

STATES OF JERSEY



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

REDUCTION IN PUBLIC EXPENDITURE

Lodged au Greffe on 1st December 2025
by Deputy K.L. Moore of St. Mary, St. Ouen and St. Peter
Earliest date for debate: 20th January 2026

STATES GREFFE

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1 PAGE 3, PARAGRAPH (b)(viii) –

After the words “Appendix 2 – Summary Tables 5(i) and (ii) of the Report”, insert the words –

“, except that in Summary Table 5(i) –

- (a) the head of expenditure entitled Health and Care Jersey should be reduced by £57,207,000;
- (b) the head of expenditure entitled Economic Development, Tourism, Sport & Culture should be reduced by £5,700,000; and
- (c) the head of expenditure entitled Treasury and Exchequer should be reduced by £26,607,000,

to maintain net revenue expenditure at 2025 levels for 2026, with any consequential amendments to be reflected as necessary throughout the Budget”.

2 PAGE 4, PARAGRAPH (b)(xii) –

After the words “in the Appendix to the accompanying report” insert the words -

“, except that on page 42, in Table 9 – Revenue Heads of Expenditure –

- (a) the head of expenditure entitled Health and Care Jersey should be reduced by £57,207,000 for each of 2026, 2027, 2028 and 2029;
- (b) the head of expenditure entitled Economic Development, Tourism, Sport & Culture should be reduced by £5,700,000 for each of 2026, 2027, 2028 and 2029; and
- (c) the head of expenditure entitled Treasury and Exchequer should be reduced by £26,607,000 for each of 2026, 2027, 2028 and 2029.”

DEPUTY K.L. MOORE OF ST. MARY, ST. OUEN AND ST. PETER

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, except that in Summary Table 5(i) –

(a) the head of expenditure entitled Health and Care Jersey should be reduced by £57,207,000;

(b) the head of expenditure entitled Economic Development, Tourism, Sport & Culture should be reduced by £5,700,000; and

(c) the head of expenditure entitled Treasury and Exchequer should be reduced by £26,607,000,

to maintain net revenue expenditure at 2025 levels for 2026, with any consequential amendments to be reflected as necessary throughout the Budget.

ix. to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2026 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report.

x. to approve the proposed amount to be appropriated from each States trading operation's trading fund for 2026 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report.

xi. to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2026 as set out in Appendix 2 – Summary Table 8 to the Report.

xii. to approve, in accordance with Article 9(1) of the Law, the Government Plan 2026-2029, as set in the Appendix to the accompanying Report, except that on page 42, in Table 9 – Revenue Heads of Expenditure –

(a) the head of expenditure entitled Health and Care Jersey should be reduced by £57,207,000 for each of 2026, 2027, 2028 and 2029;

(b) the head of expenditure entitled Economic Development, Tourism, Sport & Culture should be reduced by £5,700,000 for each of 2026, 2027, 2028 and 2029; and

(c) the head of expenditure entitled Treasury and Exchequer should be reduced by £26,607,000 for each of 2026, 2027, 2028 and 2029.

REPORT

Whilst answering questions on the [25th of November](#) the Minister for Treasury and Resources correctly observed that of all the budget amendments that had been lodged, none proposed savings. This prompted some reflection regarding the direction that was being pursued by the previous government in order to deliver savings and greater productivity.

I hope the Assembly will agree to lifting the lodging period in order to debate this amendment, which proposes restraint in order to stop the unsustainable growth in expenditure, rather than simply curbing the growth in expenditure.

By adopting the changes outlined in this amendment, it can be anticipated that a new way of working will become embedded across the organisation, one that will seek to drive continuing efficiency in other areas of government with a focus on improving outcomes for the people of Jersey.

The [Proposed Budget \(Government Plan\) 2026-29](#) proposes an increase in net revenue expenditure after depreciation on the previous year (2025) of **£89,514,000**. This amendment calls for the net revenue expenditure after depreciation to remain at the 2025 level of £1,247,649m. Taking inflation into account, this will of course be a real terms spending cut.

This can be achieved, not through imposing austerity, but by reorganising the structure of the organisation at a high level and developing a culture of high performance, that harnesses technology and merges some functions in order to reduce the cost of delivering them.

To provide some background; during the summer of 2022 the new government prepared for the Government Plan. They were presented with £100m of growth bids and diligently went through each proposal to decide what was a priority and what could not be done, in order to curb the requested growth in expenditure.

