

# STATES OF JERSEY



## PROPOSED BUDGET (GOVERNMENT PLAN) 2026-2029

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Lodged au Greffe on 16th September 2025  
by the Council of Ministers  
Earliest date for debate: 9th December 2025

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STATES GREFFE

## PROPOSITION

### 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.

COUNCIL OF MINISTERS

## **REPORT**

### **Introduction**

In accordance with Articles 9(1) and 15 of the Public Finances (Jersey) Law 2019, the Council of Ministers seeks the approval of the States Assembly to the Government Plan 2026-2029 (entitled “Budget 2026 - 2029”) which is included in Appendix 3 of this report.

Article 9(1) of the Public Finances (Jersey) Law 2019 provides that the Council of Ministers must prepare a Government Plan and lodge it in sufficient time for the States to debate and approve it before the start of the next financial year.

Article 15 of the Public Finances (Jersey) Law 2019 sets out the effect of the approval by the States Assembly of a Government Plan.

### **Structure of the Government Plan**

Part 3 of the Public Finances (Jersey) Law 2019 sets out the statutory content and scope for the Government Plan and is set out at Appendix 1 for ease of reference. This requires certain specific information to be included within the Government Plan and also requires the Council of Ministers to provide any other information that the Council of Ministers believes that the States may reasonably expect to need in order to consider the matters required to be set out in the Government Plan. The Government Plan 2026-2029 (entitled “Budget 2026 – 2029”), included in Appendix 3, sets out this information.

### **Draft Legislation containing a Taxation Draft and Social Security amendments**

As the Government Plan 2026-2029 proposes imposing or varying a tax for 2026, in accordance with Articles 11 and 12 of the Public Finances (Jersey) Law 2019, the Minister for Treasury and Resources will lodge draft legislation containing a taxation draft that implements those proposals. This will be lodged in line with the 6-week lodging period as required by Standing Orders so that it can be debated by the States in the same sitting as the Government Plan.

As the Government Plan 2026–2029 also proposes changes to Social Security legislation for a reduction of the States grant to the Social Security Fund, the Minister for Social Security will lodge draft legislation containing the necessary legislative amendments that implement these changes. The legislation will be lodged in line with the 6-week lodging period as required by States Standing Orders so that they can be debated by the States in the same sitting as the Government Plan.

### **Amendments to the lodged Government Plan 2026-2029**

States Members seeking to amend the Government Plan 2026-2029 are asked to note that the Public Finances (Jersey) Law 2019 provides:

#### ***“13 Amendment to lodged government plan***

*(1) An amendment to a lodged government plan may, in addition to proposing the amendment to the plan, propose –*

- (a) the amendment of any enactment that imposes a tax or provides for the administration of a tax (whether or not the Minister has lodged a taxation draft that would amend the enactment); or*
- (b) the imposition of a new tax.*
- (2) A person, committee or panel who intends to propose an amendment to any element of a lodged government plan referred to in Article 9(2) must, in preparing the amendment, take into account the impact of the amendment on –*
  - (a) the States’ finances;*
  - (b) the medium-term and long-term sustainability of the States’ finances and the outlook for the economy in Jersey; and*
  - (c) the sustainable well-being of the inhabitants of Jersey over successive generations.”*

In addition, it states that:

**“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; or*
- (b) authorise the transfer of money between one States fund and another in a manner that is inconsistent with any enactment or with the terms of a States fund.”*

**Effect of Approval of the Government Plan 2026-2029**

The Public Finances (Jersey) Law 2019 also outlines the impacts following the approval of the Government Plan:

**“15 Effect of approval**

*(1) The approval by the States of a government plan is an approval of the appropriations, financing and transfers set out in the plan for the first financial year it covers, such that in that year –*

- (a) an amount of not more than an approved appropriation may be withdrawn from the Consolidated Fund and spent in accordance with the plan;*

*(b) a States body or area of operation specified under Article 9(8) may withdraw from the Consolidated Fund an amount, to be spent on the related head of expenditure, of not more than the lesser of –*

- (i) the amount of income that is earned by, or is attributable to, the States body or area of operation in that year, and*
- (ii) the amount, set out in the plan under Article 9(8) in relation to the head of expenditure, of the estimated income of the States body or area of operation;*

*(c) a States trading operation may withdraw from its fund an amount of not more than the approved appropriation and spend it in accordance with the Plan;*

*(d) the Minister may arrange financing in accordance with the Plan; and*

*(e) money may be transferred between States funds in accordance with the Plan.*

*(2) The approval by the States of a Government Plan is also an approval of –*

- (a) the designation of a project, set out in the Plan, that is to be designated as a major project;*

*(b) the undertaking of the major projects that are set out in, or designated under, the Plan; and*

*(c) the proposed total cost, from start to finish, of each of those major projects.*

*(3) The approval by the States of a Government Plan Authorises the Minister to direct how an approved appropriation for a reserve head of expenditure in the Plan may be spent (including on another head of expenditure) in the first financial year covered by the Plan.*

*(4) Is not an approval of any appropriations, financing or transfers for the years following the first financial year covered by the Plan"*

### **Children's Rights Impact Assessment**

A Children's Rights Impact Assessment (CRIA) has not been prepared in relation to this proposition as a CRIA is not required, in accordance with Schedule 2 to the [Children \(Convention Rights\) \(Jersey\) Law 2022](#).



# Proposed Budget (Government Plan) 2026-2029



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**Title**










Under the Public Finances (Jersey) Law 2019, each financial year the Council of Ministers must prepare a Government Plan. To aid public understanding of the nature and purpose of the Government Plan 2026–2029, and to encourage public engagement, the report has been renamed to the “Budget 2026–2029”. This does not impact upon its legal status as a Government Plan for the purposes of that Law. The Budget 2026–2029 fulfils all the requirements of a Government Plan under the Public Finances (Jersey) Law 2019.

# Budget in brief

The budget sets out the income and expenditure proposals for the next 4 years. It also show how taxpayers' money is spent on delivering services, infrastructure and facilities to Islanders. It builds on the Council of Ministers' Common Strategic Policy 2024-2026.

For more information on the government's priorities for 2026, visit [gov.je/GovernmentProgramme](https://gov.je/GovernmentProgramme).

## 2026 Highlights:

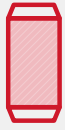


<p>General Revenue Income:</p>  <p><b>£1.34bn</b></p>	<p>2026 balance in the Strategic Reserve:</p>  <p><b>£1.3bn</b></p>	<p>Government spending on delivering services to Islanders:</p>  <p><b>£1.28bn</b></p>
<p>Investment in buildings, infrastructure, IT and new hospital:</p>  <p><b>£1bn</b> (over the 4 years)</p>	<p>Investment in Fort Regent:</p>  <p><b>+£43m</b></p>	<p>Investment in preventative and digital healthcare:</p>  <p><b>+£12m</b></p>
<p>Investment in Children's services:</p>  <p><b>+£8m</b></p>	<p>Investment in competitiveness:</p>  <p><b>+£7m</b></p>	<p>Additional nursery funding for 2-3 year-olds</p>  <p><b>+£3m</b></p>

# Budget measures for 2026








## Personal income tax thresholds and child allowances

 <p><b>£550</b></p> <p>Increase for individuals</p> <p>from £20,700 to £21,250</p>	 <p><b>£100</b> Increase in child allowance</p> <p><b>£150</b> Increase in additional allowance</p> <p><b>£200</b> Increase in childcare tax relief</p> <p><b>£550</b> Increase in higher childcare tax relief</p>
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<h3>Alcohol duty</h3>	<h3>Fuel duty</h3>
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 <p><b>+1.0p</b></p> <p>Increase on 500ml can of beer (increasing duty with inflation)</p>  <p><b>-5.4p</b></p> <p>Reduction in a pint of draught beer (introducing tap relief)</p>	 <p><b>+1.7p</b></p> <p>Increase per litre of fuel</p>
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<h3>Tobacco duty</h3>	<h3>Vehicle Emissions Duty</h3>
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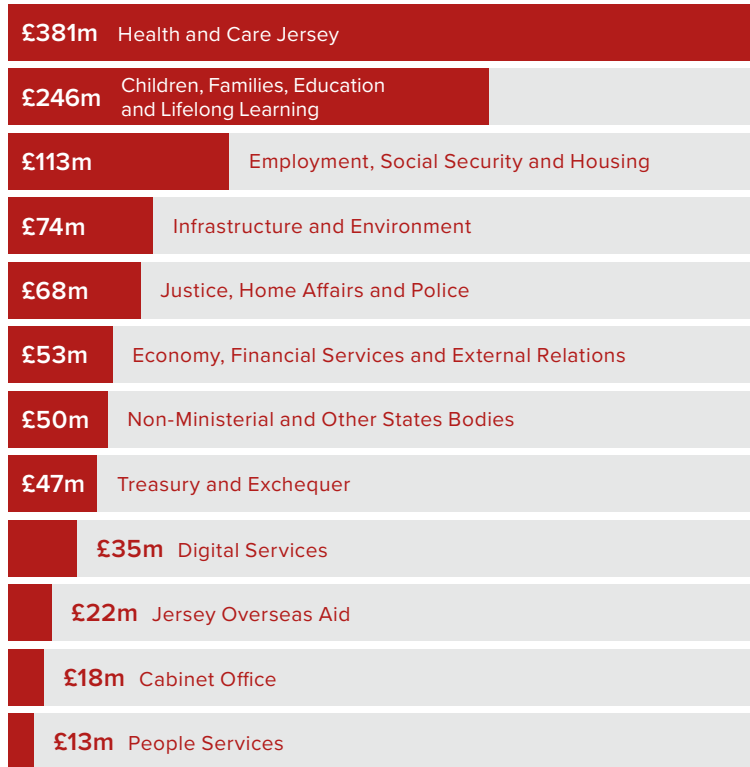
 <p><b>+80p</b></p> <p>Increase per 20 pack</p>	<table border="0"> <tr> <td style="text-align: center;">  <p><b>+£2</b></p> <p>Least polluting</p> </td> <td style="text-align: center;">  <p><b>+£2,480</b></p> <p>Most polluting</p> </td> </tr> <tr> <td colspan="2" style="text-align: center;"><small>CO<sub>2</sub> emitting vehicles</small></td> </tr> </table>	 <p><b>+£2</b></p> <p>Least polluting</p>	 <p><b>+£2,480</b></p> <p>Most polluting</p>	<small>CO<sub>2</sub> emitting vehicles</small>	
 <p><b>+£2</b></p> <p>Least polluting</p>	 <p><b>+£2,480</b></p> <p>Most polluting</p>				
<small>CO<sub>2</sub> emitting vehicles</small>					

<h3>Vaping tax</h3>	<h3>Reduction in higher rate of stamp duty</h3>
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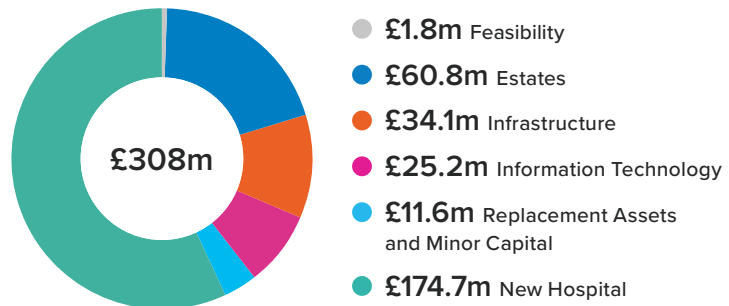
 <p><b>+£2</b></p> <p>Per 10ml</p>	 <p><b>-1%</b></p> <p>Reduce higher rate of stamp duty on non-main residence</p>
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# Government Finances 2026

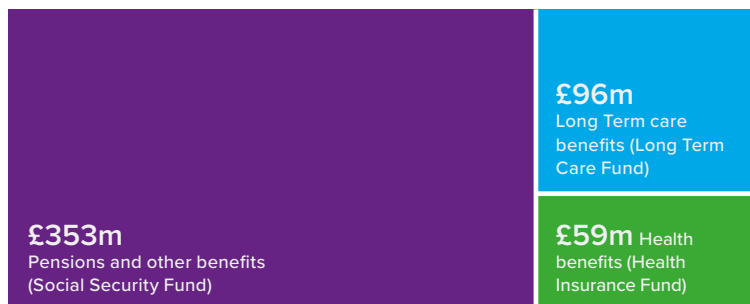
**Departmental Spend**  
in 2026:



**£308m Capital expenditure**  
in 2026 including:



**£508m social benefits expenditure from Social Security Funds**  
in 2026 including:



# Foreword from the Chief Minister



## Chief Minister

Deputy Lyndon Farnham

This Government came into office with an imperative to deliver the priorities in its Common Strategic Policy. These initiatives were the centrepiece of our first full Budget and feature again this year as we look to complete this term of office. Public health, public safety and opportunities for young Islanders are high priorities in this budget.

We also made a commitment to think longer term and at the heart of our longer-term vision is the **Investing in Jersey** programme: a 25-year strategy to renew and regenerate our public assets. This programme prioritises investment in the Island's infrastructure - from schools and health facilities to roads, water, drainage, digital systems, community spaces and the public realm.

It will do this in a way that transcends government terms of office by creating the Jersey Capital Investment Fund. This is a vital statement of intent to safeguard funding for key capital projects and improve transparency, accountability and certainty. It is incumbent upon us to provide this clarity to the private sector if we are to work together to improve the fabric of our Island.

In line with our Common Strategic Policy commitments, significant funding is being allocated to modern healthcare facilities, with greater focus on preventative care and digital health advancements. This is important for patient care but also to address the causes of short-term budget pressures post Covid. The financial consequences of a failure to prevent ill-health are much higher in the post Covid world. This Budget begins the process of investing to change this and put the cost of healthcare on a sustainable footing for our Island.

The Budget also includes significantly increased investment in services for children and young people. As well as providing a new youth centre to serve central St Helier, we are expanding access to nursery provision for two and three-year-olds and starting a major project to rebuild Mont a l'Abbe secondary school. We have also focussed on our most vulnerable young islanders by improving financial support for the Children's Service, both for the provision of improved care and with capital investment to modernise our residential facilities.

Public safety will be enhanced with investment in the Emergency Services Control Centre and additional resources for the Fire and Rescue Service that will increase their capacity and capability to respond to changing professional standards and emerging challenges.

We are using the period after the most recent Moneyval evaluation of our International Finance Centre to boost the competitiveness of this sector. This builds on the Future Economy competitiveness programme with the aim of enhancing the Island's prosperity. This Budget is being presented at a time of global political fragmentation, persistent inflation, and weak economic growth. This is manifesting itself in higher public service costs across

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developed economies. Jersey is facing similar pressures, notably from unavoidable inflation costs. That's why this Government has taken measures to curb discretionary expenditure while focusing resources where they are most needed in front-line services.

In 2026, we will deliver £9 million in savings by reducing management layers and our reliance on external consultants. We are also reducing our office footprint, making savings by consolidating Government buildings. These measures are part of a broader strategy to streamline Government operations and direct funding to the areas of greatest priority.

This Budget sets a considered course for the year ahead. While we face some real challenges, Jersey is in a strong position to respond. By focusing on essential services, investing in infrastructure, and supporting our community, we are working to ensure the Island remains a secure, vibrant and rewarding place to live, work and build a future.

# Foreword from the Minister for Treasury and Resources



## Minister for Treasury and Resources

Deputy Elaine Millar

This year's Budget sets out a responsible and forward-looking approach to managing Jersey's public finances. It is built on the principle of balance - taking action to support Islanders today, while ensuring the Island is well-placed to meet future challenges.

This Budget has been compiled in challenging ongoing circumstances. In 2024 income fell short of our forecasts and whilst our medium-term outlook remains strong, in the short term we will have several years with less money to spend than previously expected. Whilst we are seeing inflation return to more usual levels, this is taking slightly longer than forecast, which is also placing pressure on our expenditure. These issues combined meant that hard decisions were needed simply to maintain balanced finances and protect financial sustainability.

In maintaining financial discipline, we have carefully reviewed our public finances and met the challenge without the need for significant tax increases or reductions in public services. Instead, we have reprioritised existing allocations and made decisions to ensure the sustainability of public finances. We have also committed to making further savings in 2027, allowing time for thoughtful and well-planned changes to be made.

## Income

These actions have meant that we have protected Islanders from the significant tax changes seen in other jurisdictions. We are increasing tax allowances to provide targeted support for Islanders at a time when many households continue to feel the effects of the cost of living. In 2026, we are proposing to uprate the main tax allowances by 2.6% to £21,250. This increase will provide £9 million in extra tax relief for 90% of taxpayers. At the same time, we are taking practical steps to discourage behaviours that risk public health by increasing duties on tobacco and introducing duties on vapes, supporting a healthier community for the long term.

However, this budget doesn't simply maintain the status quo – it recognises that investment in our Island is critical to our future and takes action now to begin to realise our vision for the future.

The introduction of Pillar Two represents an important change in global taxation with next year being the first year where income will be received in Jersey from the relevant groups. We have maintained our previous strategy, with a portion of the expected receipts from Pillar Two being reinvested in driving forward the competitiveness of Jersey's financial and related professional services sector. In a world of global uncertainty and geo-political change, this investment in

international competitiveness is essential for a sector that sustains our community, funds our infrastructure and enables the public services on which Islanders depend.

## **Expenditure**

Health and children's services remain top priorities with funding being reprioritised to these areas in 2026. Investment of £40 million in these areas will strengthen services that directly affect Islanders' wellbeing, ensuring care and support is there when it is needed most.

This plan commits to payments of £184 million from taxation into the Social Security Fund over the period, in addition to Social Security Contributions and substantial investment returns, ensuring that the Fund continues to grow faster than forecast benefit expenditure.

Alongside the investment in Health, Children and competitiveness, we are including amounts to address other key risks, bringing total investment to £52 million in 2026. We will also continue with our current plan to deliver nearly £20 million of savings in 2026, and have expanded our commitment with a further £29 million to be delivered through the management of pay and future savings in 2027. This aligns to our stated priority of curbing growth in the public sector.

## **Balance Sheet – Investing in Jersey**

In advance of the establishment of the Jersey Capital Investment Fund, we are continuing to invest in Jersey's future through the capital programme, proposing over £1 billion for projects across 2026-2029. This includes essential projects such as safeguarding the future of Fort Regent and progressing plans for the New Healthcare Facilities, as well as investing in the Government's information and technology systems. These are long-term investments that will enhance quality of life and secure vital infrastructure for future generations.

Managing our balance sheet wisely is central to this Budget. We are taking steps to preserve financial resilience, making sure borrowing and investment decisions are made prudently, with long-term affordability in mind. The Budget reflects a shift towards longer-term thinking, moving away from short-term fixes and ensuring sustainability, resilience and fairness for the years ahead.

This Budget ensures that Jersey remains a place where people can build their futures, businesses can succeed and generations can be confident that their Island is being managed with care and foresight.

# Economic Context

In May 2025, Jersey's Fiscal Policy Panel (FPP) published an Economic Outlook (FPP Economic Outlook May 2025)<sup>1</sup> setting out their economic forecasts, assumptions and expectations for Jersey's Economy over the Budget term. The FPP referenced a rapidly changing global economic outlook, characterised by weaker growth and exceptional levels of global economic uncertainty.

## The Global Economic Outlook

The global economic outlook has weakened. Trade tariffs and increasing geopolitical tensions threaten global economic stability and are likely to disrupt supply chains, leading to increasing global inflation, as well as higher risks of financial instability.

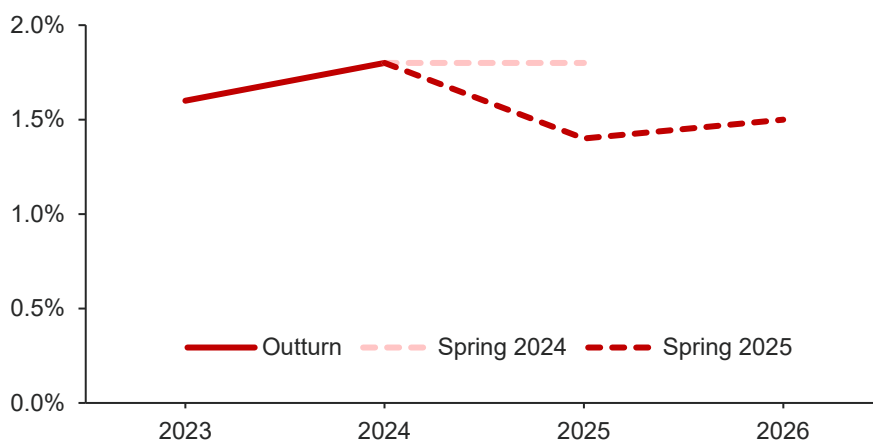


Figure 1: Economic growth forecast for advanced economies: Source: IMF

## Jersey's Economic Outlook

In 2023 Jersey's economy grew strongly, by 7.3% in real terms. This growth was driven by Jersey's banking sector which benefited from improved net interest margins enabled by higher interest rates. The non-financial sectors of the economy experienced moderate growth. As part of their Spring 2025 economic assumptions, the FPP used multiple data sources to model Gross Value Added (GVA) growth in 2024. Bank profit outturn data published by the Jersey Financial Services Commission showed an 8% decrease over the year. Combined with estimated subdued growth for the rest of the economy, the FPP estimated that Jersey's economy contracted by 1.5% in real terms in 2024, following a year of 7.3% growth in 2023.

