its budget; additional funding will be met centrally, unless the overspend arises from an unapproved policy decision (for example, a change in entitlement or benefit rates).

Conversely, any underspend in AME cannot be used to offset expenditure without Treasury approval, and the AME budget is normally recalibrated in the following year to reflect the updated cost profile.

While higher education now benefits from an equivalent flexibility - responding to real demand and being protected from internal departmental pressures - vocational training and apprenticeships remain within wider CYPES allocations.

Conclusion

Apprenticeship grants to training providers remained static at £1,600 from 2016 and the latest increase still falls well short of inflation. It is time to put this right.

This proposal to uplift apprenticeship grants and to develop a skills funding model using an Annually Managed Expenditure (AME) model provides a pragmatic and responsible interim measure.

There is a strong fiscal argument to review whether elements of apprenticeship support should also transition to AME, aligning them with higher education in recognising their demand-led and economic significance.

At the same time, the requirement to design an AME-based Skills funding during 2026 allows for a more coherent, centrally managed, demand-led system that aligns with the fiscal principles set out in the Public Finances (Jersey) Law 2019.

Importantly, this approach preserves full policy flexibility for the next Government. Should a future Council of Ministers prefer to introduce alternative funding models—such as dedicated skills funds, levy-linked schemes, or revised employer-provided arrangements—they may do so through Budget for 2027-2030. This amendment therefore strengthens the current “Bridging” Budget plan without constraining future

choices, ensuring that essential support is provided now while enabling strategic reform later.

Financial and staffing implications

The financial implication of the adjustment in rate in line with inflation to around £2,350, and based on the number of Apprentice students [reported](#) in Written Question 441/2025 being 370, it is anticipated that an additional £184,260 would be required.

370 @ £1,852 = £685,240

370 @ £2,350 = £869,500

Additional = £184,260

The increase will be funded through the skills funding allocated within the Better Business Support package.

As stated by the Minister for Sustainable Economic Development in a [recent public hearing](#) -

“The one area which - particularly given our earlier conversation - has not performed to the extent that perhaps we would have liked is the money for skills. We have £1.5 million in the skills pot.”

Children’s Rights Impact Assessment

A Children’s Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.

Re-Issue Note

This amendment has been re-issued re-issued to factor in information provided within Written Question 441/2025 on 24th November 2025.