At the end of this process the then Chief Minister expressed to the Ministers and officers gathered that the following year would have to be different. She told Chief Officers that if growth bids were to be brought forward there would have to be a proposal accompanying them to stop or to simplify another area of business in order to manage the budget and impose restraint. This request was minuted.

However, in 2023 the request was not observed and once again approximately £100m of growth bids were brought forward for consideration.

As the Fiscal Policy Panel (FPP) have noted in recent reports (I paraphrase), this growth in expenditure is not sustainable, particularly given the changing world order.

Radical change is required to deliver a sustainable budget for the island and secure our future. This means taking action immediately.

However, in a quarterly hearing with the Public Accounts Committee on the [12th of February 2025](#) the CEO admitted “I do not really have a mandate for significant reorganisation or restructure of the civil service.”

This may be the case since the change of Government, but prior to the event of January 2024, the Chief Executive did have such a mandate and was working on a new structure to deliver a more efficient public service. This did not involve putting all staff through another target operating model process but simply implementing changes at the top to provide greater leadership and focus across the departments, this amendment requests the Council of Ministers to give the Chief Executive the mandate to bring forward changes that will enable that work to be delivered.

On the [6th of November](#) the Chief Minister told the Common Strategic Policy Review Panel "I am very pleased that they (the Fiscal policy panel) highlighted the unsustainability of the public sector model at the moment, but there is something we cannot fix in a year. It is something that is going to take years to do."

The Chief Minister and his Treasury Minister may think that the matter of fiscal responsibility is something that can wait for another Government to deal with, choosing to label this budget as "interim." We should take the word "interim" as code for "struggling to deliver and balance the books." The Council of Ministers does not appear to appreciate that time is of the essence and instead of trying to appease those who shout the loudest, the Chief Minister and his Treasury Minister had an opportunity to demand restraint from government departments in order to put the island on a more sustainable footing, instead of "shifting the deck chairs" with short term and costly financial measures.

In the [Comptroller and Auditor General's Annual Report](#) for 2024 it is highlighted that there are 95 open recommendations in the Government's recommendation tracker, work that has been agreed, but not actioned. The report expresses concern that many of these open recommendations date back several years (some as far back as 2014), meaning they remain "opportunities for improvement ... not being fully realised."

Islanders and this Assembly were promised that this Government would be a Government of action and delivery. However, from the back benches and in the Public Accounts Committee this is far from evident.

In fact, the change of Government has set the Island back by 2 years and reverted to the no change, protectionist attitude of the Alliance led government that Deputy Farnham formed a key part of from 2018 to 2022. The island does not have time to lose, the Assembly must get a grip of public finances now, or the next Government will be forced to raise taxes.

Below are some of the areas where delivery and action can be focused in order to deliver savings.

Structure - Heads of Expenditure

The tone must start at the top, and the Executive Leadership Team must be refocused in order to focus on delivery and demonstrate that siloes can be broken down to generate greater efficiencies in public spending. This was one of the primary tasks the CEO was employed to deliver.

Harnessing the technological age

The Chief Information Officer has been in post for about 3 years, and it is time to see the implementation of Government services that are accessible online.

The Digital services head of expenditure in some respects is a beacon of good practice to other budget holders, as it will receive a constant budget of £34,549m in 2026 and 27 and this reduces by £1,000 in 28 and 29 to £34,548m. There are numerous information technology projects to run (see table 55 on p.117) totalling **£86,904m** across the government and non-ministerial depts over the period of the budget.

Government has already invested about £80m in the Finance Transformation Programme and other sums in IT projects, such as electronic patient records which has been allocated £29.3m up to 2031 (according to an FOI response on the 22nd June 2023 “the total cost for the new Electronic Patient Record (EPR) system, including training from inception to date was £9.23m). Therefore, continuing to invest public money in technological solutions across various departments should be delivering savings once implemented. But such reductions do not appear to be accounted for in the proposed budget. Such a considerable level of investment in technology should be designed to improve productivity and deliver a reduction in revenue expenditure.

It is for this reason that this amendment proposes a significant reduction in the budget for Treasury and Exchequer. Although it is appreciated that not all of these savings will be found in this department, it is here that the responsibility for managing expenditure and setting savings targets lies. The Treasury Minister also has the ability to make transfers between heads of expenditure therefore she can make those transfers during the year, as the savings are identified.

Arm’s length bodies

The Public Accounts Committee is currently undertaking a review, which is proving most interesting. Although the recommendations have not yet been published, through participating in the review process it has become clear that there are opportunities to reduce running costs in this area, without harming delivery.