<sup>1</sup> Economic assumptions (gov.je)

The FPP forecast economic growth will remain below trend in 2025 and 2026, before returning to trend growth in 2027.

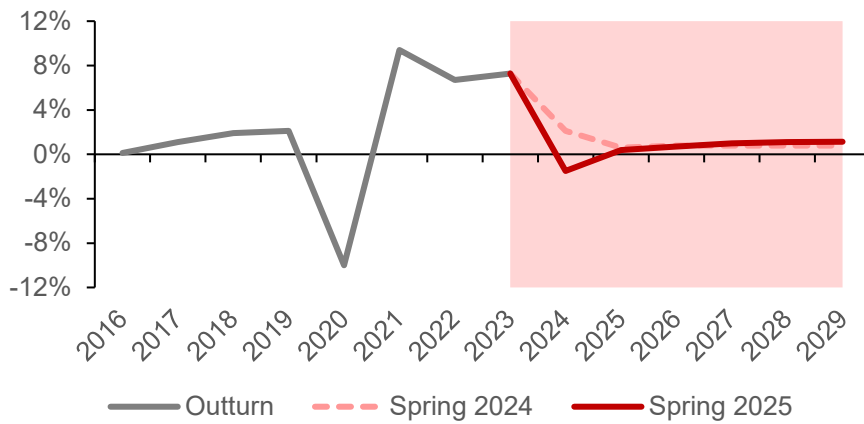


Figure 2: FPP Real GVA outturn and forecast 2024-2029. Source: FPP, Statistics Jersey

Despite a projected contraction in GVA, average earnings (wages) increased in real terms across all parts of the economy in 2024 (Figure 3). The FPP forecast earnings growth of over 4% in 2025 and 2026, driven by the increase in the minimum wage. Real increases in wages are forecast for 2027-29 as well. Employment growth, in 2024, was 0.8% growth and the FPP forecast employment to remain stable over 2025-2029.

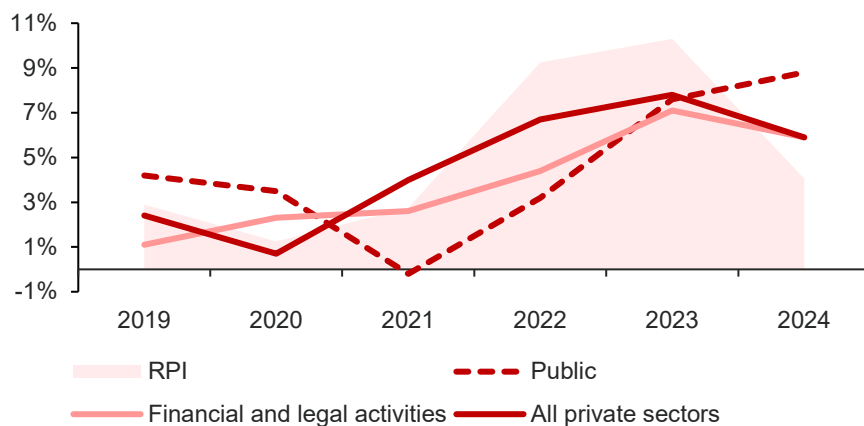


Figure 3: Average Earnings. Source: Statistics Jersey

Since its peak in 2022-23, inflation has fallen steadily but has remained elevated due to relatively high ‘underlying inflation’ (RPIX) driven by domestic factors, particularly the increases in the minimum wage. Interest rate cuts have fed through to headline RPI which is forecast to be 2.6% in 2026. RPIX is forecast to be higher at 3.6% in 2026.

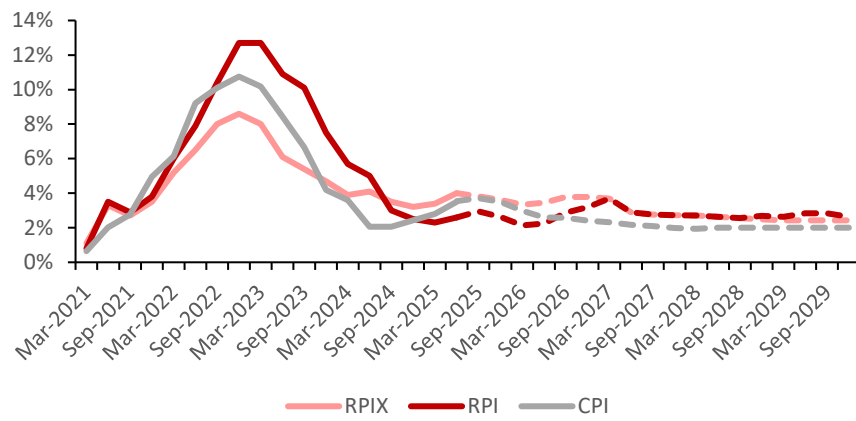


Figure 4: FPP Inflation outturn and forecast 2025-29: Source: FPP, Statistic Jersey

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## Fiscal Framework

The Fiscal Policy Panel is established by the Public Finances Law (Jersey) Law 2019, which enshrines its independence and sets requirements for it to provide an annual report on Jersey's economy and Government finances, and to inform the preparation of the Budget. The Council of Ministers or the Minister for Treasury and Resources can also request other reports on specific subjects.

The FPP will continue to be responsible for monitoring the application of the fiscal guidelines. The fiscal framework remains an important pillar of Jersey's economic and fiscal policy and sets the medium and long-term aims that help to inform budgetary decision making, with particular regard to the balance of income and expenditure (i.e. budget deficits or surpluses).

The key guidelines identified in previous Budgets are to:

- Seek to increase the Strategic Reserve over the long term and public sector net worth, while heeding the advice of the FPP on borrowing and net financial assets.
- Run a structural current balance or surplus in the long-term until the Strategic Reserve is judged large enough to meet its objectives.
- Borrow only to finance investment (or refinance liabilities), except under times of economic duress, and monitor the impact on net financial assets.

The Fiscal Framework continues to be kept under review and will be updated if necessary.

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# Sustainable Wellbeing

## Island Outcomes and Sustainable Wellbeing

The Common Strategic Policy (CSP) of the Council of Ministers was approved by the States Assembly in May 2024. It set out 13 priorities that were aligned with the long-term themes of the Future Jersey report<sup>2</sup> and the ten Island Outcomes arising from it. The Budget document sets out how the Government will deploy its finances to deliver these priorities, as well as the wide range of existing Government services that support the ongoing well-being of Islanders.

### *Future Jersey vision*

The long-term vision for Jersey in 2037 was produced by the Future Jersey consultation and is captured by the vision statement:

*“An Island loved for its beautiful coast and countryside, rich heritage, diverse wildlife and clean air, land and water. An Island where a sense of community really matters - a safe place to grow up and enjoy life. An Island that offers everyone the opportunity to contribute to, and share in, the success of a strong, sustainable economy.”*

### *Island Outcomes*

The Island Outcomes are split across three wellbeing themes: Community, Economic and Environmental.

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<sup>2</sup> Future Jersey 2017 - 2037 (gov.je)

The Public Finances (Jersey) Law 2019 requires the Council of Ministers to take into account the sustainable wellbeing (including the economic, social, environmental and cultural wellbeing) of the inhabitants of Jersey (“Islanders”) over successive generations when preparing the Budget each year.

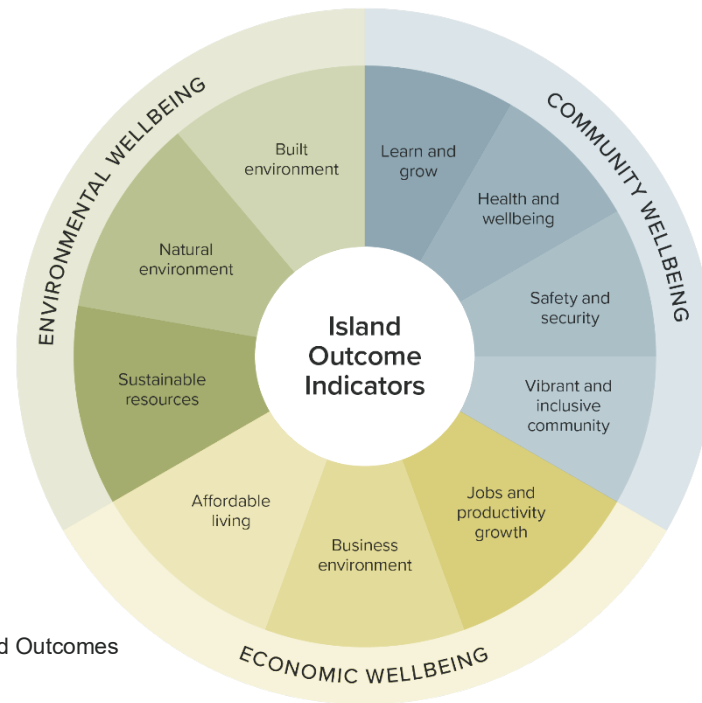


Figure 5: Island Outcomes

Progress over time towards the Island Outcomes and the sustainable wellbeing of Islanders over successive generations is monitored using the Island Outcome Indicators<sup>3</sup> which are updated over time and published by Statistics Jersey.

### *Jersey Performance Framework*

The Jersey Performance Framework is used to report on the Government of Jersey’s performance. It is underpinned by a shared ambition for the sustainable wellbeing of current and future Islanders.

The Jersey Performance Framework comprises:

- The Island Outcome Indicators published by Statistics Jersey; and
- The Government’s Service Performance Measures published on gov.je

### *Common Strategic Policy 2024-26*

In the Common Strategic Policy 2024-26 (CSP)<sup>4</sup>, the Council of Ministers set out its priorities for delivery in its two-year term of office, which spanned all three sustainable wellbeing themes. The CSP was developed after Ministers reviewed the detailed data from a number of sources,

<sup>3</sup> Island outcome indicators | Statistics Jersey

<sup>4</sup> Common Strategic Policy 2024 to 2026 (gov.je)

including the Jersey Opinions and Lifestyle Survey and the Island Outcome Indicators. The individual priorities are linked to the Island Outcomes.

Ministers and their departments are guided by the Island Outcomes in delivering all of their business-as-usual activities.

<b>Our Priorities</b>	<b>Sustainable Wellbeing</b>	<b>Island Outcome</b>
Extend nursery and childcare provision	Community Wellbeing	Learn and grow
Provide a nutritious school meal for every child in all States primary schools	Community Wellbeing	Learn and grow
Increase the provision of lifelong learning and skills development	Community Wellbeing	Learn and grow
Start building a new hospital at Overdale	Community Wellbeing	Health and wellbeing
Reduce GP fees	Community Wellbeing	Health and wellbeing
Implement the recommendations from the Violence Against Women and Girls Taskforce report	Community Wellbeing	Safety and security
Transition to a living wage	Economic Wellbeing	Affordable living
Provide more affordable homes for Islanders and more confidence for the rented sector	Economic Wellbeing	Affordable living
Keep Government fees, duties, and charges as low as possible to help Islanders with the cost of living in 2025	Economic Wellbeing	Affordable living
Reduce red tape, enhance opportunities for business, and strengthen Jersey's international reputation	Economic Wellbeing	Business environment
	Economic Wellbeing	Jobs and productivity growth
Deliver a plan to revitalise Town	Environmental Wellbeing	Built environment
Reform the planning service to enable sustainable development in Jersey	Environmental Wellbeing	Built environment
Meet the Island's commitments to address the climate emergency through the implementation of the Carbon Neutral Roadmap	Environmental Wellbeing	Sustainable resources

Figure 6: Common Strategic Policies

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## Sustainable Wellbeing and the Budget

The Budget contains approvals for the Council of Ministers' income estimates and spending proposals for the next 4 years. Importantly these spending allocations continue to fund the wide range of activities that Government is already delivering to provide services and support positive outcomes for Islanders, whilst also including some additional allocations needed to progress with CSP priorities.

The Budget approves heads of expenditure (“budgets”), the majority of which are used to fund the provision of public services which support the sustainable wellbeing of Islanders. This includes, for example the provision of education to our children, provision of healthcare to Islanders and ensuring public safety through blue light services and the justice system.

Further detail on the amounts allocated to each head of expenditure is set out in the public sector spending section of this document. Supplementary detail for each Department is provided in the Annex to the Budget.

In their business-as-usual activity, Ministers continue to be guided by the Island Outcomes. This can take many forms. For example, when considering policy issues within their remit, Ministers take into account the well-being of Islanders and the long-term impacts of the policy. This is expressed through internal policy submissions received by Ministers, which should routinely include commentary on the effect on sustainable wellbeing.

The link between the three wellbeing themes (Community, Economic and Environmental) and some of the activities identified in the Budget is set out below.

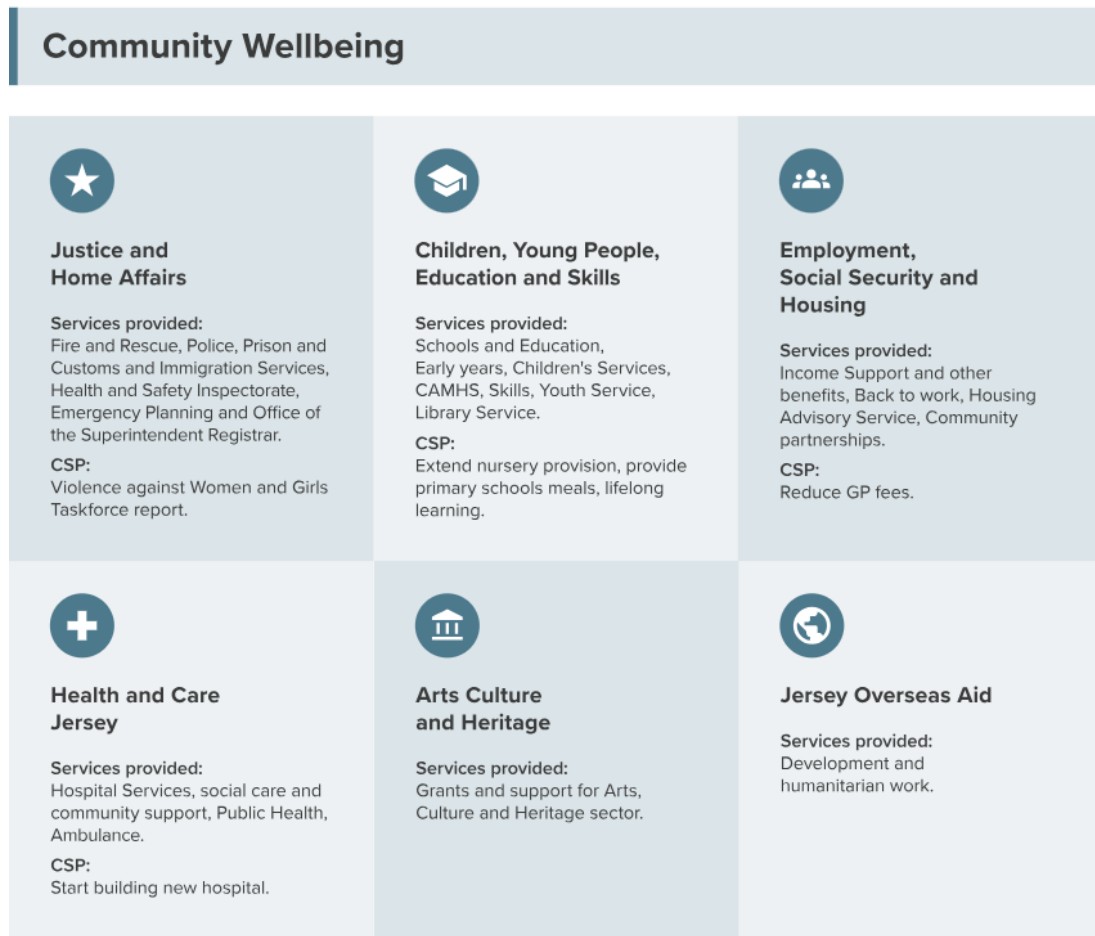


Figure 7: Community Wellbeing

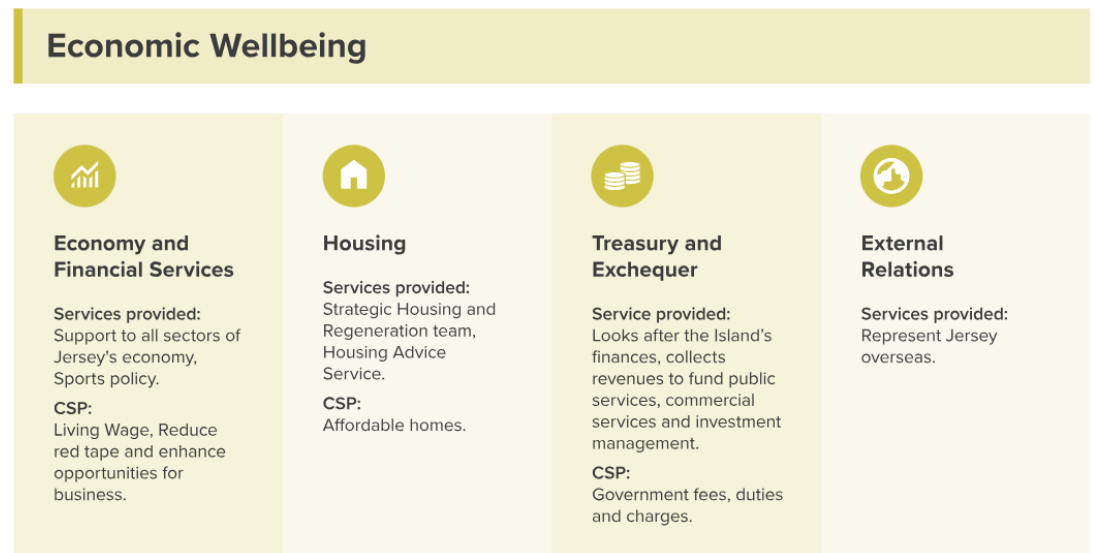


Figure 8: Economic Wellbeing

## Environmental Wellbeing

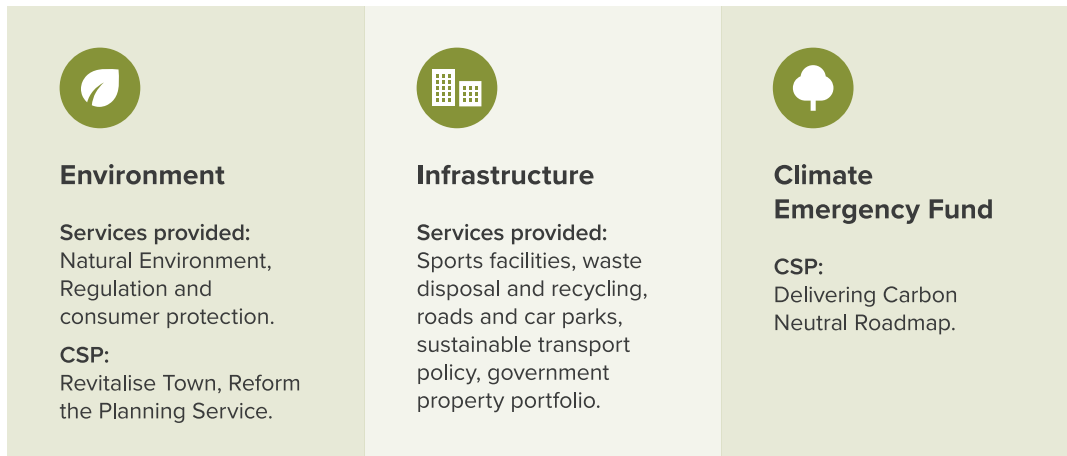


Figure 9: Environmental Wellbeing

## Ministerial Priorities and Business Plans

Alongside the 13 priorities set out in the Common Strategic Policy, Ministers and departments will continue to deliver essential public services and business as usual activities. Key objectives for Ministers and departments, the legislative programme and areas of policy development are published in department Business Plans. The Business Plans also include service performance measures which show how government departments are performing in the delivery of key public services. Information on the operational activities and structure of Government departments is available online at [gov.je](http://gov.je)<sup>5</sup>. The published 2025 Business Plans<sup>6</sup> cover the period up to the election in 2026, it's not therefore intended that Ministers will produce new Business Plans before the next election.

## Risk

Alongside the sustainable wellbeing of the inhabitants of Jersey over successive generations, the Council of Ministers also consider key risks to Jersey and to the running of the Government of Jersey when considering how best to prioritise and allocate its resources. Many of our risks will be being managed through existing resources.

For each of the key risks on the corporate risk register (those with elevated risk scores), this section set out below how the Budget applies resources to mitigate these risks, to reduce exposure. More detail on additional funding is set out in subsequent sections, and the Annex to the Budget.

<sup>5</sup> Government departments ([gov.je](http://gov.je))

<sup>6</sup> Business Plans 2025 ([gov.je](http://gov.je))

## Community Wellbeing

Risk Area	Mitigation
Insufficient capacity in Children's care settings	<p>Additional funding is provided for Children's services of £7.6 million in 2026, increasing the total expenditure budget to £58 million.</p> <p>A further £12 million in capital expenditure is provided to fund the children's homes estates (loving homes). This will ensure sufficient funding is in place to protect and care for our most vulnerable children.</p>
Uninsured losses	<p>In recent years, increased levels of claims not covered by external insurance (in particular medical claims), have put pressure on the Insurance Fund.</p> <p>To ensure the Fund's sustainability, Budget 2025 included a transfer of £7.7 million to the Insurance Fund, to mitigate the risk of uninsured losses by ensuring the fund balance is adequate. Budget 2026 also includes the reinstatement of previous increases to insurance budgets of ~£1 million to meet increasing insurance costs.</p>
Fire and rescue service capacity and capability	<p>Investment is provided in Budget 2026 of £1.3 million per annum from 2027, to increase the capacity and capability of the fire and rescue service to further improve public and firefighter safety. In addition, funding is provided for the Emergency Services Control Centre of £300,000 to strengthen professional specialisation in emergency call handling.</p>
Failure of frontline IT services	<p>Budget 2026, through the capital programme invests £25 million into information technology and digital services in 2026, with £41 million invested in total over the plan period.</p> <p>In addition to the above investment in information technology, the Budget includes funding of £8 million per annum to invest in digital health, providing a modern digital platform for health that can be accessed by all care sectors.</p>
Cyber defence	<p>The funding for information technology includes specific funding for cyber security to respond to the continued and heightened threat of cyber-attacks.</p>
Management of health and safety	<p>In addition to providing investment into the fire and rescue service to improve safety, departments will continue to manage health and safety matters in line with legal requirements, through their current budgets.</p>

Figure 10: Community Wellbeing Risks

## *Economic Wellbeing*

<b>Risk Area</b>	<b>Mitigation</b>
Future economic growth not meeting the needs of Government revenues or islanders living standards	<p>The Budget includes investment in competitiveness, funded through Pillar Two receipts, focussing on modernising Jersey's financial and related professional services sector to make it easier, faster and more attractive for customers to do business in Jersey.</p> <p>Funding will be used to ensure Jersey remains an attractive and competitive Island in which to do business and thus retain and maximise Government revenues to support public services to Islanders.</p> <p>The Budget also continues the Better Business Support package providing a further £10 million in 2026, whilst the transition towards a living wage is implemented.</p>

Figure 11: Economic Wellbeing Risks

## *Environmental Wellbeing*

<b>Risk Area</b>	<b>Mitigation</b>
Lack of capacity for waste disposal and management	<p>Capital investment of £43 million is provided over the plan period, to continue to address the age and capacity of the liquid waste system.</p> <p>Additional investment is provided in future years, funded through liquid waste charges from 2028.</p>

Figure 12: Economic Wellbeing Risks

Government continues to develop its long-term financial planning but already considers a range of scenarios to manage financial risk in both the medium and longer-term. We have a well-established fiscal policy, supported by the business planning process which continues to prioritise resources against the highest areas of priority and risk.

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# Financial Strategy

## Financial Principles

The Council of Ministers agreed the following financial principles to be used as a framework for decisions making in preparing this budget.

1. The Budget must take into account the sustainability, and stability of public finances.
2. Public services should be funded through balanced budgets.
3. Investment should be affordable and deliverable.
4. Expenditure and assets should be used to deliver value for money.
5. Fees and charges should be reasonable.
6. Restrained approach to borrowing should be adopted.
7. The value of our balance sheet should be preserved.

## Tax Policy Principles

The following tax policy principles established in previous Plans continue to be used in this Plan.

1. Fair and sustainable
  - 1.1. Taxation must be necessary, justifiable, and sustainable
  - 1.2. Taxes should be low, broad, simple, and fair
  - 1.3. Everyone should make an appropriate contribution to the cost of providing services, while those on the lowest incomes should be protected
2. Support broader Government Policy
  - 2.1. Taxes must be internationally competitive
  - 2.2. Taxation should support economic, environmental, and social policy
3. Efficient and effective
  - 3.1. Taxes should be easy to implement, administer and comply with, at a reasonable cost

No individual tax measure will meet all these principles. But overall, the Island's tax regime should represent a sustainable balance of them.

## Financial Strategy for 2026-2029

The Council of Ministers developed a Common Strategic Policy (CSP), that focuses on delivering sensible, practical solutions to make Islanders' lives better. This Budget builds upon the foundations set out in the CSP and Budget 2025 to ensure funding is in place to deliver on real outcomes that will benefit our Island community.

The Budget has been prepared against the backdrop of heightened geopolitical risks and global economic uncertainty. Inflation levels have peaked, and are expected to return to more normal levels, albeit more slowly, along with interest rate projections. However, there remains pressure on both Government and household finances.

In 2024 our income was £17 million (1.4%) less than forecast. The updated income forecast shows continuing pressures, with income forecasts £22 million lower in total than previously anticipated across 2025 and 2026 before recovering in the latter years of the plan. At the same time, the slower reductions in inflation put upward pressure on our expenditure of over £200 million, which is only partly met by increases in income later in the plan. In the formulation of Budget 2026 we have had to adjust our plans to address the changes in income and expenditure that fall outside of our direct control and ensure that we continue to deliver balanced budgets.

In developing the Budget, the Council of Ministers have restated their commitment to the principles agreed in their CSP

- Underpinning all our work is a steadfast plan to maintain sound public finances, and prevent unnecessary expenditure, with no significant increase in spending beyond what is affordable.
- Budgets will be reprioritised where appropriate to deliver objectives.
- We will curb the growth in public sector spending and rely less on consultants, instead developing local talent within the civil service and redirecting monies saved to those areas where it is most needed.

In addition, this Budget sets the groundwork for the vital investment that the Island needs to ensure long-term sustainability, not just of finances, but also wider wellbeing and prosperity.

The financial strategy for 2026–2029 is based upon these principles and actions agreed in the CSP. The key elements of the medium-term financial strategy for this Budget are:

### *Income*

- No significant changes to taxation, with budget measures that are consistent with established policy. We will implement duties on Vaping and introduce Tap relief, as signalled in the last Budget.
- A prudent approach to forecasting revenues resulting from the implementation of Pillar Two.

### *Expenditure*

- Ensuring that our health service is sustainable, both by addressing immediate pressures, and by investing in preventative health and digital health, which will help to

limit future cost increases as we see the impacts of the ageing population start to manifest.

- Allocating funding now to address key risks in the children’s service, the fire and rescue service and to deliver free nursery education to all 2-to-3-year-olds.
- Investing in our economy through a competitiveness programme to protect and grow our finance industry, a key source of funding for public services.
- Ensuring these decisions are funded through sensible and temporary adjustments to the States Grant to the Social Security Fund for 2026 to 2029<sup>7</sup>, whilst recognising both the need to curb and reverse recent growth in the public service, and to review the long-term sustainability of the Social Security Fund, in a controlled and well-thought-through manner.
- Adjusting the 2025 payment to the Social Security Fund to an affordable level, given the changes to economic conditions since the last Budget.

### *Capital*

- Initiating a shift of capital planning to a longer-term view, in line with our vision for Investing in Jersey through the establishment of a Jersey Capital Investment Fund.
- Beginning this journey through the Capital Programme, with substantial investment in our Island through the new hospital at Overdale and beginning the long overdue work to restore Fort Regent.

### *Balance Sheet*

- Continuing to maintain our enviable balance sheet, through a restrained approach to borrowing and judicious management of our reserves. Those reserves underwrite our stability and the Budget ensures that these reserves continue to grow.
- Adopting our prudent approach to Pillar Two may also give us further opportunities to grow these reserves, invest in competitiveness and enhance our infrastructure.

## Sustainable Public Finances

The Public Finances (Jersey) Law 2019 (PFL) sets out a requirement for the Budget to have regard to the long-term sustainability of the Island to ensure that we safeguard it for future generations.

This plan delivers budgets that are broadly balanced across the plan. This is important to ensure that we are spending within our means and making adequate provision for the replacement of our assets.

Income is forecast to increase across the plan, although from a slightly slower base than previously forecast. This broadly covers the cost of inflation built into expenditure forecasts. The Budget proposes some above inflation increases in expenditure in 2026 but recognises the need to reprioritise and refocus spend through additional savings and a commitment to manage the pay bill responsibly. The impact of this is recognised from 2027, to ensure that adequate time is available to develop deliverable plans.

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<sup>7</sup> Article 9A of the Social Security (Jersey) Law 1974 provides the formula used to calculate the value of the States Grant to the Social Security Fund. Changes to the Regulations to adjust the calculation will be lodged in time for debate alongside the Budget.

Summary Forecast Operating Balance						
2025	2025		2026	2027	2028	2029
Approved	Forecast <sup>8</sup>	£'000	Estimate	Estimate	Estimate	Estimate
1,270,276	1,258,242	General Revenue Income	1,338,819	1,390,340	1,457,651	1,520,085
1,238,715	1,207,777	Net Revenue Expenditure	1,277,762	1,315,507	1,367,573	1,423,553
<b>31,561</b>	<b>50,465</b>	<b>Net Operating Surplus/(Deficit)</b>	<b>61,057</b>	<b>74,833</b>	<b>90,078</b>	<b>96,532</b>
58,934	58,934	Depreciation and amortisation	73,373	74,812	77,960	79,699
<b>(27,373)</b>	<b>(8,469)</b>	<b>Operating Surplus/(Deficit) after Depreciation</b>	<b>(12,316)</b>	<b>21</b>	<b>12,118</b>	<b>16,833</b>

Table 1: Forecast Operating Balance

The financial forecast includes a prudent forecast of the impact of the introduction of Pillar Two taxes for the largest multinational groups in relation to accounting periods beginning on or after 1 January 2025. There is considerable upside potential for the receipts arising from the implementation of Pillar Two, however there is also significant uncertainty as to the scale of the extra receipts and how long the Island can expect to receive such high levels of income. Accordingly spending plans have not been developed which depend upon those receipts, particularly on a recurring basis.

If receipts are in excess of the prudent forecast, we are maintaining our policy of using these receipts to strengthen our reserves, invest further in competitiveness and invest in our infrastructure, in particular part funding the New Healthcare Facilities. Safeguarding our infrastructure for future generations is at the heart of the proposed Jersey Capital Investment Fund.

This Budget has taken a holistic approach to finances, looking beyond potential siloed thinking to balance the overall benefits for Islanders of financial decisions. Our Reserves remain strong, and are forecast to grow across the period, after allowing for the proposed adjustments to the grant to the Social Security Fund.

There is, however, more to do. We need to recapitalise the Stabilisation Fund, fund much-needed infrastructure investment and reconfigure ourselves to meet the financial challenges of an ageing demographic. Work continues to develop a more detailed understanding of the longer-term forecast for public finances, which will consider the impact of changes to population size, demographics, and the economy over longer timescales. This will build on existing work, including the review of the sustainability, and affordability to both the taxpayer and users of the Island's health and care system and the planned reviews of the Social Security and Long-Term Care Fund.

<sup>8</sup> General revenue income has been updated for the latest IFG income forecast. Net Revenue Expenditure reflects current budget approvals including budgets carried forward from 2024 and has been reduced in 2025 as per paragraph (a) of the proposition, through an amendment to the Budget 2025-2028. Depreciation remains the same as Budget 2025 approvals.

# General Revenue Income

The Government funds ongoing annual expenditure and investment in assets through three main sources: general tax revenues, other government income and departmental income. These three sources of revenue are paid into the Consolidated Fund.

## *General Tax Revenues*

General tax revenues provide the main source of funding for the Government, with five main tax types.

Personal Income Tax	Tax is levied on the income of individuals and non-individuals (including certain trustees and personal representatives). An individual with income above the low-income threshold will pay tax at a rate no higher than the 20% standard rate of tax. The actual effective rate of tax is determined by income levels and eligibility for reliefs and allowances.
Corporate Income Tax	In-scope global Pillar Two Multinational Groups of Entities are subject to Jersey's 15% Multinational Corporate Income Tax and may also be subject to the Pillar Two Income Inclusion Rule. Other companies continue to pay income tax at 0%,10% or 20% depending on the activities they undertake.
Goods and Services Tax	Goods and Services Tax (GST) is a tax on the supply of goods and services in Jersey. GST is charged at 5% on the majority of goods and services supplied in Jersey, including imports.
Impôts (excise) Duties	Impôt (excise) duties are levied on the importation of specific items, namely road fuel, alcohol, tobacco, and motor vehicles.
Stamp Duty, Land Transactions Tax, and Enveloped Property Transaction Tax	Stamp duty is levied on the purchase of properties bought on the Island and the registration of wills of Jersey immovable property. Land Transactions Tax (LTT) is levied on share transfers involving shares which give the owner the right to occupy property in Jersey. Enveloped Property Transaction Tax (EPT) is levied on transactions in which control of an entity that owns certain land in Jersey is transferred from one person to another.

Figure 13: Tax Types

## *Other Government Incomes*

The Government also receives income from four other sources, as set out in the table below.

Island-wide rates	Received as part of the rates system and collected by parishes.
Income from dividends and returns	Received from States-owned entities including utility companies.
Non-dividends	Other income received from tax penalties, Crown revenues, miscellaneous interest, fees, and fines as well as investment returns from the Consolidated Fund and Currency Notes Fund.
Returns from Andium Homes	Reflects the income contribution made from the housing stock that was transferred to Andium Homes.

Figure 14: Other Income Sources

## *Departmental Income Sources*

In addition to amounts paid directly to the Consolidated Fund, Government departments receive money from fees and charges for individual services. These amounts are included within individual net revenue expenditure allocations and are estimated at £134 million in 2026. The number of diverse sources of income reflects the variety of services provided by the Government. This includes fees for private patients at the hospital, school fees, fees for the disposal of inert waste, planning fees, and income from rents and our sports facilities. This income is included in department heads of expenditure.

Existing fees and charges can only be increased by more than 2.5% with the approval of the Minister for Treasury and Resources. One of the CSP priorities is to keep fees and charges as low as possible. However, some increases may be appropriate, for example to ensure user pays charges continue to reflect the underlying costs of services, subject to the impact on those paying the fees.

Special Funds, including social security funds also receive income designated to them, as well as the investment returns on fund balances. This is then used for expenditure in line with the purpose and objectives of the funds.

## *New Fees and Charges*

A challenge for the Infrastructure department is the loss of income arising from the reduced capacity at the inert waste site. This loss of income will not result in associated expenditure savings, resulting in a sizeable cost pressure. Over the medium term, the Minister for Infrastructure intends to bring forward commercial waste charges to recover the costs of treatment and to encourage improved environmental outcomes. To continue to shelter business and Islanders recovering from the recent increases in the cost of living and doing business, £3 million of temporary additional funding has been allocated to the Infrastructure Department (as agreed in Budget 2025-2028), in advance of the introduction of charges in 2028. Work will progress such that the next Government can bring these charges forward.

Given the scale of the pressures faced in Health and Care Jersey, steps need to be taken now to protect our frontline healthcare services. This includes bringing forward two new fees to be introduced during 2026 to help promote behavioural changes and reduce wasteful use of resources:

- ***Promoting appropriate use of the Emergency Department***

It is estimated by HCJ that at present 14,000 patients a year use the hospital Emergency Department for day-to-day healthcare which would more appropriately be provided in the community by their GP. In these instances it is proposed to introduce a fee for these patients at same rate as charged by Jersey Doctors on Call (currently £77 for a resident, £97 for a non-resident), or higher. On arrival in the hospital, people who would be more appropriately cared for in the community will be encouraged to seek the right healthcare from the right provider and be redirected to a pharmacist, their GP or Jersey Doctors on Call, as appropriate. If they still wish to receive day-to-day healthcare in the Emergency Department, they will be provided with this care at a fee.

- ***Did not attend fees***

It is estimated that patients fail to attend 12,000 outpatient appointments a year, without notifying the department and hence preventing others from accessing care. It is proposed that a non-attendance fee, initially £55 be introduced, to be paid by people who repeatably do not attend outpatients appointments. This charge represents around half the current cost of a basic outpatient appointment. It will be introduced on a phased basis as Health and Care Jersey rolls out a new system that allows people to change their appointments online, as well as by phone. Specific groups of people will be exempt, including mental health patients, children and people attending substance misuse clinics.

Both fees will be introduced during 2026 after a period of advance public communications. As noted above, the non-attendance fee will be phased to coincide with the introduction of a new system allowing people to change their appointments online. There will be an appeals process to safeguard patients and ensure no-one is unfairly charged. As the fees are intended to shift behaviours, not generate income, there are no associated income targets, and it is hoped that the need to levy the fees would reduce over time.

## Latest Income Forecasts

The Income Forecasting Group (IFG) advises on the forecasts of all States income from taxation and social security contributions. Membership of the group includes senior civil servants, the Government's chief economic advisor as well as external members.

Since the previous forecast (spring 2024) used as the basis for Budget 2025-2028, the IFG have revised the income forecast (summer 2025). This reflects the latest economic assumptions produced by the independent Fiscal Policy Panel in May 2025<sup>9</sup>. The forecast is published alongside the Budget 2026-2029.

The global macroeconomic outlook continues to evolve in a rapidly changing environment. Global uncertainty has increased, and growth forecasts remain below historic averages in many advanced economies, including the UK. The IFG has revised down the income forecasts for 2025 and 2026, by 1% and 0.8% respectively.

The FPP economic assumptions reflect the latest local and international developments to May 2025. The main variations to the economic assumptions used in the IFG forecast for Summer 2025, since the previous Government Plan include:

- Interest rates are still expected to fall over the forecasting period. However, base rate cuts are expected to be more gradual than previously forecast. The FPP has decreased their forecast for growth in financial services profits in 2024 and 2025, based on data from discussions and meetings with industry.
- Inflation measured through the underlying Retail Prices Index (RPIX) is forecast to remain elevated until 2027 due to a mix of imported and domestic factors. Headline inflation (RPI) is still forecast to fall in 2026 driven by expected cuts to the Bank of England base rate feeding through to lower mortgage interest repayments<sup>10</sup>. However, base rate cuts are now expected to be more gradual due to high levels of underlying inflation.
- The forecast for average earnings has been updated in all sectors of the economy, driven by the public sector pay deal, the transition to the living wage in the non-finance sector and higher forecast remuneration in the financial sector. However, increases in earnings are expected to become partly offset by slower employment growth.
- House prices are not expected to increase until 2026 and transactions are expected to return to pre-pandemic levels by 2026, but at a slower rate than previously anticipated.
- The IFG's summer 2025 forecast has been developed as a 'central forecast' to represent the IFG's view of the most likely outcome.

In addition to the economic assumptions forecast by the FPP, the IFG's latest forecast reflects.

- Taxation and duty income results for 2024.

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<sup>9</sup> Economic assumptions (gov.je)

<sup>10</sup> Bank base rate cuts/increases feed through via RPI methodology which assumes all mortgage holders have mortgages determined by the standard variable rate.

- Initial information on taxation and duty general revenues income for the first two quarters of 2025.
- Forecasts from Treasury for other income; and
- Market and local sectoral intelligence from both the IFG and gathered buy the Economics Unit.

The summer 2025 forecast covers the years 2026-2029, the forecast assumes existing tax policy and long-standing policy for rises and changes where relevant.

IFG Income Forecast					
2025		2026	2027	2028	2029
Estimate	£'000	Estimate	Estimate	Estimate	Estimate
707,000	Personal Income Taxes	753,000	792,000	828,000	870,000
184,000	Corporate Income Taxes (including Pillar Two)	234,000	235,000	248,000	260,000
128,000	Goods and Services Tax (GST)	132,000	135,000	138,000	141,000
67,111	Impôts Duties	67,567	67,934	68,653	69,215
50,386	Stamp Duty	43,080	47,079	50,492	53,851
<b>1,136,497</b>	<b>General Tax Revenue - IFG Forecast</b>	<b>1,229,647</b>	<b>1,277,013</b>	<b>1,333,145</b>	<b>1,394,066</b>
<b>Other Income</b>					
17,762	- Island-Wide Rates	18,224	18,771	19,277	19,798
25,572	- Dividend Income	10,718	10,888	11,047	11,212
27,053	- Income from Andium Homes	28,773	29,266	29,689	30,292
19,858	- Other Non-dividend Income	19,912	19,802	19,893	20,117
<b>1,226,742</b>	<b>States Income - IFG Forecast</b>	<b>1,307,274</b>	<b>1,355,740</b>	<b>1,413,051</b>	<b>1,475,485</b>
1,238,776	States Income - IFG Spring 24 Forecast	1,317,301	1,348,910	1,391,883	-
-1.0%	IFG Forecast Variation %	-0.8%	0.5%	1.5%	0.0%

Table 2: IFG Income Forecast

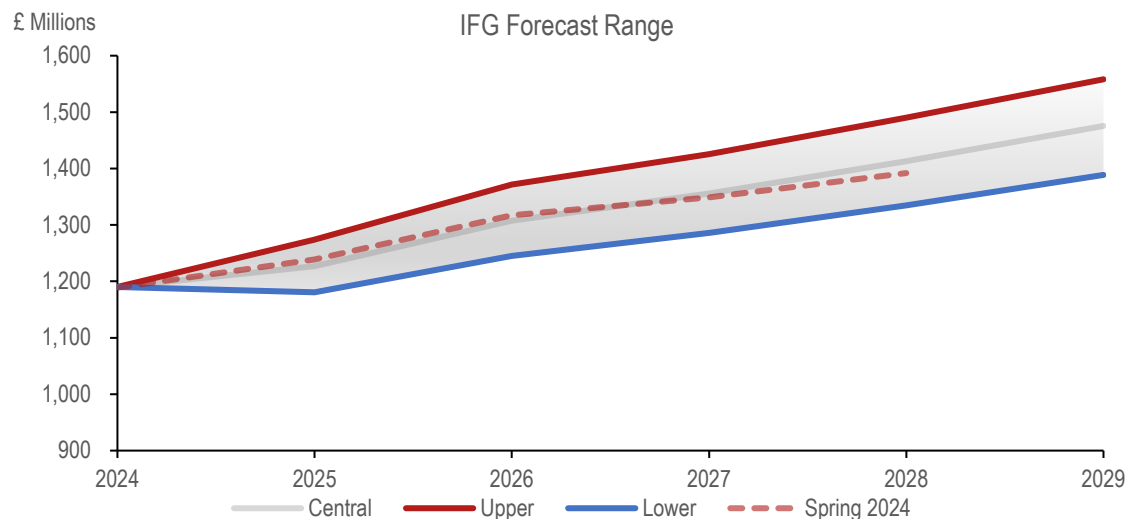


Figure 15: Range of IFG forecast: Source: IFG

The overall changes from the spring 2024 forecast are:

### *Personal Income Tax*

The forecast for personal income tax has increased across all years compared to the Spring 2024 forecast. The increase is primarily driven by 2024 earnings growth being higher than previously expected. Earnings growth has been driven by public sector pay rises and employment growth, as well as increases in financial services.