In a hearing on the [24th September 2025](#) the Chief Officer for the Economy was asked about the duties that were set out in the of the Public Finances Manual that states “Responsible accountable officers should consider carrying out structured reviews of any or all arm’s length bodies for which they are responsible and listed in the section, with the exception of specific States-owned entities, on either a periodic or ad hoc basis. These reviews should include structured and strategic considerations of value for money.” The answer provided was:

Chief Officer, Department for the Economy:

“Yes. As I have explained, first of all, it says “should”, it does not say “must.” We do this on an annual basis. There is a big difference in the language when you talk to those that write the Public Finances Manual. “Should” is a recommendation, it is not an action you must follow.”

Again, the previous government was drawing up plans to bring some arm’s length bodies that have natural synergies together to reduce the costs of administration, governance and premises. This has not been done. The reduction in the head of

expenditure for the EDTSC department calls upon the Assembly to acknowledge what is now a critical imperative to deliver this work and reduce expenditure.

Jersey Property Holdings

In a recent report the Comptroller and Auditor General pointed out that “In the 25yrs since JPH was established it has consistently failed to meet its objectives.”

It is clear no action has been taken by this government to address the C&AG recommendations relating to efficiency, value and productivity and instead continues to accept a level of performance that is unacceptable and wasting taxpayer’s money. This lack of grip and control on performance is being allowed to perpetuate in a manner that would not be acceptable in the private sector.

Again, the previous Government identified existing advice, such as a report titled “Property Service Delivery Mechanism Review” completed in December 2021 by specialists Jones Lang LaSalle (JLL). This recommended handing over the running of project delivery to the professional delivery arm of government, Jersey Development Company.

The public of Jersey hold a considerable property portfolio, valued at over £6bn. Too much of this property portfolio lies empty or in disrepair. This includes schools and other buildings where there are known risks caused by the condition of the buildings.

The move into the new Union Street building, which happened over a year ago was supposed to trigger the divestment of some of the buildings that would no longer be required. It is not clear what progress is being made in this regard.

There is now a financial and a health and safety imperative to force the delivery of these objectives which will allow JPH to focus on the business of facilities management and maintenance.

Health expenditure

Spend per capita in this area is higher than any OECD nation. The island’s size might reasonably cause difficulties in delivering economies of scale, however there are clearly areas for improvement. Refining expenditure should not reduce the quality of our health service, or cause services to be cut, in fact through an outcome-based approach the healthcare of islanders can be improved and modernised.

By means of example, the women’s health service. A proposal has been made (internally) to improve this service which would involve training of nurses who could carry out certain procedures, reducing costs and improving outcomes. This proposal will increase productivity and reduce the cost of delivering the service, whilst improving the outcomes for those using the service.

The former Health Minister had already set out a financial recovery programme for the health service that was designed to tackle the underlying structural financial deficit of £15m in the health department and achieve £25m of recurring savings by the end of 2025. The Government Plan 2024-27 allocated a significant £37m increase in expenditure from £249m to £286m. Unfortunately, this Government has not recognised

the importance of the work or valued the expertise that was brought in to support efforts to achieve this objective.

As a result, the Assembly is now being asked to allocate an additional £66m for the 2026 Health and Care Jersey budget. Over the period 2025 to 2029 this translates to a huge 24% increase in expenditure (£322m to £401m) in our health service - a classic case of a lack of grip and control.

Not only that, but the former Health Minister was close to bringing a proposal to the Assembly which would have sustained those planned efficiencies of 2023 by transforming the health service into a high quality, efficient service. Instead, we have a £60m overspend with no costed health strategy, no costed workforce strategy and no grip on the spiralling costs associated with the hospital development.

It is a matter for the Assembly to decide whether they are confident that sufficient budgetary oversight and grip is being provided in the circumstances when the overall percentage share of total expenditure is increasing from 27% in 2025 to 31% of the total budget in 2026.

In addition to the above, progress was also being made (prior to January 2024) towards creating a Channel Island health authority which would also have driven pan island efficiencies and service improvements.

Conclusion

In closing, I would like to apologise for the late lodging of this amendment, however as I have set out in this report, most of these proposals have been worked on previously and they simply need to be removed from the dusty shelves that they have been placed on and turned into action.

As a small island nation, we must focus on securing our long-term future. We have the ability to innovate and deliver better outcomes for islanders whilst reducing expenditure, The time to do that is now.

Financial and staffing implications

If accepted the proposed amendment will reduce Revenue expenditure by £89m.

Children's Rights Impact Assessment

I consider that this proposition (amendment) 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 (Conventions Rights) (Jersey) Law 2022.