### *Corporate Income Tax*

2026 will be the first year in which receipts from the new Pillar Two regime will be received from in-scope groups in relation to their accounting periods ending on or after 1 January 2025.

The Corporate income tax forecast (incorporating the impact of Pillar Two) has decreased compared to the spring 2024 forecast. This is driven by lower expected profit growth in 2025 compared to the previous forecast.

Forecasting the future revenue impact of Pillar Two implementation remains a complex exercise for all 147 jurisdictions in the OECD Inclusive Framework. This Budget maintains a prudent “base case” approach to the forecast of the additional corporate income tax expected to be received from in-scope taxpayers, following implementation of Pillar Two. This is the revenue that we are reasonably confident will be raised on a recurring basis for the foreseeable future. We will continue to assess the situation as it develops internationally over the coming months and years.

Receipts from the base case have been applied in this Budget to fund the following priorities (as set out in the Public Sector Expenditure section):

- Servicing of borrowing for the NHF Phase 1 (as set out in the section “New Healthcare Facilities Programme”)
- Funding investment to improve the competitiveness of Jersey’s financial and professional services sector
- Funding the costs of implementing and administering Pillar Two

It is proposed that any upside revenues (i.e. receipts in excess of the base case) are used to strengthen reserves, and a contingent transfer of £50 million to the Stabilisation Fund is included in this plan. Any additional funds could be applied in future budgets to further strengthen reserves, provide investment in the competitiveness of the Island, and for investment in infrastructure, in particular meeting part of the capital costs of the first phase of the New Healthcare Facilities.

### *GST and International Services Entity Fees*

The forecast for Goods and Services Tax (GST) has slightly decreased for 2025 only, with the later years remaining the same. The updated forecast is based on the latest FPP economic assumptions.

## *Impôts Duties*

Impôts (excise) duty reflects a decrease from the spring 2024 forecast due in part to lower-than-anticipated excise rates in the 2025 budget following the freeze to alcohol and fuel duties in 2025. Tobacco duty has seen large fluctuations with changing consumer behaviours and remains challenging to forecast. The 2026-2029 forecast across alcohol, tobacco and fuel relies upon long-term consumption trends.

## *Stamp Duty*

Stamp duty has been revised to incorporate the updated FPP economic assumptions. The stamp duty forecast has increased in 2025, due in particular to the sale of high-value properties in the first six months of the year. Forecasts for 2026 onwards, have been revised down, based on FPP assumptions predicting a slower return to pre-2019 housing market activity than previously expected. The forecast for stamp duty in future years remains uncertain in a period of housing market correction and remains volatile subject to individual high-value transactions.

## Budget Proposals

### *Income Tax (Personal Taxation) Exemption Thresholds and Child Allowances*

An individual does not have to pay income tax or Long-Term Care contributions if their income is below an amount called the exemption threshold. Everyone is entitled to the low-income exemption threshold, while some individuals may receive more allowances depending on their circumstances – for example, if they have children or pay for childcare.

There is a longstanding policy to increase the main tax allowances by the lower of the year-on-year growth of June RPI and average annual earnings. Last year, allowances were increased by 3.6%, based on the FPP’s forecast of June 2024 RPI.

For 2026, Ministers are proposing to uprate the main tax allowances by 2.6%, in line with the growth of June 2025 RPI. This uplift will raise the low-income threshold to £21,250 and will deliver £9 million in additional tax relief to the 90% of taxpayers assessed at the marginal rate. In comparison, the UK personal allowance has been frozen at £12,570 since April 2021 and is not expected to be raised before April 2028. In Guernsey, the personal allowance was set at £14,600 for 2025.

Independent taxation for all Islanders commences on 1 January 2026. Married couples who were previously taxed as one taxpayer and would be financially disadvantaged by the move to independent taxation will be eligible for the compensatory allowance. There will be a joint filing option for those married couples who do not want to complete two separate tax returns.

<b>Income Tax Threshold &amp; Allowances</b>				
	<b>2025</b>	<b>2026</b>	<b>Proposed</b>	<b>Tax</b>
<b>£</b>	<b>Actual</b>	<b>Proposed</b>	<b>Increase</b>	<b>Reduction @ 26%</b>
Low-income threshold	20,700	21,250	550	143
Child allowance	3,850	3,950	100	26
Additional allowance in respect of children	5,750	5,900	150	39
Childcare	7,850	8,050	200	52
Childcare (enhanced)	20,400	20,950	550	143

Table 3: Income Tax Exemption Thresholds

### *Excise Duties*

Ministers’ proposals for excise duties on tobacco, alcohol, road fuels, and motor vehicles, if approved by the Assembly, will take effect at midnight on 31 December 2025.

#### *Tobacco*

Ministers recognise that smoking represents a significant threat to the health and wellbeing of Islanders and continues to place a burden on our health care system. Having taken the advice of Public Health officials, Ministers are proposing to increase duties on tobacco products by 7.6%, which is the sum of the growth rate of June 2024 RPI (2.6%) and an additional 5% escalator. This increases the duty on a standard packet of cigarettes by 80p. Cigars will be

subject to an increase of 10.6%, the sum of RPI growth and an 8% escalator, in line with existing policy to close the gap between the duty charged on cigars and cigarettes.

### *Alcohol*

Following recent freezes to alcohol duty in 2021, 2023 and 2025 and below inflation increases in 2022 and 2024, Ministers are returning to the practice of holding alcohol duty constant in real terms by raising rates in line with RPI growth.

At the same time, Ministers are supporting Jersey's hospitality industry by implementing tap relief - a lower rate of duty on beer, cider, wine and ready-to-drink cocktails sold from large containers in pubs, restaurants and hotels. The policy was announced in Budget 2025 but not implemented then; duty rates were frozen instead.

Relief will be at a standard rate of 10% of duty charged on products dispensed from containers of 10 litres or more, and 15% on products below 4.9% alcohol by volume to incentivise responsible consumption. The increase of duty in line with RPI would have raised the duty per pint of draught beer or cider (2.8% to 4.9% alcohol by volume) by one penny from 42 pence to 43 pence but tap relief will reduce it instead to 37 pence. If the beer/cider is from a small brewery or cidery the duty will be only 18 pence per pint.

Tap relief is an administratively simple approach used in other jurisdictions to benefit both businesses and consumers. This policy underscores the government's commitment to fostering a thriving hospitality industry, which is a cornerstone of Jersey's economy and Island life.

### *Fuel duty*

Following the freeze on road fuel duty to assist with the cost of living in 2023, 2024 and 2025, Ministers are returning to the practice of indexing fuel duty with RPI growth to maintain its value in real terms. Fuel duty on Hydrotreated Vegetable Oil (HVO) will remain frozen to support increased uptake of this low emission transition fuel.

#### Proposed Changes in Excise Duties

<b>Goods</b>	<b>2025 Duty Rates £</b>	<b>2026 Duty Rates £</b>	<b>Proposed Increase %</b>
Cigarettes – per kg	876.72	943.35	7.6%
Hand rolling tobacco – per kg	876.72	943.35	7.6%
Cigars – per kg	808.42	894.11	10.6%
Spirits 40% abv – litre per alcohol	45.46	46.64	2.6%
Beer (2.8% to 4.9% abv) – per hectolitre, large brewery	73.82	75.74	2.6%
Beer (2.8% to 4.9% abv) – per hectolitre, large brewery 10L or more	N/A	64.38	N/A
Wine (5.5% to 15.0%) – per hectolitre	234.91	241.02	2.6%
Unleaded fuel – per hectolitre	63.89	65.55	2.6%

Table 4: Change in Impôts (Excise) Duties

### *Vehicle Emissions Duty*

Vehicle Emissions Duty (VED) is charged when a vehicle is first registered in the Island. The amount of VED payable depends on the vehicle's CO<sub>2</sub> emissions data, with higher charges for more polluting vehicles. The increase in income (estimated at £520k) from VED proposals is transferred into the Climate Emergency Fund.

The Carbon Neutral Roadmap established the principle of annual increases to VED for all standard (non-commercial) petrol and diesel vehicles, including hybrids, with higher increases for higher polluting vehicles, until at least 2030, when the ban on the importation and registration of internal combustion engines is planned to be phased in.

In this Budget, the lowest emitting vehicle bands will be increased by 5%, mid-range vehicles by 10%, and the highest three emission bands will be increased by 15%, 20%, and 25% respectively. Commercial vehicle rates and restricted speed agricultural tractors rates will be increased in line with inflation.

<b>Vehicle Emissions Duty – Standard vehicles</b>			
<b>CO<sub>2</sub> Mass Emissions (grams)</b>	<b>2025 Actual</b>	<b>2026 Proposed</b>	<b>Proposed Increase %</b>
0	-	-	0%
1-50	35	37	5%
51-75	73	77	5%
76-100	240	252	5%
101-125	422	464	10%
126-150	715	787	10%
151-175	1,435	1,650	15%
176-200	4,830	5,796	20%
201 or more	9,921	12,401	25%

Table 5: Vehicle Emissions Duty

### *Tax on vaping liquid*

The 2025 Budget committed to exploring the role of taxation in reducing the consumption of nicotine. The Government will introduce a new excise duty on all vaping liquid at a rate of £0.20 per millilitre starting in 2026. The measure is designed to discourage young 'never-smokers' from taking up vaping. Based on average cigarette consumption patterns in Jersey, vaping products are expected to remain a less costly alternative to cigarettes, thereby supporting current and former smokers in transitioning away from smoking. The proposal provides a duty-free amount of vaping liquid that may be brought into Jersey by travellers for personal use without charge.

### *Reduced higher rates of Stamp Duty on non-main residence properties*

The Fiscal Policy Panel's Economic Outlook of May 2025 suggested that property prices and transactions are likely to remain subdued as Jersey recovers from a period of unsustainable growth. Jersey's property market has undergone a significant correction, with the House Price Index falling by 8.2% in 2024, which the FPP notes is "the largest annual decrease since 1986."

The 3 percent stamp duty surcharge was introduced to curb excess demand in Jersey's housing market. Since then, the housing market has changed significantly. A modest reduction of the surcharge is proposed, taking the surcharge down from 3 percent to 2 percent for one year.

The housing market and construction sector will be closely monitored, to inform a further review of the additional stamp duty in future Budgets.

### *Civil penalties for incorrect GST returns*

The Revenue Administration (Jersey) Law 2019 (RAL) provides for civil penalties where a taxpayer carelessly or deliberately provides an income tax return that is materially incorrect. These penalties currently do not apply to incorrect GST returns, which are subject to a separate penalty regime. For parity across tax types, it is proposed to expand the civil penalty regime to cover incorrect GST returns. The change is not expected to have a significant net fiscal impact.

### *Fiscal impact of tax measures*

In total, new measures and annual adjustments are expected to generate an additional £0.7 million in revenue relative to the summer 2025 forecast of the Income Forecasting Group. That forecast assumed income tax allowances and excise duties would increase in line with inflation (plus the tobacco escalator), except for Vehicle Emissions Duty (VED), which is set each year at the Council of Ministers' discretion. Compared to freezing allowances and duty rates, budget measures leave £6.7 million in Islanders' pockets.

Summary of Budget Proposals		
£'000	Proposed vs forecast	Proposed vs status quo
<b>New tax measures</b>		
Tap relief	(275)	(270)
Tax on vaping liquid	467	467
Civil penalties for GST	-	-
<b>Annual tax adjustments</b>		
Personal allowances incl. child allowances, increase 2.6%	-	(9,000)
Reduced higher rate of stamp duty – non-main residence properties	(667)	(667)
Alcohol duty, increase with inflation	-	565
Tobacco duty, increase with inflation + escalator	-	1,100
Fuel duty, increase with inflation	-	620
Vehicle Emissions Duty increases	520	520
<b>Budget proposals</b>	<b>45</b>	<b>(6,665)</b>

Table 6: Summary of Budget Proposals

## Update on tax reviews and potential future measures

### *Interest Deductions for Landlords*

Following an amendment to Government Plan 2024-2027, Revenue Jersey has carried out a public consultation in 2025 on the case for removing the ability to claim deductions for interest paid in respect of residential properties in Jersey that are rented out.

Any Ministerial decision on the matter will take account of the feedback from the consultation, as well as the timing and cumulative impact on Jersey's housing market of any potential change.

### *Fuel Duty Replacement Policy*

The vehicles seen on Jersey's roads are changing in response to global carbon reduction ambitions and an evolving global market. In response to Government policies and Islanders' own choices, receipts of road fuels duty are expected to decline.

However, it will still be necessary for the Government to meet the costs of road maintenance and improvement along with the wider costs arising from road and vehicle usage.

The income currently earned from road fuels duty will also be needed to support wider policy initiatives, such as the sustainable transport policy and the Carbon Neutral Roadmap, as well as contributing to the funding of other essential services.

In time, alternatives will need to begin making up the funding lost from declining fuel duty. Alternative charges may include a form of vehicle ownership charge and a road user charge. Ministers decided to pause work in 2024 on the basis that the data showed that fuel duty receipts were in steady decline only. The position will remain under review.

### *Carbon Tax or Charge on Private Aircraft*

In 2024, Ministers committed to exploring an appropriate carbon tax or charge on the operation of private aircraft. Since then, Ports of Jersey has introduced a decarbonisation charge, effective from 2026, which applies to all private and business aviation over 3 tonnes operating at Jersey Airport. The charge is based on the aircraft's maximum take-off weight and may be reduced through sustainable practices such as the use of sustainable aviation fuel and the minimisation of empty journeys. In light of this development, Ministers have decided not to pursue a separate measure under the excise duty system at this time.

### *Review of International Services Entity (ISE) fees*

The ISE regime is a simplified administrative framework that allows entities providing financial services mainly to overseas clients to pay an annual fee in place of standard GST. A simplified ISE form and updated guidance were introduced in 2025, and further work is underway to streamline the legislation and fee structure while maintaining overall revenue neutrality.

## *International Tax Reform – OECD Pillar Two*

The Organisation for Economic Co-operation and Development (OECD) has developed a two-pillar global framework to address the tax challenges arising from the digitalisation of the economy. Jersey has actively engaged in this process, participating in the OECD Steering Group of the Inclusive Framework on Base Erosion and Profit Shifting and in other relevant OECD forums. The international tax reforms are targeted and limited in scope, focusing on the world's largest multinational enterprises (MNEs). Detailed information is available at the [Government of Jersey OECD Pillar One and Pillar Two webpage](#).

Pillar Two introduces a global minimum corporate income tax of 15%, applicable to MNEs with annual global revenues of at least €750 million. The minimum effective rate is calculated using the OECD Model Rules—specifically based on financial statements and determined on a country-by-country basis.

On 22 October 2024, Jersey's States Assembly unanimously adopted legislation to implement the OECD Pillar Two 15% minimum tax for large, in-scope multinational enterprise (MNE) groups, applying to accounting periods starting on or after 1 January 2025. The law introduced an Income Inclusion Rule (IIR) and a 15% Multinational Corporate Income Tax (MCIT) but did not include the OECD Undertaxed Profits Rule (UTPR). Jersey's existing corporate income tax regime will continue to apply to all other companies, with over 95% of local businesses unaffected and remaining within the current system.

Jersey maintains its strong commitment to providing taxpayers with an agile, internationally competitive business and tax environment, certainty for taxpayers and alignment with global standards.

Pillar Two also establishes treaty-based rules to ensure certain payments from developing countries are subject to a minimum tax rate of 9%. Only one of Jersey's double tax agreements falls within this scope, and any changes would be made via a bilaterally negotiated protocol if required.

### *Forecasting Pillar Two Tax Receipts*

The implementation of Pillar Two in Jersey will increase tax revenues from in-scope Pillar Two groups in relation to their accounting periods ending on or after 1 January 2025. Tax receipts will be included in the Budget from 2026 (i.e. a year in arrears in common with existing Corporate Income Tax).

Forecasting the future revenue impact of Pillar Two implementation is a complex exercise for all 147 jurisdictions in the OECD Inclusive Framework. The Pillar Two regime is still in its inception phase and the pace and manner of its roll-out varies across the globe. Future Pillar Two revenues are contingent on both the implementation of Pillar Two by other jurisdictions and on the behavioural responses of multinational groups affected by Pillar Two.

Therefore, Jersey has developed a "base case" approach to the forecast of the additional corporate income tax expected to be received from taxpayers in Jersey, following implementation of Pillar Two. This is the revenue that we are reasonably confident will be

raised on a recurring basis for the foreseeable future. We will continue to assess the situation as it develops internationally over the coming months and years.

<b>Forecast Additional Pillar Two Taxes</b>				
	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Base Case Forecast Pillar Two	49,000	48,000	52,000	55,000

Table 7: Pillar Two Forecast Revenues

### *Liquid Waste Charges*

As set out in previous Budgets funding for future liquid waste infrastructure is intended to be met through the introduction of liquid waste charging in 2028. This Budget includes an estimate of £10 million to be raised through liquid waste charging in 2028 onwards. Receipts will be paid into the Consolidated Fund through general revenue income. Government Plan 2024 – 2027 previously gave approval for the application of existing resources for work on the development of a ‘user pays’ charge in relation to all aspects of waste. Details of the charging mechanism and proposals will be included in future Budgets, alongside all other necessary arrangements for charges to take effect.

### *Domestic Compliance*

Revenue Jersey continues to develop its annual published compliance programme<sup>11</sup>, in line with its published compliance strategy, and to improve its capabilities, for example in assessing and identifying tax risks. Building on existing results (additional revenues from its compliance activities), Revenue Jersey is projecting an additional collection from activities devoted to audit, enforcement, and other compliance work. Together, the additional collections are expected to contribute £31.5 million to general revenues in each year of the Budget.

<sup>11</sup> Tax compliance (gov.je)

## Summary of General Revenue Income Forecast, incorporating Budget Measures

<b>Total States Income</b>					
<b>2025</b>		<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>Estimate</b>	<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>1,226,742</b>	<b>States Income - IFG Forecast</b>	<b>1,307,274</b>	<b>1,355,740</b>	<b>1,413,051</b>	<b>1,475,485</b>
<b>Additional Income Measures</b>					
31,500	- Increased Collections: Domestic Compliance	31,500	31,500	31,500	31,500
-	- Budget Measures	45	1,200	1,200	1,200
-	- Interest Tax Relief (Letting Properties Only)	-	1,900	1,900	1,900
-	- Liquid Waste Charges	-	-	10,000	10,000
<b>1,258,242</b>	<b>States Income after Income Measures</b>	<b>1,338,819</b>	<b>1,390,340</b>	<b>1,457,651</b>	<b>1,520,085</b>

Table 8: Income Forecast, including additional income measures

# Public Sector Spending 2026-2029

This Budget proposes £1.28 billion of spending in 2026 on delivering services to Islanders.

## Revenue Heads of Expenditure

The Budget is required, by the Public Finances Law, to set out the proposed amount to be spent from the Consolidated Fund by each head of expenditure, after allowing for any estimates of departmental income. Heads of expenditure within this Budget relate to each Government of Jersey department, Non-Ministerial and other States bodies, and a separate head of expenditure for the Central Reserve. Expenditure has been allocated to departments for 2026, and estimates produced for 2027 to 2029.

Departmental heads of expenditure are aligned according to lines of accountability under the Public Finances Law. Expenditure is approved in this manner to ensure that there is clear accountability, both at political and officer levels. The departmental expenditure limits for 2026 incorporate both existing resource requirements and new funding, but exclude pay-inflation, which is held centrally in reserves. Whilst this is generally aligned to Ministerial portfolios, there are some differences, and a Ministerial mapping is provided as part of the Annex to the Budget.



Figure 16: Departmental Net Revenue Expenditure (excluding reserves)<sup>12</sup>

The above chart illustrates the proportion of Government net revenue spending in 2026<sup>13</sup>, on Health and Care Jersey 31% (2025: 28%), Children, Families, Education, and Lifelong Learning 20% (2025: 20%), tax funded social benefits 13% (2025: 14%), and other public services 36% (2025: 38%). General public services and other, includes all other departmental and non-Ministerial functions listed in Table 9.

<sup>12</sup> Social Benefits includes tax funded benefits paid by the Employment, Social Security and Housing department, plus the States Grant to the Social Security and Long-Term Care Fund.

<sup>13</sup> Excluding Central Reserves (contingency budgets)

<b>Revenue Heads of Expenditure</b>					
<b>2025</b>		<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>Amended<sup>14</sup></b>	<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Departmental Heads of Expenditure</b>					
26,188	Cabinet Office	18,361	18,237	18,237	18,237
39,790	Digital Services	34,549	34,549	34,548	34,548
14,107	People Services	13,303	13,274	13,233	13,233
175,502	Education and Lifelong Learning	187,893	189,404	189,903	190,143
50,077	Children and Families	58,029	58,158	58,828	58,547
109,135	Employment, Social Security and Housing	113,299	116,429	119,601	122,576
62,900	Infrastructure	63,269	59,899	59,524	59,524
11,763	Environment	11,107	11,456	11,456	11,456
322,065	Health and Care Jersey	381,382	387,982	394,685	401,522
22,221	Jersey Overseas Aid	21,844	22,726	23,566	24,427
42,425	Justice and Home Affairs	36,658	37,686	37,666	37,668
30,185	States of Jersey Police	31,142	31,121	31,121	31,121
3,407	Ministry of External Relations	3,445	3,445	3,445	3,445
37,016	Economic Development, Tourism, Sport & Culture	38,056	38,308	38,535	38,541
10,886	Financial Services	11,948	11,923	11,923	11,923
46,699	Treasury and Exchequer	46,580	47,830	47,512	47,517
69,821	Grants to States Funds	63,128	93,608	96,501	99,302
10,000	Living Wage Transitional Support	10,000	-	-	-
13,783	Past Service Pension Liability Refinancing	-	-	-	-
9,000	Financing Costs	33,449	43,533	47,967	47,976
<b>1,106,970</b>	<b>Departmental Net Revenue Expenditure</b>	<b>1,177,442</b>	<b>1,219,568</b>	<b>1,238,251</b>	<b>1,251,706</b>
<b>Non-Ministerial and Other States Bodies</b>					
3,800	Bailiff's Chambers	3,961	3,963	3,966	3,966
1,196	Comptroller and Auditor General	1,187	1,215	1,247	1,289
9,968	Judicial Greffe	10,714	10,430	10,434	10,434
14,015	Law Officers' Department	14,754	14,754	14,754	14,754
913	Office of the Lieutenant Governor	949	949	949	949
784	Official Analyst	815	865	865	865
3,324	Probation	3,475	3,543	3,472	3,472
10,932	States Assembly	11,719	11,400	11,485	11,485
2,616	Viscount's Department	2,721	2,721	2,721	2,721
<b>47,548</b>	<b>Non-Ministerial Net Revenue Expenditure</b>	<b>50,295</b>	<b>49,840</b>	<b>49,893</b>	<b>49,935</b>
<b>1,154,518</b>	<b>Departmental and Non-Mins Total</b>	<b>1,227,737</b>	<b>1,269,408</b>	<b>1,288,144</b>	<b>1,301,641</b>
<b>Reserves</b>					
34,197	Central Reserve (including inflation provisions)	50,025	57,403	90,733	133,216
<b>34,197</b>	<b>Reserves Expenditure</b>	<b>50,025</b>	<b>57,403</b>	<b>90,733</b>	<b>133,216</b>
-	Future Savings	-	(11,304)	(11,304)	(11,304)
<b>1,188,715</b>	<b>Net Revenue Expenditure</b>	<b>1,277,762</b>	<b>1,315,507</b>	<b>1,367,573</b>	<b>1,423,553</b>
58,934	Depreciation and amortisation	73,373	74,812	77,960	79,699
<b>1,247,649</b>	<b>Net Revenue Expenditure after Depreciation</b>	<b>1,351,135</b>	<b>1,390,319</b>	<b>1,445,533</b>	<b>1,503,252</b>

Table 9: Revenue Heads of Expenditure

Future year departmental estimates do not include provisions for inflation or allocation of future savings (which will be confirmed in subsequent Budgets). Inflation by nature cumulative, and

<sup>14</sup> Net Revenue Expenditure has been reduced in 2025 as per paragraph (a) of the proposition, through an amendment to the Budget 2025 -2028.

the provision consequently increases in each year of the plan and is held in the estimates for the Central Reserve.

From 2026, a single Head of Expenditure collecting all financing costs has been included. This includes Financing Costs relating to:

- the New Healthcare Facilities programme, which were previously funded through the strategic reserve
- redevelopment of Fort Regent
- Past service pension liability refinancing
- Overdraft costs (including costs of balance reduction)

Budget transfers between heads of expenditure are summarised and listed in more detail in the Annex to the Budget. This includes budget transfers into Health and Care Jersey of £22 million, including the transfer of the ambulance service, public health, strategic health policy, digital health, as well as treasury and people services resources.

## Changes to Revenue Expenditure

The Budget proposes £1.28 billion of spending on delivering public services to Islanders in 2026, an increase from 2025 driven largely by inflationary pressures, funding for investment in the CSP as well as Health and Care Jersey.

Changes to Net Revenue Expenditure					
2025		2026	2027	2028	2029
Amended <sup>15</sup>	£'000	Estimate	Estimate	Estimate	Estimate
1,162,591	<b>Base Budget</b>	<b>1,188,715</b>	<b>1,277,762</b>	<b>1,315,507</b>	<b>1,367,573</b>
<b>Adjustments for net changes to Base Budget;</b>					
(4,872)	Adjustment from previous Budget	(2,081)	(1,618)	1,648	-
30,205	Inflation	40,864	33,958	34,735	33,274
32,429	Formula Driven/Technical Growth	24,876	13,816	13,470	8,859
38,666	Other Expenditure Growth	52,703	1,374	1,028	12,198
(20,304)	Savings	(19,715)	(29,216)	(466)	-
<b>1,238,715</b>	<b>Net Revenue Expenditure</b>	<b>1,285,362</b>	<b>1,296,076</b>	<b>1,365,922</b>	<b>1,421,904</b>
(50,000)	Adjustment to the SSF States grant	(7,600)	19,431	1,651	1,649
<b>1,188,715</b>	<b>Net Revenue Expenditure (after states grant)</b>	<b>1,277,762</b>	<b>1,315,507</b>	<b>1,367,573</b>	<b>1,423,553</b>

Table 10: Changes to Net Revenue Expenditure

<sup>15</sup> Net Revenue Expenditure has been reduced in 2025 as per paragraph (a) of the proposition, through an amendment to the Budget 2025 -2028.

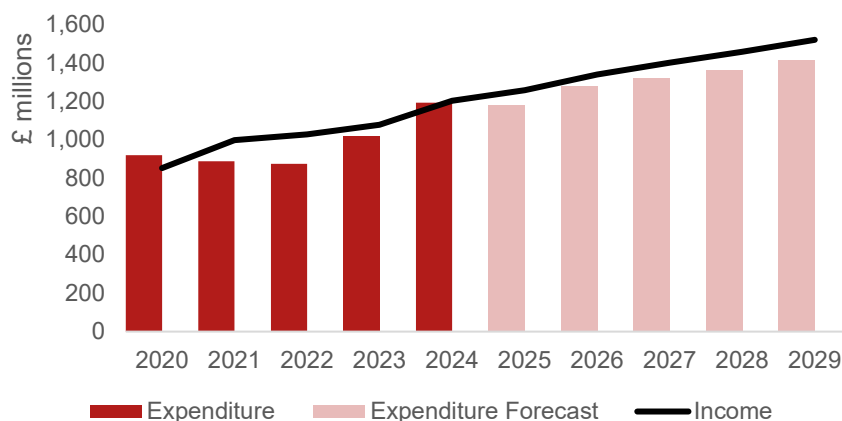


Figure 17: Income and expenditure trends before depreciation

## Growth Allocations

Expenditure Growth Allocations				
£'000	2026	2027	2028	2029
	Estimate	Estimate	Estimate	Estimate
Investment in competitiveness	7,000	6,000	8,000	10,000
Nursery 2-3-year-olds	3,000	3,000	1,800	1,900
Teachers' terms and conditions	1,800	1,800	1,800	1,800
Children's service improvement programme	7,615	7,953	8,623	8,342
Supporting islanders and strengthening communities	1,800	1,800	1,800	1,600
Assisted Dying	525	727	688	718
Digital health	8,000	8,000	8,000	8,000
Preventative health	4,000	4,000	4,000	4,000
Health deficit	15,600	15,600	15,600	15,600
NHF - Facilities Management & Clinical Costs	-	-	-	10,500
Emergency Services Control Room	300	460	460	460
Fire and Rescue Service Workforce	413	1,306	1,306	1,306
Vaping Tax	146	100	80	82
Pillar 2 Tax Team	1,748	2,998	2,680	2,685
Non-Ministerial requests	756	333	268	310
<b>Total</b>	<b>52,703</b>	<b>54,077</b>	<b>55,105</b>	<b>67,303</b>

Table 11: Revenue Growth Allocations

Budget 2025 included growth in expenditure to support the delivery of the CSP, increasing from £5.8 million in 2025 to £8 million in 2026. This has been maintained in this Budget but is not presented in the table above.

In line with the CSP, where possible existing allocations have been reprioritised to deliver objectives. Additional funding has been allocated to departments to accelerate delivery of specific CSP priorities, to deliver existing States decisions, mitigate principal risks and provide further investment into our Health Service. These allocations are summarised below, with further details included in the Annex to the Budget.

To deliver our CSP, this Budget increases our investment into nursery and childcare provision – extending provision of 15 free hours (term-time) to all 2–3-year-olds. It is also clear that the successful implementation of Violence Against Women and Girls legislation will require addition resources for the Police and other departments, who are already seeing

increased demand in these areas. The financial implications will be considered as part of the proposition proposing the new legislation and will be included in Budget 2027.

The Budget also allocates funds to support Islanders and strengthen communities, through the provision of targeted support to expand eligibility for the Pension Plus scheme, help struggling parents with the cost of the new school year, accelerate the delivery of the Disability Strategy to improve access to services and activities for disabled islanders who may face barriers to inclusion, and work to develop a workplace pension that gives all workers the right to an occupational pension.

To ensure that the tax measures set out in this Budget can be implemented, approvals for implementation and administration for both Pillar Two and a Vaping Tax have been included. In both cases the revenue raised exceeds these costs. Approvals have also been included to meet the costs of previous decisions, including assisted dying and changes to teachers' terms and conditions.

The Council of Ministers considered areas where risks to Islanders were beyond the risk appetite of Government, and consequentially have included investment to mitigate these risks, providing for additional capacity and capability of the fire and rescue service, and improvements to the emergency services control room. There is also substantial funding for pressures in the children's service, to make improvements ensuring that provision is at the standard Islanders expect.

The plan also invests in our health service – to address short term pressures, the impact of longer-term demographic changes and investing now to improve our services and reduce future costs. The service continues to see ongoing pressures in costs, both from continued rising demand for health and care services and above inflation increases in the costs of service delivery. These have been partially offset by the Financial Recovery Programme (FRP), however additional investment of £15.6 million is still needed.

It is common across many jurisdictions that the costs of healthcare are rising as populations age, and this Budget provides funding to invest in prevention – stopping people from becoming ill. Whilst this is an increased cost now, it will both save on the costs of treating preventable illness in the future and improve the health of Islanders.

This Budget also increases funding to ensure we have a modern digital environment that ensures that healthcare professionals have the right information available at the right time, wherever care is provided. Provision has also been made in the last year of the plan to ensure that the costs of running the new facility at Overdale are properly provided for, in line with the Outline Business Case.

Given the importance of our finance industry to the Island, it is vital that we create an environment where it can thrive. We will reinvest a portion of the receipts from the introduction of Pillar Two into a programme designed to enhance and improve our competitiveness in this key area. This will be informed by ongoing work to review our competitiveness, and so funding will be held in the Central Reserve initially and will be allocated in year to relevant heads of expenditure as appropriate.

In accordance with Article 10 of the Public Finances (Jersey) Law, the Budget also provides for £0.8 million of revenue expenditure growth requests received from Non-Ministerial

departments, including one-off funding in 2026 to meet the additional costs of running the election.

It is essential to the sustainability of public finances that we run balanced budgets, where day-to-day expenditure is covered by taxation. Where new expenditure is proposed it must be affordable, with an identified funding source. It was already indicated in Budget 2025 that investment in competitiveness would be funded through additional Pillar Two receipts. Implementation costs for revenue measures are proposed to be funded through additional revenues. Additional savings of £5 million per annum have been included in 2027 to facilitate the reprioritisation of funds.

Council of Ministers have also carefully considered the relative needs for investment in children and health, and given the pressing need propose a temporary adjustment to the States grant to the Social Security Fund for 2026 to 2029, which will fund both ongoing revenue and capital. This avoids the need to raise new taxation or make substantial expenditure savings in the short term.

## *Inflation*

It's both prudent and good financial management to plan for the impact of economic influences on Government finances. As such, we have set aside amounts to cover inflationary pressures on pay (held centrally), social benefits and non-pay expenditure.

In their latest set of economic assumptions<sup>16</sup>, the FPP has revised upwards their expectations for inflation in Jersey, this is expected to be driven through higher import costs and inflation generated on-island. Inflation as measured by RPI is forecast to remain between 2.6% to 3% over the plan period, slightly higher than the previous set of economic assumptions published in May 2024. The slower drop in inflation has meant provisions for inflation have been increased, to avoid real term cuts to departmental budget.

2.6% of non-pay expenditure inflation has been allocated directly to departments in 2026, based on FPP assumptions, with additional funds for HCJ reflecting in part higher healthcare inflation.

The States Employment Board (SEB) entered into a multi-year pay deal with all pay groups in early 2024, resolving the pay dispute with teaching unions and giving certainty to employees until 2026. The inflationary provisions for pay, include an additional 1% above the FPP assumption for RPI in 2026, agreed in the 3-year pay offer by the SEB.

Provisions are held in the Central Reserve for pay inflation and non-pay inflation for future years. Once, the 2026 pay award is finalised, pay provisions will be allocated from Central Reserve to departmental budgets.

Inflation is by nature cumulative, and so this amount grows throughout the plan. There remains a reduced, but still significant amount of uncertainty around levels of inflation. If inflation is higher the provision in the plan may not be sufficient to meet the cost of the agreed pay award, and the additional costs would need to be met from within the overall budgeted approvals in

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<sup>16</sup> Economic assumptions (gov.je)

the plan. Higher inflation would typically also lead to increased levels of income and non-staff expenditure in future years.

### *Technical/Formula Driven Growth*

The Budget also allocates a further £24.9 million to a number of areas of expenditure that are determined by pre-agreed formulae. These include:

- an annual 2% increase in Health budgets to maintain service standards and meet the costs of health care inflation. In 2026 a further 1% has been allocated as part of the £15.6 million deficit funding matching allocations in the UK NHS, whilst the work on sustainable healthcare funding is progressed.
- maintaining the Jersey Overseas Aid (JOA) budget at 0.3% of GVA.
- formula driven increases for the States grant to the Long-Term Care Fund (as set out in the sections “Long-Term Care Fund”). Adjustments to the States grant to the Social Security Fund are considered separately in the section below.
- maintaining budgets for arts, culture and heritage across government at 1% of revenue expenditure in total (following a review of arts, culture and heritage spending).
- financing costs, including overdraft charges based on projected cash balances in the Consolidated Fund, hospital financing costs, Fort Regent Financing costs and financing costs on the pension bond.
- technical adjustment to increase budgets for Financial Services for the regulation of non-profit organisations

### *Arts, Culture and Heritage Funding*

Following approval of Funding for arts, culture and heritage (P.69/2024), the Council of Ministers amended the proposed Budget 2025– 2028 and undertook to review spending across Government to ensure that total expenditure on arts, culture and heritage is captured when considering the 1% of revenue expenditure funding target. There is no single budget for arts, culture and heritage funding with departments working together to common aims such as support for the arts, culture and heritage sectors.

Whilst there is no universal definition of what constitutes arts, culture and heritage spending, Government expenditure has been reviewed against arts spending for Arts Council England, heritage spending as classified by UNESCO Institute for Statistics and cultural spending as defined under the UN Classifications of Functions of Government Statistics.

Further areas of Government spending previously not considered, including, funding for the Jersey Music Service, Public Libraries and Community Compass Scheme, have been included in the calculation of arts, heritage and culture spend. After these budgets have been taken into account the total spending on arts, culture and heritage equates to 1.2% of overall Government spending, in excess of the 1% target. Budgets for arts, culture and heritage funding will increase in future years, with inflation allocations for pay and non-pay.

Further details of budgets use to support arts, culture and heritage funding are included in the annex.

## Adjustments to the Grant to Social Security Fund

The Social Security Reserve has grown significantly in recent years, driven primarily by good investment returns. Under current projections, the fund will remain healthy for several decades. The original purpose of the Reserve, to smooth the impact of the ageing demographic and support intergenerational fairness will be more than served, which has previously prompted the FPP to recommend a review of the purpose and objectives of the fund. This should be informed by the actuarial review planned for 2026.

Alongside the regular actuarial review of the Social Security scheme as at 31/12/2025, the Minister for Social Security will instruct the independent actuary to undertake a full review of the current funding policy of the scheme as established in the late 1990s. The review will include the outcome of the decisions taken at that time and an assessment of the current position.

Whilst a healthy Social Security Reserve is something the Island should be proud of, continuing to grow the Fund today whilst other areas of government need investment is a sub-optimal allocation of resource. This Budget proposes sensible, temporary reductions to the States Grant to allow resources to be reprioritised to these needs, whilst safeguarding the Fund, ensuring that its size is maintained and that it can fulfil its purpose so that it can fulfil its purpose for future generations.

Adjustments to the grant to the Social Security Fund					
2025		2026	2027	2028	2029
Amended	£'000	Estimate	Estimate	Estimate	Estimate
90,368	States grant formula value	97,027	94,272	99,727	100,876
-	Rebase grant at £50m and index with AEI	(46,659)	(42,073)	(45,877)	(45,377)
90,368	Rebased States Grant	50,368	52,199	53,850	55,499
<b>One-off grant adjustments;</b>					
(10,000)	Better business support – Budget 2025	(10,000)	-	-	-
(50,000)	Amendment to Budget 25	-	-	-	-
-	Capital funding	(17,600)	-	-	-
30,368	Rebased States grant (after one-off)	22,768	52,199	53,850	55,499

Table 12: Adjustments to the States Grant

Following the Covid-19 pandemic the reinstatement of the States Grant in 2024 was predicated on the income forecast at that time. With lower amounts of income received in 2024, and lower forecasts for 2025 and 2026, this context has changed, accordingly this Budget proposes a reduction in the grant in 2025 to reflect this.

Healthcare and children remain our critical priority, and this Budget proposes immediate investment in these key areas. This is enabled by the proposed temporary rebasing of the States grant to £50 million in 2026, index linked across this plan to enable the review of the mechanism to fund the Social Security Fund moving forwards. A further one-off adjustment of £17.6 million is proposed to support funding for the capital programme in 2026, including the children's services estate (Loving Homes) and refurbishments across the hospital site (Health Services Improvement).

In addition to the actions set out above, and in support of the CSP, last year the Assembly agreed to an adjustment to the States grant in 2025 and 2026 in order to provide one off

funding to support the transition to a living wage. For these two years, the value of the States grant is reduced by £10 million. The £20 million released is wholly allocated to support packages to both employers and employees during the transition to a living wage. If the full allocation is not required, the balance will be returned to the Social Security Fund.

### *Delivering Savings to Allow Reprioritisation*

<b>Savings Proposals</b>					
<b>2025</b>		<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>Approved</b>	<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
1,000	Arm's Length and Regulatory Organisations	-	-	-	-
1,719	Office Consolidation	1,715	481	466	-
3,133	Growth Reductions	-	-	-	-
6,000	Roles	9,000	-	-	-
452	Non-Ministerial and Other Bodies	-	-	-	-
8,000	Financial Recovery Programme (HCJ)	9,000	-	-	-
-	Pay Management	-	17,431	-	-
-	Future Savings	-	11,304	-	-
<b>20,304</b>	<b>Total</b>	<b>19,715</b>	<b>29,216</b>	<b>466</b>	<b>-</b>
<b>20,304</b>	<b>Budget 2025 Savings Profile</b>	<b>24,000</b>	<b>2,500</b>	<b>466</b>	<b>-</b>

Table 13: Saving Proposals

The CSP outlines the Council of Ministers' approach and commitment to reprioritise budgets where appropriate to deliver objectives, curbing growth in the public sector, relying less on consultants and preventing unnecessary expenditure.

Budget 2026 continues with that approach to fund priorities; the Budget includes proposals to deliver savings over the plan period which will reduce spending. In addition to the savings proposed in Budget 2025, further role savings of £5 million are proposed from 2027 onwards. Savings previously unallocated to departments have been reprofiled to allow departments to focus on the delivery of existing allocated targets, giving time for a robust plan to ensure full delivery in 2027. Where possible these plans will be delivered in 2026 to generate capacity and ensure full delivery in 2027.

### *Reduction in roles through removing management layers, removing extraneous activity and reduction in consultancy*

Departments have progressed with plans to deliver against this £15 million role savings target set in Budget 2025. The 2025 role savings target of £6 million is forecast to be delivered in full by departments overall, with departments progressing towards delivery of the £9 million roles savings target in 2026. Of the role savings delivered so far, the majority of role savings that have been met to date are from removing unfilled vacant posts, minimising both financial costs and the human impact.

### *Reduce Office Footprint*

The move to the new government offices enables the consolidation of the overall office estate delivering ongoing revenue savings, through lower Government running costs. Due to existing

lease terms and conditions savings will be realised over a number of years, commencing in 2025 with £4.4 million fully realised by 2028.

### *HCJ Financial Recovery Plan*

Cost increases within the Health and Care Jersey department's control continue to be addressed by Financial Recovery Programme ("FRP"), which was first put in place in 2023 to help reduce HCJ's deficit through improved planning and control, more effective use of staff and resources, improved procurement and contract management, and optimisation of income generation. The FRP delivered £3.2 million savings in 2023 (against a £3 million target) and £6.8 million of recurring savings in 2024 (against a £5 million target). The FRP is due to deliver a further £8 million of savings in 2025, and £9 million of savings in 2026.

### *Pay Management*

Since 2018, full time equivalent employees have increased from approximately 6,000 FTE to 8,000 FTE by the end of 2024, with staff costs having risen over the same period from £418 million to £659 million over the same period. Budgeted staff costs for 2026 are estimated at over £700 million.

In line with their Common Strategic Policy, the Council of Ministers have committed to curbing the growth in the public sector. In recognition of this a provision is held within the Central Reserve to exert downward pressure on pay growth and curb the growth in the pay bill. This will help ensure the sustainability of public finances, delivering value for money for the taxpayers, taking into consideration workforce priorities and efficiencies.

Noting the savings to be made in 2027 we will work closely with colleagues and unions to control the overall cost of pay, ensuring that pay is balanced with productivity to avoid economic instability and inflationary pressures. This will encompass the challenge of developing sustainable pay strategies that retain and motivate public sector workers whilst managing significant savings to ensure sustainability in public finances.

### *Future Savings*

The growth in the public sector in recent years has been well-documented. This growth has been agreed by successive Assemblies, but we are increasingly seeing the challenge of balancing growing revenue spend against the need to invest in our Island and maintain our strong balance sheet, to ensure that we enjoy both sustainability and stability.

However, new expenditure is being used to deliver services or the priorities of government and reducing spending consequentially will have impacts. Understanding where the growth has occurred, and what benefit it has delivered must inform any decisions in terms of future reductions. This could include reviews of both what we deliver, and how we deliver it.

Delivering savings at the level proposed in 2027 is deliverable but will require choices to be taken in the next Budget, informed by robust analysis.

## Depreciation

Depreciation represents the cost of using Government assets in the provision of services. It is included when calculating whether the Government is running a surplus or a deficit, which follows FPP advice, and helps to ensure that the need to continue to invest in assets is adequately recognised in planning. The increase in depreciation during 2026-2029 reflects an estimated uplift in asset values, because of assets being either created or replaced.

## Reserve Head of Expenditure

This Budget includes a single Central Reserve head of expenditure. As well as a provision of £5 million for unforeseen expenditure in year. In addition, this reserve incorporates centrally held items such as provisions for inflation that have not been allocated to departments.

Within the Central Reserve, funds earmarked in the General Reserve are held outside of operational expenditure limits, and can be used to meet modest unforeseen pressures, or to provide advance funding for urgent expenditure in the public interest. In each year, amounts are held to manage fluctuations in benefit expenditure due to economic changes, and to allow one-off funding for emerging issues.

In recent years, reserves have relied upon underspends largely in the capital programme to top up reserve funds. However, with the rightsizing of the capital programme and pressures on public finances, particularly in health, the ability to carry forward unspent budgets into reserves is becoming increasingly limited.

The Central Reserve includes unallocated growth, where the exact amount or timing for spend is still uncertain. This includes funding for investment in competitiveness, assisted dying and monies to rebuild contingency for expected court and legal costs as a result of major incidents and ongoing sanctions cases.

Central Reserve Expenditure					
2025		2026	2027	2028	2029
Approved	£'000	Estimate	Estimate	Estimate	Estimate
7,000	General Reserve	5,000	5,000	5,000	5,000
-	General Reserve - Court and Case Costs	7,000	2,000	2,000	2,000
-	General Reserve - Expenditure Growth	7,525	6,727	8,688	21,218
25,197	Inflation Reserve	30,500	61,107	92,476	122,429
-	Pay Management	-	(17,431)	(17,431)	(17,431)
2,000	First Step Scheme	-	-	-	-
<b>34,197</b>	<b>Total Central Reserve Expenditure</b>	<b>50,025</b>	<b>57,403</b>	<b>90,733</b>	<b>133,216</b>

Table 14: Central Reserve Expenditure

Also included within Central Reserves, are inflation provisions for non-pay inflation over the years 2027–2029, with non-pay inflation allocated to departments in 2026. Pay inflation for the 2026 pay awards and future years are held centrally and not included within departmental budget allocations until pay awards have been agreed. A provision for pay management is held in Central Reserves, as outlined in the section on savings.

# Investing in Jersey: Capital Projects 2026-2029

## *Introduction*

In August 2025, the Council of Ministers published Investing in Jersey (IJ)<sup>17</sup>, a 25-year programme to renew and regenerate Jersey's public assets, and which aims to ensure that successive Governments prioritise investment in the Island's infrastructure.

At its heart is the creation of the Jersey Capital Investment Fund (JCIF) - a dedicated fund that will help to safeguard funding for investment in the Island's critical infrastructure, public buildings, and regeneration. Initially funded through existing capital budgets, which are enhanced in this Budget, additional transfers will be made into the Fund in future Budgets to align with the investment plans set out in the Investing in Jersey Plan.

Investing in Jersey aims to raise Government's planning horizon. It proposes a long-term approach to maintaining and enhancing our core infrastructure, ensuring that investment decisions are well-planned, strategic, and deliver value for money.

Investing in Jersey is not a one-off programme - it is a structural change in the framework surrounding the planning and funding of Government's capital programme, ensuring that the benefits are felt today and secured for generations to come.

## *Strategic Investment*

The Budget 2026-2029 includes new funding to commence the delivery of the Investing in Jersey vision. These projects will start to deliver visible, high-impact improvements across the Island, while Government works to embed a new framework for long-term capital investment well beyond the current Government's term.

Examples of early strategic investments include:

- Fort Regent Regeneration – £43 million – creating a modern, accessible leisure, events, and community destination.
- Loving Homes – £12 million – new and improved residential care facilities for children.
- Jersey Property Holdings (JPH) Estate Upgrades – £6 million – additional funding for major refurbishments, accessibility improvements, and energy efficiency upgrades across the public estate.
- Health Services Improvements – £5 million – investment in critical acute care facilities to keep the current hospital running alongside the New Hospital Facilities Project (NHFP).

These projects begin to lay the groundwork for sustained, coordinated investment that will follow in future budgets to deliver the ambition set out in Investing in Jersey.

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<sup>17</sup> Investing in Jersey (gov.je)

In addition, these initiatives funded directly by the Government of Jersey, arms-length bodies are also delivering schemes that support the Investing in Jersey programme including:

- Jersey Development Company's redevelopment of the waterfront
- Ports of Jersey's Harbours Masterplan and Airport Masterplan
- Andium's housing construction programme, which will add 583 new homes, including 253 family houses, by the end of 2028

## Capital Programme 2026-2029

The capital programme sets out the Government's detailed plans for investing in Jersey's key public assets – including buildings, roads, schools, digital systems, and critical utilities infrastructure. These investments are essential to ensure that public services remain safe, effective, and fit for the future.

By replacing and renewing our physical and digital infrastructure, we safeguard the services Islanders rely on every day – from healthcare and education to transport and emergency response. The programme reflects a commitment to planned, sustainable renewal rather than reactive, short-term fixes.

This section focuses on capital projects funded directly by the Government of Jersey. It does not cover the separately funded capital programmes of arm's-length bodies such as the States of Jersey Development Company, Andium Homes, or other State-Owned Entities – though these organisations will also deliver significant investments over the same period in alignment with Investing in Jersey's priorities.

### *How Capital Projects Are Funded and Approved*

Funding within the capital programme is allocated on a cashflow basis, meaning the funding provided each year reflects the amount required for that year's stage of delivery.

For transparency and accountability:

- Larger schemes are treated as Major Projects,
- Smaller or early-stage schemes are approved annually, with a four-year forecast of expected expenditure.

Under the Public Finances (Jersey) Law 2019, a Major Project is defined as:

- A capital project expected to last more than one year and cost more than £5 million; or
- Any project specifically designated as a Major Project in the Government Plan.

Major Projects are shown separately within each section of the programme.

To enable better management of smaller or early-stage projects, the programme also includes grouped heads of expenditure. These allow departments to manage multiple related projects within a single approved financial envelope, offering flexibility to adapt to timing or scope changes without requiring new Assembly approvals for every adjustment.

Once a project's full cost and timeline are confirmed, and it meets the definition of a Major Project, it is removed from the grouped head of expenditure and listed individually.

Example: A replacement school may begin in the “Educational Developments” grouped head of expenditure but will move to Major Project status once its detailed design, planning, and costing are complete.

## Capital Expenditure

The capital programme in this Budget proposes more than £1 billion for projects across 2026–2029 to invest in the Island’s critical infrastructure, the public sector estate, and Government’s information technology systems. It also enables the replacement of essential equipment and other assets. Planned investment over the period is well-above the level of annual depreciation, meaning the Government will be making a net investment in public assets over the period. This approach is consistent with the Investing in Jersey vision to strengthen the Island’s long-term position by renewing and enhancing the assets that support public services.

Table 15 provides a breakdown of the key thematic areas of spend within the capital programme, each of which is set out in further detail in the sections that follow. Budgets outlined below include unspent funds that have been reprofiled into future years.

Capital and Other Projects Programme					
2025		2026	2027	2028	2029
Approval	£'000	Estimate	Estimate	Estimate	Estimate
1,442	Feasibility	1,880	544	1,000	-
27,904	Estates	60,816	41,570	33,662	38,494
29,788	Infrastructure	34,083	29,580	27,850	37,850
20,618	Information Technology	25,214	14,851	1,040	350
13,130	Replacement Assets and Minor Capital	11,599	10,580	10,580	10,580
<b>92,882</b>	<b>Projects Expenditure (before healthcare facilities)</b>	<b>133,592</b>	<b>97,125</b>	<b>74,132</b>	<b>87,274</b>
73,000	Healthcare facilities	174,719	205,400	213,200	39,076
<b>165,882</b>	<b>Projects Expenditure (after healthcare facilities)</b>	<b>308,311</b>	<b>302,525</b>	<b>287,332</b>	<b>126,350</b>

Table 15: Capital and Other Projects Programme

In addition to the programme summarised above, the States Assembly is asked to approve the proposed capital plans of the Trading Funds and States Funds.

Proposed Schemes Funded from Trading Funds					
		2026	2027	2028	2029
£'000		Estimate	Estimate	Estimate	Estimate
	Vehicle and Plant Replacement	2,371	2,177	2,136	5,218
	Car Park Enhancement and Refurbishment	500	2,070	9,460	390
	<b>Trading Funds Total</b>	<b>2,871</b>	<b>4,247</b>	<b>11,596</b>	<b>5,608</b>

Table 16: Scheme Funded from Trading Funds

Proposed Schemes Funded from the Social Security Fund					
Project		2026	2027	2028	2029
Total	£'000	Estimate	Estimate	Estimate	Estimate
30,605	Benefits and Payments (Transform)	8,839	7,135	3,576	-
<b>30,605</b>	<b>Social Security Fund Total</b>	<b>8,839</b>	<b>7,135</b>	<b>3,576</b>	<b>-</b>

Table 17: Scheme Funded from Social Security Fund

## Feasibility

<b>Feasibility</b>				
	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Feasibility	1,880	544	1,000	-
<b>Total Feasibility</b>	<b>1,880</b>	<b>544</b>	<b>1,000</b>	<b>-</b>

Table 18: Feasibility

The Government of Jersey uses a gateway approach to inform decisions on project investment. To support this process, the Budget includes a dedicated allocation for feasibility. This enables departments to assess and refine new proposals and the associated financial requirements.

Feasibility funding is held within a grouped head of expenditure. This structure provides flexibility by funding indicative projects while allowing adjustments to be made as policy and planning work evolves. Funds can be reallocated as projects progress more quickly or slowly than anticipated. To support emerging priorities and avoid unnecessary delays, feasibility funding can also be accessed in-year, subject to the appropriate approvals. The governance and management arrangements for this funding are set out in the Public Finances Manual.

Table 19 sets out current feasibility plans for the Budget 2026-2029.

<b>Feasibility - Breakdown of Grouped Head of Expenditure</b>				
	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Feasibility, of which;</b>				
- Education Estate	500	-	-	-
- Cycling and Walking Infrastructure Delivery Programme	255	-	-	-
- Shoreline Management Plan - Havre Des Pas	400	544	1,000	-
- Vehicle Testing Service	100	-	-	-
- Loving Homes Estate	625	-	-	-
<b>Total Feasibility</b>	<b>1,880</b>	<b>544</b>	<b>1,000</b>	<b>-</b>

Table 19: Feasibility - Breakdown of Grouped Head of Expenditure

This Budget extends exploratory funding for the Shoreline Management Plan into 2028. This is a programme intended to enable the Island to manage the risk of coastal erosion and flooding linked to rising sea levels. Funding in this Budget is for the first project at Havre des Pas feasibility for which is already underway. It also introduces new funding for the Loving Homes Estate programme to strengthen the provision of residential care for children. This funding will enable the feasibility work needed to inform delivery projects in late 2026 and subsequent years.

Funds will also be used in 2026 to develop plans for new cycling and walking infrastructure, and to continue feasibility work on the new Gas Place School and Mont à L'Abbé Secondary school.

## Estates

Estates							
Project		Spon	Supp	2026	2027	2028	2029
Total	£'000	Dept <sup>18</sup>	Dept <sup>19</sup>	Estimate	Estimate	Estimate	Estimate
41,000	Mont a' L'Abbe Secondary (M)	ELL	I&E	400	3,917	14,194	14,830
7,500	Le Squez (M)	ELL	I&E	-	-	4,500	2,997
16,129	North of St Helier Youth Centre (M)	C&F	I&E	4,697	8,502	1,529	-
-	New School and Educational Developments	ELL	I&E	-	-	2,500	13,000
11,970	Loving Homes Estate	C&F	I&E	2,269	2,134	2,900	4,667
-	Upgrades to CYPES Estates	ELL	ELL	3,800	2,500	4,789	-
8,850	Learning Difficulties - Specialist Accommodation (M)	HCJ	HCJ	2,700	1,624	-	-
-	Health Services Improvements Programme	HCJ	HCJ	5,000	-	-	-
1,000	Crematorium	I&E	I&E	500	250	250	-
-	Major Refurbishment and Upgrades	I&E	I&E	6,675	4,460	2,000	2,000
-	Land Acquisition	I&E	I&E	-	-	-	-
-	Other I&E Estate Projects	I&E	I&E	1,307	750	1,000	-
43,000	Fort Regent Redevelopment (M)	I&E	I&E	26,067	16,933	-	-
24,403	Fire & Rescue Headquarters (M)	JHA	I&E	53	500	-	1,000
1,697	Army and Sea Cadets Headquarters	JHA	I&E	1,400	-	-	-
5,991	Dewberry House - Sexual Assault Referral Centre (M)	SoJP	SoJP	5,288	-	-	-
2,721	Prison Phase 8	JHA	I&E	660	-	-	-
164,261	<b>Total Estates</b>			<b>60,816</b>	<b>41,570</b>	<b>33,662</b>	<b>38,494</b>

Table 20: Estates | (M) indicates a Major Project

### *Education and Lifelong Learning (ELL) and Children and Families (C&F)*

Funding for ELL and C&F Major Projects in this Budget:

- A new Major Project is created in this Budget for the development of the North of St Helier Youth Centre, moving funding out of the New Schools and Educational Developments grouped head of expenditure. Located on the site of the former Ann Street Brewery, the facility will become the Island's flagship youth centre enhancing opportunities for young people in St Helier and the wider catchment area. It will bring local services into line with the high-quality provision available elsewhere in the Island and will strengthen the youth service's presence in the Island's capital. The centre will also house the Youth Enquiry Service (YES) counselling service, providing a visible and accessible base for outreach, support, and community engagement. Once complete, it will be a vital platform for promoting inclusion, aspiration, and wellbeing among young Islanders.
- A new secondary school at Mont à L'Abbé – will expand the Island's provision of care and learning for children with moderate to severe learning difficulties, creating an environment tailored to their needs. In combination with the primary school, this single campus will create a specialised hub to accommodate learning from ages 0-25 as well

<sup>18</sup> Sponsoring Department refers to the client department, the Accountable Officer for which is accountable for the project

<sup>19</sup> Supplying Department refers to the delivery department that delivers a project on behalf of the Sponsoring Department.

as respite care. Budgets in this plan have been updated to reflect the most up-to-date delivery expectations, but following the completion of the procurement phase, the department will work closely with the contractor to accelerate the implementation of the project as far as possible.

- A new youth centre at Le Squez - will create a new community hub and space for young people in the community to use and enjoy. Providing a link to other youth centres across the Island and a safe place for children and young people to meet and socialise.

Funding for other ELL and C&F estate priorities is consolidated within three grouped heads of expenditure:

- New Schools and Educational Developments provides funding for a town-based school at Gas Place in later years of the Budget.
- Loving Homes Estate is part of a wider whole-system change intended to significantly expand and modernise Jersey's residential care capacity, ensuring children and young people have safe, stable homes that meet their needs. Building on the progress made since the Independent Jersey Care Inquiry, the plan will reshape the residential estate to deliver a high-quality, sustainable model of care on-Island. The investment includes new residential homes to increase sufficiency, specialist provision including upgrades to the secure children's home, and supported accommodation for young people preparing for independence. Table 21 shows the indicative allocation across the two components of the programme. In 2026, funding will deliver a new residential care facility in the North of St Helier and enable initial improvements to be made the Greenfields and Oakside specialist care facilities.

<b>Loving Homes Estate - Breakdown of Grouped Head of Expenditure</b>						
	<b>Spon</b>	<b>Supp</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>£'000</b>	<b>Dept</b>	<b>Dept</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Residential Care	C&F	I&E	1,934	2,134	1,067	1,000
Specialist Care	C&F	I&E	335	-	1,833	3,667
<b>Other I&amp;E Estate Projects</b>			<b>2,269</b>	<b>2,134</b>	<b>2,900</b>	<b>4,667</b>

Table 21: Loving Homes Estates - Breakdown of Grouped Head of Expenditure

- Upgrades to the CYPES estate will support a broader range of needs, including efforts to improve the condition of existing facilities. This includes school enhancement works, the future modernisation of youth service buildings, and improvements to sports fields and play areas. Table 22 shows an indicative allocation, with the grouped head of expenditure giving the flexibility to reprioritise as needed based on the urgency and readiness of projects in-year.

<b>Upgrades to CYPES Estates - Breakdown of Grouped Head of Expenditure</b>						
<b>£'000</b>	<b>Spon Dept</b>	<b>Supp Dept</b>	<b>2026 Estimate</b>	<b>2027 Estimate</b>	<b>2028 Estimate</b>	<b>2029 Estimate</b>
School Improvements	ELL	ELL	3,000	2,000	1,474	-
Discrimination, Disability & Accessibility Works	ELL	ELL	300	-	-	-
Residential Homes and Secure Settings	C&F	C&F	500	500	500	-
Field Developments & Play Space	ELL	I&E	-	-	1,415	-
Existing Youth Service Facilities	ELL	I&E	-	-	1,400	-
<b>Upgrades to CYPES Estates</b>			<b>3,800</b>	<b>2,500</b>	<b>4,789</b>	<b>-</b>

Table 22: Upgrades to CYPES Estates - Grouped Head of Expenditure

## *Health and Care Jersey Estate*

Funding for essential works within the HCJ estate includes the development of specialist accommodation for Islanders with learning difficulties and an extension of the rolling programme of renovations within the General Hospital. Due to the current hospital's age, ongoing refurbishment works are required to ensure the delivery of safe and modern services pending the construction of New Healthcare Facilities to meet the Island's long-term health and care needs.

## *Infrastructure and Environment Estate*

### *Crematorium*

In line with asset replacement plans, the crematorium is due for a refit and refurbishment to ensure this essential part of the Island's infrastructure can continue to reliably deliver services to Islanders.

### *Fort Regent Redevelopment*

This Budget allocates £43 million to initiate the transformation of Fort Regent. This initial funding, to be financed through borrowing, is for the enabling works that represent the critical first step in unlocking the Fort's long-term potential. They include the strip-out of obsolete infrastructure, major upgrades to mechanical and electrical systems, and essential repairs to the listed roof structure and historic walls. This investment will stabilise and prepare the site for future development while safeguarding its unique heritage. It marks the beginning of the Government's ambitious plans to reimagine Fort Regent as a landmark leisure destination—enabling it to once again take its place at the heart of Island life.

### *Major refurbishments and upgrades*

In line with the Investing in Jersey vision to ensure the Government is adequately maintaining and refurbishing the Island's essential public buildings, an additional £6.7 million has been provided in this Budget to support refurbishment works across the Government estate. The works will be prioritised in line with an extensive condition survey of Government-owned properties that was finalised in 2024 and has been refreshed in 2025.

The Major Refurbishments and Upgrades grouped head of expenditure also continues specific funding for support programmes of works related to fire safety within the CYPES estate and

upgrades at Highlands College. Works at Highlands College have been accelerated in light of recent condition reports and will now complete in 2026, two years earlier than previously planned.

Table 23 provides an indication of the breakdown of funding across the grouped head of expenditure.

<b>Major Refurbishments and Upgrades - Breakdown of Grouped Head of Expenditure</b>						
<b>£'000</b>	<b>Spon Dept</b>	<b>Supp Dept</b>	<b>2026 Estimate</b>	<b>2027 Estimate</b>	<b>2028 Estimate</b>	<b>2029 Estimate</b>
Major Refurbishment and Upgrades	I&E	I&E	2,650	4,460	2,000	2,000
Fire Safety in CYPES Estate	I&E	I&E	2,130	-	-	-
Highlands College	I&E	I&E	1,895	-	-	-
<b>Major Refurbishment and Upgrades</b>			<b>6,675</b>	<b>4,460</b>	<b>2,000</b>	<b>2000</b>

Table 23: Major Refurbishments and Upgrades - Breakdown of Grouped Head of Expenditure

### *Land Acquisition*

The Government's land and property holdings are currently under review, and it is expected that there will be need for a strategic rebalancing of Government of Jersey owned properties through disposals and acquisitions to ensure that Government's land and estates portfolio is optimised to support the delivery of the Island's needs.

The Land Acquisition head of expenditure exists to allow the Government to make strategic purchases. In accordance with (and pursuant to) Standing Order 168, the Minister for Infrastructure hereby notifies the States that he has accepted the recommendation of Jersey Property Holdings to acquire Gas Site, Tunnell Street, St Helier from Andium Homes Limited ("Andium") for the development of a new town-based school. To ensure that the purchase can proceed without delay, it is proposed that the purchase is for a nominal amount e.g. £1, with an agreed reduction (£1.5 million) to the return paid by Andium over a 10-year period to ensure that Andium is compensated for the value of property in due course. This reduction would be formalised as an amendment to the transfer agreement with Andium. If other funds become available (for example one-off income or property receipts), then it may be possible to settle the full amount earlier and restore the return to its unadjusted value.

### *Other Estate Projects*

This includes budgets for the implementation of the Discrimination Law, Safeguarding and Regulation of Care across the Government Estate, and construction of new skatepark facilities. The delivery of a new skatepark in St Helier is being accelerated in this Budget and will now complete in 2026.

<b>Other I&amp;E Estate Projects - Breakdown of Grouped Head of Expenditure</b>						
<b>£'000</b>	<b>Spon Dept</b>	<b>Supp Dept</b>	<b>2026 Estimate</b>	<b>2027 Estimate</b>	<b>2028 Estimate</b>	<b>2029 Estimate</b>
Community Site Improvements (DDA)	I&E	I&E	750	750	1,000	-
New Skatepark	I&E	I&E	557	-	-	-
<b>Other I&amp;E Estate Projects</b>			<b>1,307</b>	<b>750</b>	<b>1,000</b>	<b>-</b>

Table 24: Other I&E Estates Projects - Breakdown of Grouped Head of Expenditure

## *Justice, Home Affairs and States of Jersey Police Estate*

Funding continues in this Budget in respect of new headquarters for the fire and rescue service. Funding for a new army and sea cadet headquarters is also continued and has been updated in this Budget to reflect opportunities being explored for a more cost-effective solution. Funding in 2026 will be utilised to conduct advance work needed before construction funds are committed in a future budget.

Funding from the Criminal Offences Confiscation Fund (COCF) is provided to enable the completion of the Sexual Assault Referral Centre (SARC) at Dewberry House, and improvements to HM Prison La Moye. Funding for the SARC is increased by £1.7 million in this Budget in line with revised costings, and it is designated as a Major Project.

## Infrastructure

Infrastructure							
Project		Spon	Supp	2026	2027	2028	2029
Total	£'000	Dept	Dept	Estimate	Estimate	Estimate	Estimate
-	Infrastructure Rolling Vote and Public Realm	I&E	I&E	16,850	16,850	16,850	16,850
51,307	Liquid Waste Key Infrastructure (M)	I&E	I&E	13,428	10,000	10,000	10,000
TBC	Shoreline Management Plan - Havre des Pas	I&E	I&E	-	-	-	10,000
-	Other Infrastructure	I&E	I&E	3,805	2,730	1,000	1,000
<b>51,307</b>	<b>Total Infrastructure</b>			<b>34,083</b>	<b>29,580</b>	<b>27,850</b>	<b>37,850</b>

Table 25: Infrastructure | (M) indicates a Major Project

### *Infrastructure Rolling Vote and Public Realm*

The Infrastructure Rolling Vote and Public Realm programme is the most significant programme of infrastructure investment in the Budget.

The Infrastructure Rolling Vote is a programme of continual improvements to maintain key infrastructure such as the Island's roads, drains and sea defences, which need on-going maintenance and replacement over time. This is critical ongoing activity that is integral to the continued functioning of critical infrastructure that Islanders depend on.

Funding for Public Realm is included within the rolling vote, to allow for the continual improvement and safety of roads, paths, and public spaces in and around St. Helier and across the Island. This funding plays a major role in realising the Council of Ministers' CSP to revitalise St Helier.

### *Liquid Waste Key Infrastructure*

This Budget provides £43 million for the Liquid Waste Key Infrastructure project that seeks to deliver the Liquid Waste Strategy. The project will expand capacity on the Island's surface water and foul sewage drainage network in order to support the housing development needs identified in the Bridging Island Plan and support the policy response to the Island's housing crisis. It also delivers essential improvements that need to be made to increase the pumping station capacity and replace ageing pipe infrastructure to enable it to cope with increased volumes.

Funding provided for the project in 2027 is enabled by asset disposals. In line with the past two Budgets, costs for 2028 and later years are intended to be met through the introduction of a liquid waste charging mechanism, which will be proposed in the next Budget. Further approvals will be required from 2030 and will increase the total approval. Cost estimates have increased substantially following more detailed feasibility work and recent tenders. An ongoing investment of £5 million to £10 million is likely to be required to sustain the expanded network once the project completes and will need to be established as part of a rolling vote.

### *Shoreline Management Plan – Havre des Pas*

An initial indicative annual requirement for the implementation of the first Shoreline Management Plan project at Havre des Pas was included in Budget 2025 -2028. The amount is now increased to £10 million in this Budget and proposed cashflow requirements have been revised in line with the latest project timescales. Detailed feasibility work for the project is ongoing that will help to determine the precise form and cost of the project. An additional £1 million is proposed in this Budget to continue that work into 2029. The current Strategic Outline Case anticipates extensive construction of new sea defences that would require a total project investment of between £75 million and £160 million to be implemented 2029 to 2034. The Assembly will be asked to establish the project as a Major Project in subsequent budgets once feasibility work has been completed and an Outline Business Case developed.

### *Further Listed Infrastructure Projects*

Heads of expenditure are also included for Countryside Access and Signage, Road Safety and Planning Obligation Agreements. Funding for these heads of expenditure is generated from programme underspends in the case of countryside projects, and from income from car park trading fund and third-party planning applications for developments respectively for the latter projects.

### *Other Infrastructure*

A grouped head of expenditure for all other infrastructure projects includes funding for the La Collette Waste Site, and the extension of the Island's sewage network. There is additional investment in Parks and Gardens, upgrading our equipment and open public spaces.

<b>Other Infrastructure Projects - Breakdown of Grouped Head of Expenditure</b>						
<b>£'000</b>	<b>Spon Dept</b>	<b>Supp Dept</b>	<b>2026 Estimate</b>	<b>2027 Estimate</b>	<b>2028 Estimate</b>	<b>2029 Estimate</b>
La Collette Waste Site Development	I&E	I&E	2,845	2,005	500	500
Parks & Gardens Upgrades	I&E	I&E	460	225	-	-
Drainage Foul Sewer Extensions	I&E	I&E	500	500	500	500
<b>Other I&amp;E Estate Projects</b>			<b>3,805</b>	<b>2,730</b>	<b>1,000</b>	<b>1,000</b>

Table 26: Other Infrastructure Projects - Breakdown of Grouped Head of Expenditure

## Information Technology

Information Technology							
Project		Spon	Supp	2026	2027	2028	2029
Total	£'000	Dept	Dept	Estimate	Estimate	Estimate	Estimate
10,621	Cyber Programme 2.0 (M)	DS	DS	3,714	3,943	-	-
13,000	IT Infrastructure Improvement Programme	DS	DS	6,000	3,399	-	-
2,205	Digital Government Platform	DS	DS	600	-	-	-
18,308	Digital Care Strategy (M)	HCJ	HCJ	1,596	380	200	-
3,850	Digital Systems Improvements	HCJ	HCJ	1,250	495	490	-
850	Next Passport Project	JHA	JHA	550	-	-	-
2,263	Combined Control Room	JHA	JHA	200	-	-	-
667	Electronic Patient Records	JHA	JHA	94	-	-	-
10,531	Revenue Transformation Programme (Phase 3) (M)	T&E	T&E	1,108	-	-	-
10,168	Revenue Transformation Programme (Phase 4) (M)	T&E	T&E	3,322	3,069	-	-
11,210	Pillar 2 implementation (M)	T&E	T&E	5,350	3,400	350	350
4,191	Court Digitisation	JUG	JUG	220	-	-	-
650	Replacement LC-MS System	OAN	OAN	650	-	-	-
756	Probation/Prison Offender Case Management	PRO	PRO	425	120	-	-
747	Automatic Electoral Registration	STA	DS	135	45	-	-
<b>90,017</b>	<b>Total Information Technology</b>			<b>25,214</b>	<b>14,851</b>	<b>1,040</b>	<b>350</b>

Table 27: Information Technology | (M) indicates a Major Project

### Information Technology Investment

This Budget continues support for the development of the Government's digital systems, which has been a consistent strategic imperative for successive Governments.

#### Cyber Programme 2.0

Investment in the Cyber Security 2.0 Major Project continues in the Budget. The project seeks to ensure that Government is able to adequately respond to the increasing complex cyber threat, which has grown in recent years due to the challenging geopolitical risk landscape. It builds on the successful implementation of the earlier Cyber Programme.

#### Revenue Transformation Programme Phases 3 and 4

The Revenue Transformation Programme (RTP) Phases 3 and 4 are Major Projects that will continue in the Capital Programme. They enable adaptations for digital tax systems to take account of changes in tax legislation including the adoption of independent taxation, changes in respect of the prior-year basis and the requirement for automatic exchange of tax information internationally. Funding for RTP phase 4 is reduced by £1.1 million in this Budget as a more cost-effective solution for implementing Automatic Exchange of Information requirements has been identified. The associated funding is being transferred RTP phase 3 to meet additional costs arising from the States proposition 32/2023<sup>20</sup>, which increased the costs associated for implementing independent taxation above the original budget for the programme.

<sup>20</sup> States Assembly | P.32/2023

## *Pillar Two Implementation*

A new Major Project is created in this Budget for the implementation of the Multinational Corporate Income Tax (Jersey) Law, which introduced changes to the Island's business tax regime in line with OECD's Pillar Two. Funding will support the necessary IT infrastructure required and the setup costs associated with implementation.

## *IT Infrastructure Improvement Programme*

Funding continues for upgrades to Government's digital systems. The programme is intended to upgrade Government's aging digital infrastructure, simplify digital systems and improve the reliability of the IT network across government. To provide greater flexibility within this programme of work, the IT Infrastructure Improvement Programme grouped head of expenditure has been established and Table 28 sets out the indicative allocation for each of the underlying projects. The allocation of resources between projects has been revised this year to ensure funds are being used in a manner that maximises outcomes.

<b>IT Infrastructure Improvement Programme - Breakdown of Grouped Head of Expenditure</b>						
<b>£'000</b>	<b>Spon Dept</b>	<b>Supp Dept</b>	<b>2026 Estimate</b>	<b>2027 Estimate</b>	<b>2028 Estimate</b>	<b>2029 Estimate</b>
Service Delivery Improvements	DS	DS	1,338	758	-	-
Networking Infrastructure Improvements	DS	DS	689	390	-	-
Applications Infrastructure Improvements	DS	DS	2,116	1,199	-	-
Infrastructure Improvements	DS	DS	1,857	1,052	-	-
<b>IT Infrastructure Improvement Programme</b>			<b>6,000</b>	<b>3,399</b>	-	-

Table 28: IT Infrastructure Improvement Programme - Breakdown of Grouped Head of Expenditure

## *Investment in HCJ Digital Priorities*

Complementing the substantial additional investment in digital health in the Health and Care Jersey base budget, funding is continued for digital projects. The Digital Care Strategy includes further releases of the Hospital Electronic Patient Records system and work related to the development an e-referrals system. Digital Systems Improvements is intended to develop an electronic patient record system for mental health and care services.

## Replacement Assets and Minor Capital

Replacement Assets and Minor Capital							
Project		Spon	Supp	2026	2027	2028	2029
Total	£'000	Dept	Dept	Estimate	Estimate	Estimate	Estimate
-	Replacement Assets and Minor Capital - DS	DS	DS	2,500	2,500	2,500	2,500
-	Replacement Assets and Minor Capital - ELL	ELL	ELL	300	300	300	300
-	Replacement Assets and Minor Capital - HCJ	HCJ	HCJ	2,300	2,500	2,500	2,500
-	Replacement Assets and Minor Capital - I&E	I&E	I&E	4,550	4,550	4,550	4,550
3,332	Fisheries Protection Vessel & Auxiliary Vessels	I&E	I&E	1,219	-	-	-
-	Replacement Assets and Minor Capital - JHA	JHA	JHA	380	380	380	380
-	Replacement Assets and Minor Capital - SoJP	SoJP	SoJP	350	350	350	350
<b>3,332</b>	<b>Total Replacement Assets and Minor Capital</b>			<b>11,599</b>	<b>10,580</b>	<b>10,580</b>	<b>10,580</b>

Table 29: Replacement Assets and Minor Capital

Replacement asset funding is provided to departments to replace key operational equipment on an annual basis to ensure our assets are maintained at an appropriate standard for the ongoing delivery of public services.

Funding is generally provided at a consistent level that is aligned with the average replacement cycles as equipment reaches the end of its safe useful life and needs replacing for newer equipment. Specific funding is also provided for the replacement of the Fisheries Protection Vessel, which is due to be delivered in 2026.

## Changes to Project Approvals

In addition to cash flow requirements for 2026, the Budget approves the total expenditure for projects designated as Major Projects including any updates to existing Major Project approvals that may be necessary. The total approvals for new and existing Major Projects in this plan are as set out in Table 30.

Major Projects					
£'000	Spon	Supp	Previous	Total	Change
	Dept	Dept	Total	Project Approval	
Mont a' L'Abbe Secondary	ELL	I&E	41,000	41,000	-
Le Squez	ELL	I&E	7,500	7,500	-
North of St Helier Youth Centre	C&F	I&E	10,237 <sup>21</sup>	16,129	5,892
Learning Difficulties - Specialist Accommodation	HCJ	HCJ	8,850	8,850	-
New Healthcare Facilities	HCJ	I&E	770,360	770,360	-
Digital Care Strategy	HCJ	HCJ	18,308	18,308	-
Liquid Waste Key Infrastructure	I&E	I&E	21,307	51,307	30,000
Fort Regent Redevelopment	I&E	I&E	-	43,000	43,000
Fire & Rescue Headquarters	JHA	I&E	24,403	24,403	-
Revenue Transformation Programme (Phase 3)	T&E	T&E	9,425	10,531	1,106
Revenue Transformation Programme (Phase 4)	T&E	T&E	11,274	10,168	(1,106)
Cyber Programme 2.0	DS	DS	10,621	10,621	-
Pillar 2 implementation	T&E	T&E	4,360	11,210	6,850
Dewberry House - Sexual Assault Referral Centre	SoJP	SoJP	4,291	5,991	1,700

Table 30: Major Projects

For projects that are not classified as Major Projects, the Budget approves only the cash flow requirement for 2025. However, to provide transparency over the total intended cost of projects, Table 31 sets out the total intended budget for other projects and indicates any changes from previous plans.

<sup>21</sup> Funding for the North of St Helier Youth Centre was held in the New Schools and Educational Developments Head of Expenditure in 2025 pending the finalisation of the Outline Business Case, which confirmed costings.

Other Projects					
£'000	Spon	Supp	Previous	Total	Change
	Dept	Dept	Total	Project Approval	
Crematorium	I&E	I&E	1,000	1,000	-
Army and Sea Cadets Headquarters	JHA	I&E	4,993	1,697	(3,296)
Digital Government Platform <sup>22</sup>	DS	DS	1,800	2,205	405
Digital Systems Improvements	HCJ	HCJ	3,850	3,850	-
Next Passport Project	JHA	JHA	850	850	-
Combined Control Room <sup>23</sup>	JHA	JHA	2,047	2,263	216
Electronic Patient Records	JHA	JHA	667	667	-
Prison Phase 8	JHA	I&E	2,721	2,721	-
Court Digitisation	JUG	JUG	4,017	4,191	174
Replacement LC-MS System	OAN	OAN	650	650	-
Probation/Prison Offender Case Management system	PRO	PRO	763	756	(7)
Automatic Electoral Registration	STA	DS	974	747	(227)
Fisheries Protection Vessel & Auxiliary Vessels	I&E	I&E	3,332	3,332	-

Table 31: Other Projects

Certain heads of expenditure within the capital programme are categorised as 'rolling votes'. They provide an annual source of funding for asset upgrades, replacement and refurbishment to ensure our assets remain at an appropriate standard. Table 32 sets out the changes to the level of funding provided for rolling votes in this Budget.

Rolling Votes					
£'000	Spon	Supp	2025	2026	Change
	Dept	Dept	Approval	Approval	
Health Services Improvements Programme	HCJ	HCJ	5,000	5,000	-
Infrastructure Rolling Vote and Public Realm	I&E	I&E	16,850	16,850	-
Replacement Assets and Minor Capital - DS	DS	DS	2,500	2,500	-
Replacement Assets and Minor Capital - ELL	ELL	ELL	300	300	-
Replacement Assets and Minor Capital - HCJ	HCJ	HCJ	2,250	2,300	50
Replacement Assets and Minor Capital - I&E	I&E	I&E	4,550	4,550	-
Replacement Assets and Minor Capital - JHA	JHA	JHA	380	380	-
Replacement Assets and Minor Capital - SoJP	SoJP	SoJP	350	350	-

Table 32: Rolling Votes

<sup>22</sup> The total project approval for Digital Government Platform is updated to reflect the higher spend in 2024 than was anticipated when the Budget 2025-2028 was lodged. The project was rescope in 2024 resulting in an overall budget reduction, so this change does not reflect an overall increase in funding approved by the States Assembly.

<sup>23</sup> The total project approval is updated to restore funding no longer expected to be required when the Budget 2025-2028 was lodged, but the total approval remains in line with amounts previously approved by the States Assembly.

## New Healthcare Facilities Programme

The New Healthcare Facilities (NHF) multi-site phased approach has now been advanced and supported by an Outline Business Case produced in summer of 2024 which supported funding of £710 million allocated in Budget 2025 to deliver:

- An acute facility at Overdale.
- Meaningful progress on the Ambulatory facilities at Kensington Place and the Health Village.
- Some meanwhile use work on the Ambulatory facilities at Kensington Place and utilising some of the existing Jersey General Hospital site.
- The Enid Quenault Health and Wellbeing Centre at Les Quennevais, utilised on a longer-term basis.
- The delivery and continued use of the St Ewolds facility for rehabilitation services.
- Acquisition of further land and properties necessary to deliver the programme.
- Provision and use of decant facilities.

Whilst there has been no change in the required funding although the cashflow has been amended to more accurately reflect the Programme delivery dates. The funding strategy remains unchanged, and it set out in the section on 'States Borrowing'.

The Acute Facility now has planning approval and discussions with potential delivery partners are well advanced within the procurement process such that it is anticipated that there will be a signed contract for construction to begin by the end of 2025. Works at Overdale have already been completed to provide a clear site and the second half of 2025 will see further works on site clearance, utility works, site hoardings and excavations. These are important to ensure that the main construction works can begin in earnest.

There is a need to develop the proposals for the ambulatory and mental health aspects of the healthcare services. Work on these has begun and it is anticipated that these will be progressed in 2025 to begin some limited physical works in 2026 within the current total funding envelope of £710 million. No spend or commitments on will be made in excess of the allocations in the outline business case without suitable approval.

There is a robust governance process in place which is designed to ensure compliance with relevant frameworks but allow decision making to be agile as the key dates for the construction of the main Acute Hospital approach.

The planned activities will not create a contractual obligation for future phases of the programme, and this phase of work allows for current healthcare services provided within a hospital setting to continue to be provided.

Work has begun on the scope of the Full Business Case for Phase 1 that will provide further information within the Commercial case on the contractual arrangements with the Main Works Delivery Partner and updating the financial revenue modelling, benefits and the management of the Programme as it moves more firmly into the construction phase. This will be supported by additional information in relation to workforce and transformation, reflecting evolving HCJ clinical and workforce strategies.

## Jersey Capital Investment Fund

This Budget seeks the States Assembly's approval in-principle for the establishment of the Jersey Capital Investment Fund, with the Minister for Treasury and Resources to bring forward enabling legislation in the new year. This marks a key step in strengthening Jersey's fiscal framework for long-term infrastructure investment.

### *Objectives*

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.

### *Long-Term Capital Planning: A 25-Year View*

The Government of Jersey has a multi-billion-pound portfolio of property, infrastructure and equipment assets. These assets are intrinsic to Island-life they include our transport network, coastal defences, schools, emergency services buildings and sport infrastructure. They are fundamental to the successful functioning of our economy and to quality of life on the Island. Government must take a long-term view to ensure public infrastructure and buildings are optimised to meet the current and emerging needs of Islanders.

In line with the Investing in Jersey vision, the Jersey Capital Investment Fund will be underpinned by a 25-year Long-Term Capital Plan that helps to ensure investment decisions are well-informed, sustainable, and properly sequenced to support core public services and meet future challenges.

The Long-Term Capital Plan will forecast investment requirements over a 25-year period. The first four years will form part of the Budget. The remainder of the plan will set out a forward programme, with a well-developed 10-year horizon supported by business cases for identified investment needs, while longer-term requirements will represent a more indicative view.

Within any capital programme there will be elements that are relatively objective – such as the need to maintain and periodically refurbish or replace buildings that will always have a role in providing public services – and those that are more a question of choice. Reflecting this distinction and the need to try to build greater consensus around the need to adequately fund works that are unavoidable, the plan will seek to separately identify these two core components:

### 1. *Essential Spending*

This includes all investment required to sustain the delivery of current services, including:

- Refurbishment or replacement of existing public assets that are reaching the end of their useful life.
- Upgrades required to maintain service continuity in response to evolving demographic pressures, climate resilience needs, or other macro drivers of demand.
- Essential maintenance works and associated lifecycle costs.

To be included, projects will generally relate to assets that are already part of the public estate and be necessary to ensure the continuation of services at current or expected levels. This plan is informed by individual Asset Management Plans and supported by condition surveys that will periodically be commissioned (e.g. every five-years).

### 2. *Change and Improvement Spending*

This includes investment that extends the scope, user experience or quality of public services, including:

- New infrastructure to support policy reforms or service expansion.
- Digital transformation and investment in modern technologies.
- Projects that improve accessibility, sustainability, efficiency or user experience.
- Strategic opportunities to deliver services differently or more effectively.

Inclusion in this category is based on whether the supporting business case demonstrates the value of the proposed change, including how it aligns with wider Government priorities and benefits Islanders.

## Strengthening Internal Governance and Coordination

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 capital project needs identification and approval.

To support these aims, Government is exploring a range of options to improve the internal governance of capital investment, including:

- ***Improving cross-government coordination:*** Exploring whether additional fora are needed or current functions need to be re-imagined to support early identification of priorities, better alignment between departmental plans, and more effective sequencing of projects across the investment portfolio.
- ***Enhancing asset-based planning:*** Strengthening asset management plans and condition survey processes so that they can inform investment priorities, identify risks, and shaping the essential spending component of the Long-Term Capital Plan. This will help ensure that business cases and investment decisions are grounded in evidence about asset condition, service needs, and long-term cost.
- ***Improving oversight of delivery performance:*** Developing more structured approaches to monitor progress, manage risk, and assess the delivery of capital programmes against time, cost and scope. This will support continuous improvement and allow for more informed decision-making over time.

All projects proposed for inclusion in the Long-Term Capital Plan will continue to be reviewed through the investment appraisal process. The existing model of cashflow-based budgeting 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 with the certainty needed for successful delivery.

### ***Enhancing Transparency, Accountability and Democratic Oversight***

Ensuring that Jersey's infrastructure remains able to support the effective delivery of public services and meet the evolving needs of Islanders is not solely the responsibility of Government – it is a shared duty of the States Assembly, and Scrutiny Panels in particular. 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 Long-Term Capital Plan.

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.

With these principles in mind, the Government is committed to exploring further ways to enhance democratic oversight and transparency, including:

- ***Strengthening proactive reporting*** to the States Assembly and Scrutiny Panels, including capital programme delivery updates, performance data, and summaries of asset condition and maintenance forecasts.
- ***Providing periodic briefings on key planning assumptions*** that underpin long-term capital investment – such as the implications of climate change, demographic

trends, technological change, shifts in service demand, and the evolving condition of public assets – to support more informed debate and understanding of future infrastructure needs.

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.

### ***Funding the Jersey Capital Investment Fund***

Funding levels for the JCIF will be guided by the investment needs set out in the Long-Term Capital Plan, with a particular emphasis on the essential spending component – the investment required to sustain existing public services and assets in a fit-for-purpose condition.

As a minimum, the Government intends to ensure that transfers to the JCIF from the Consolidated Fund aligns over time with depreciation costs, which reflect the consumption of assets over time. This helps to ensure that, on average, capital investment at least keeps pace with the wearing out or obsolescence of existing assets.

Additional funding for the JCIF will be financed from a range of sources including some combination of the following:

- ***Reprioritisation of existing budgets***  
In light of the unsustainable growth in public service expenditure since 2018, opportunities exist for resources to be reprioritised from day-to-day revenue spending to facilitate the capital investment the Island needs.
- ***Hypothecated income***  
Certain capital programmes may be supported by specific revenue streams. Examples include linking fuel duties, car parking income, or other charges linked to driving to investment in the Island's road network.
- ***Rental income from Government-owned properties***  
Rents generated from assets may be used to support maintenance and reinvestment in the public estate, helping to ensure that income-generating assets contribute to their long-term sustainability.
- ***Proceeds from asset disposals***  
Where capital assets are no longer required for service delivery, disposal proceeds can be reinvested into the JCIF to support the renewal of other essential assets. This approach helps improve the sustainability of the public estate and encourages a stronger focus on retaining only those assets that play a strategic role in delivering public services.
- ***Prudent borrowing***  
Exclusively within the prudent limitations set out in the Government's Debt Framework, the JCIF may be supported through borrowing. Consistent with established policy, borrowing will only be considered where it is affordable and proportionate, and where

repayments can be clearly linked to the useful economic life of the asset. In particular, borrowing may be used:

- To accelerate investment in critical infrastructure where there is a sound social and economic case.
- To invest in income-generating assets such as residential or commercial property that will be subsequently sold or rented.
- As part of a response to macroeconomic shocks, supporting counter-cyclical fiscal stimulus.

It is not currently expected that borrowing will necessarily need to play a significant role in the funding of Investing in Jersey and the Island's long-term capital requirements. Only the re-development of Fort Regent is currently intended to be funded through borrowing.

The Government will continue to review the balance of funding sources to ensure that capital investment remains sustainable, and that the Fund is maintained at a level sufficient to meet future needs without compromising financial resilience.

### *Next Steps*

To bring the JCIF fully into effect, amendments to the Public Finances (Jersey) Law 2019 will be required. Changes will provide the necessary legal foundation to implement the Fund's structure, functions, and governance arrangements as outlined in this Budget.

Several important considerations will be subject to further consultation and detailed design work to ensure it is optimising its role in supporting the Island's long-term financial stability, these include:

- Principles for prioritising the application of surpluses and interactions with other funds as part of our wider fiscal framework (e.g. the Stabilisation Fund).
- The detailed operational mechanics of the Fund (e.g. whether capital expenditure is met directly from the Fund, whether it holds assets and liabilities) and the specific legislative changes to be made.
- 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 Public Finances (Jersey) Law, and fiscal framework to improve the Island's financial resilience and sustainability.

The proposed timeline for the implementation of the Jersey Capital Investment Fund is as follows:

- **Q4 2025**
  - Initiate consultation on proposed legislative amendments with Scrutiny and stakeholders.
  - Begin law drafting process with the Legislative Drafting Office.
- **Q1 2026**
  - Lodge draft Regulations to amend the Public Finances (Jersey) Law.
  - Further engagement with Scrutiny and stakeholders on details as part of the legislative process.

- Debate and, subject to approval, adopt the Regulations in the States Assembly.
- **Q2 2026**
  - Finalise governance arrangements and operational protocols.
  - First transfers to the Fund to be implemented in Budget 2027-2030 in line with the Investing in Jersey framework.

The Government remains committed to working collaboratively with the States Assembly and Scrutiny Panels throughout this process to ensure that the final arrangements reflect best practice in public financial management and support the delivery of Jersey's long-term infrastructure needs.

## Use of Public Land for Public Benefit

New development on public land, whether that is owned by Government or a States' Owned Entity, creates value that can be reinvested to benefit the public. Recognising that housing is increasingly unaffordable for many islanders, the Bridging Island Plan includes a policy expectation that;

*'Where States of Jersey or States-owned companies' land is brought forward for the development of new homes, these shall be for affordable homes unless it has been otherwise approved that the development needs to specifically provide open market homes, particularly where this is required to ensure the viability of public realm and community infrastructure delivery, in line with an approved Government Plan.'*

The creation of affordable homes brings real public benefits to Jersey. They help create an inclusive society, where all children can get a good start in life and where our family and friends can live and age well.

A broad strategy to create and maintain affordable homes is in place and is focused on direct support to Andium Homes and to build more new affordable homes for Islanders, and a range of policy steps to increase the use of assisted purchase products, such as shared equity schemes, in the open market.

The Jersey Capital Investment Fund will play a key role in enabling housing delivery. The fund will support the provision of more affordable homes for islanders, underpinned by adequate investment into the Island's infrastructure and community spaces.

In assessing whether land and sites that are currently owned by the Government of Jersey, are developed for housing, there is an ongoing assessment via the Estates Strategy. This process determines whether these sites are needed for public service delivery or can be released.

On some occasions, assets will be released to the private market for financial purposes. In such circumstances, decisions will continue to follow the decision path in the Estates Strategy and will be subject to a Standing Order 168 decision by the Minister for Infrastructure.

If a site has been identified for housing, Government must consider the need to provide affordable homes, as well as the need to raise sufficient capital to be reinvested in other areas that benefit the public. When land is used to build affordable homes, a portion of the market value that would otherwise be achieved is forfeited by the public, limiting the amount that can be reinvested to meet other public needs. Because of this, it is sometimes appropriate to build open market homes to ensure the best overall value for the public is realised.

The table below sets out sites in public ownership that are due to deliver housing and confirms whether the value created will be used to subsidise the creation affordable homes, or whether a portion of open market homes is expected to be included and, if so, what wider public benefit the value created from those homes will be used for.

Site	Tenure	Public Value to be Delivered
Aviemoire	Open market homes	The creation of a fund to support care-experienced islanders
Huguenot House, Philip le Feuvre House	Housing to support the community as either affordable homes, or a form of sheltered or supported living, should the site be ultimately released for housing	The site is being evaluated by relevant Ministers to ensure that optimal public value is created through the re-use of this site
South Hill	The maximum viable provision of homes sold through a package of incentives to both first time buyers and downsizers.	A proportion of assisted purchase homes and, the creation of a capital receipt to invest in affordable homes in other locations
St Saviour's Hospital	Maximum viable number of affordable homes	Affordable homes and adequate funding to secure the refurbishment and future security of the Grade 1 listed building
Waterfront	No less than 50% of the homes to be offered with an assisted purchase product for first time buyers and to also include a minimum of 15% of housing designed to encourage and enable Islanders who are looking to right-size, in accordance with P.37/2024 (as-amended).	A maximised proportion of assisted purchase homes will be provided, whilst ensuring the viability of new public facilities, open space and infrastructure improvements and where the phasing of delivery will be agreed by the Minister for Housing and Regeneration Steering Group.

Figure 17: Future Housing Development Sites

### *Sites to be developed in between Budgets*

It is important to recognise that States of Jersey or States'-owned companies land may be identified for the development of new homes in between Budgets, and it is considered important that housing delivery is not delayed as a result of misalignment with the Budget annual cycle.

In the event of a new housing development making progress outside of the Budget, Ministers will work together to ensure that the development is proposed entirely for affordable homes and, in the case of this not being considered possible, that there is both sufficient rationale for deviating from this policy, whilst ensuring the development will achieve a maximised allocation of units for assisted purchase schemes.

The Minister for Treasury and Resources will give consideration as to whether a revision to the Budget is required to incorporate the details of the development, based on the scale and nature of the deviation being proposed. All cases and regardless of any decision to not revise the Budget, the proposed tenure of homes will be tested publicly in the consideration of the planning application, in accordance with the Bridging Island Plan and Planning and Building (Jersey) Law 2002.

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# The Government of Jersey

## Balance Sheet and States Funds

The balance sheet provides a snapshot of the States financial position, setting out what we own, what we owe and what is owed at that point in time. This provides an understanding of the long-term financial strengths and risks that we face.

The balance sheet is comprised of four main components:

1. **Non-current assets:** this considers the longer-term assets that we have available to deliver services and outcomes. It includes the buildings that we own, along with other equipment that will be used over many years (e.g. IT, vehicles, roads, sea defences, and other infrastructure), the long-term strategic investments that we have made to deliver a return, and loans that we have issued to other organisations.
2. **Working capital or net current assets:** these represent the net day-to-day resources available to us. These include the cash that is held in our bank accounts, the amount owed to us from creditors within the next 12 months; as well as the amount we need to repay to individuals and organisations within the next 12 months.
3. **Non-current liabilities:** our liabilities include loans and bonds that have been taken out to fund capital projects, the long-term liabilities related to our pension funds and any other provisions that we need to make because of past actions and activities where there is a strong obligation that these will need to be repaid. They also include borrowing for the New Healthcare Facilities.
4. **Taxpayers' equity:** taxpayers' equity represents the accumulation of previous surpluses and deficits and is equal to the total net assets that we hold.

## Government of Jersey Balance sheet

Our Island has maintained a strong balance sheet position, and this is forecast to be maintained throughout this Budget, with net assets continuing to increase. Our property and equipment assets will increase as we continue to invest in capital projects above the level of depreciation.

The strength in the balance sheet is derived from a balance between investment in the assets government uses to deliver services, and the levels of reserves we hold to provide stability and resilience against both external factors and internal pressures such as changing demographics. Government has historically maintained relatively low levels of borrowing, paying for capital spend from taxation.

There is a need to invest to maintain and improve our infrastructure, and in some cases, this need will justify some levels of borrowing, which spreads the cost of the asset over its life, matching the costs to the use of the asset by Islanders. Whilst this can unlock investment, we will maintain our prudent approach of borrowing in line with the Fiscal Framework, cognisant of overall borrowing levels, and only where that is an affordable plan to service and repay the debt.

We will also continue to protect our capital reserve funds, investing in line with agreed investment strategies, informed by the advice of the Treasury Advisory Panel. We will reinvest returns to ensure that our investment balance grows to help manage risks and protect the long-term sustainability of the Island's finances.

In combination, the Debt and Investment Strategies seek to deliver a sustainable structure to meet the Island's needs whilst minimising the total funding costs over the medium to long-term, consistent with a prudent degree of risk, but at the same time retaining flexibility to react to unknown future events.

The accounting boundary for the financial statements is planned to change for the financial year ending 31 December 2025. From 1 January 2025 the States of Jersey will more closely align with the UK Financial Reporting Manual and implement a statistical boundary, based on Eurostat's guidance: Section 20.18 of the European system of accounts (ESA) 2010 and Section 1.2.3.1, 24 of the Manual on Government Deficit and Debt (MGDD) 2022. Based on analysis conducted, this change will result in the deconsolidation of the three wholly owned companies that are currently consolidated:

- States of Jersey Development Company (and its subsidiaries);
- Andium Homes Limited (and its subsidiaries); and
- Ports of Jersey Limited (and its subsidiaries).

The Annual Report and Accounts from 2025 onwards will therefore only consolidate Core Entities (i.e. Departments & States Funds). The companies which are no longer consolidated will be held at Fair Value through Other Comprehensive Income in line with the Strategic Investments.

The 2024 figures have been restated (in line with accounting standards)

Balance Sheet Forecast						
2024		2025	2026	2027	2028	2029
Restated <sup>24</sup>	£'000	Estimate	Estimate	Estimate	Estimate	Estimate
<b>Non-current assets</b>						
3,014,213	Property, Equipment & Intangibles	3,115,501	3,352,975	3,581,625	3,802,243	3,854,152
4,139,517	Financial and Other Assets	4,287,510	4,352,684	4,517,574	4,487,503	4,641,522
1,821,770	Strategic Investments	1,821,770	1,821,770	1,821,770	1,821,770	1,821,770
<b>8,975,500</b>	<b>Non-Current Assets</b>	<b>9,224,781</b>	<b>9,527,429</b>	<b>9,920,969</b>	<b>10,111,516</b>	<b>10,317,444</b>
<b>176,902</b>	<b>Net-Current Assets</b>	<b>248,102</b>	<b>248,102</b>	<b>248,102</b>	<b>248,102</b>	<b>248,102</b>
<b>Non-Current Liabilities</b>						
97,775	Provisions	97,775	97,775	97,775	97,775	97,775
732,040	Borrowing	873,855	1,074,574	1,274,110	1,274,110	1,274,110
14,095	Operating Lease Obligations	14,095	14,095	14,095	14,095	14,095
2,202	Pension Liabilities	2,202	2,202	2,202	2,202	2,202
<b>846,112</b>	<b>Non-Current Liabilities</b>	<b>987,927</b>	<b>1,188,646</b>	<b>1,388,182</b>	<b>1,388,182</b>	<b>1,388,182</b>
<b>8,306,290</b>	<b>Net Assets</b>	<b>8,484,956</b>	<b>8,586,885</b>	<b>8,780,889</b>	<b>8,971,436</b>	<b>9,177,364</b>
<b>8,306,290</b>	<b>Taxpayers' Equity</b>	<b>8,484,956</b>	<b>8,586,885</b>	<b>8,780,889</b>	<b>8,971,436</b>	<b>9,177,364</b>

Table 33: Balance Sheet Forecast

## States Borrowing

The States have previously agreed borrowing for specific items, and this budget continues these approvals, with an additional approval for Fort Regent. The Budget continues to abide by the Fiscal Framework by adopting a prudent approach to borrowing, ensuring that overall levels are sustainable, and that plans to service and repay borrowing are factored into future forecasts.

The table below sets out the updated borrowing approvals over the period of this Budget.

Borrowing Approvals					
2025		2026	2027	2028	2029
Approved	£'000	Estimate	Estimate	Estimate	Estimate
250,000	Housing Bond	250,000	250,000	250,000	250,000
477,000	Pension Liabilities	477,000	477,000	477,000	477,000
523,000	Healthcare Facilities	523,000	523,000	523,000	523,000
-	Fort Regent	43,000	43,000	43,000	43,000
<b>1,250,000</b>	<b>Borrowing</b>	<b>1,293,000</b>	<b>1,293,000</b>	<b>1,293,000</b>	<b>1,293,000</b>

Table 34: Borrowing Approvals

## Existing Long-term Borrowing – Social Housing and Pension Refinancing

The States has issued external bonds totalling £750 million; £250 million issued in 2014 (to be repaid in 2054) for the provision of social housing, and £500 million issued in 2022 (to be repaid in 2052) to refinance the pre-existing pension past service liabilities, with the remainder being used to fund work on the New Healthcare Facilities programme. Further details on these borrowings are included in the debt framework<sup>25</sup>.

<sup>24</sup> The 2024 restated figures are subject to change pending the audit of the 2025 Annual Report and Accounts which are due to be published in April 2026.

<sup>25</sup> Debt framework | R.104-2023

The proceeds of the social housing debt were subsequently lent to Andium Homes and other housing trusts and will be repaid from the repayment of that onward lending.

The servicing of the pension past service liability was previously incorporated into departmental budgets, and these have been repurposed to both service the refinanced debt and create a sinking fund with the Strategic Reserve for eventual repayment.

### *Healthcare Facilities Financing Strategy*

Budget 2025 proposed a financing strategy that approves an additional £500 million of borrowing to partly fund phase 1 of the New Healthcare Facilities programme. This is currently being met through a revolving credit facility approved in May 2023. The RCF is £300 million, with an accordion option of £200 million, expiring in 2028. This facility provides flexibility for funding of New Healthcare Facilities and avoids committing to longer-term borrowing at the current higher interest rates.

Borrowing proceeds and drawdowns will continue to be paid into the Strategic Reserve and transferred to the Consolidated Fund as required for capital spend.

The most appropriate timing and form of longer-term borrowing to replace the RCF will be determined in line with the debt strategy based on the market conditions and allow Treasury to access the market at the most opportune time during the life of the RCF. This strategy avoids the need to arrange long-term borrowing or make any withdrawals from the Strategic Reserve until 2027, if markets are not favourable ahead of then.

Any borrowing would be in line with the Debt Framework for Jersey (R.104/2023) and future iterations, which defines the States' approach to debt issuance and management and is designed to operate over a significant long-term time horizon, taking into account the States' ability to raise debt and the required cash flows.

The servicing of the debt will be through taxation revenues, which has been possible due to the additional receipts from the implementation of Pillar Two. The eventual repayment of the debt would be from investment returns in the Strategic Reserve, or the application of additional receipts over the base case for Pillar Two.

As the full extent of Pillar Two receipts is not yet known, it is necessary to identify a default source of the remaining £277 million funding. It is proposed and agreed in Budget 2025-2028 that if sufficient Pillar Two receipts are not available, this is withdrawn from Strategic Reserve once the total borrowing approval has been fully utilised. In addition, the borrowing for the NHF programme would also be ultimately repaid from the Strategic Reserve. If possible, any future excess Pillar Two receipts would then be used to repay the £277 million drawn down from the Strategic Reserve and further improve the fund balance. The impact of the strategy on the Strategic Reserve balance is explained in the section on the Strategic Reserve Fund.

## Fort Regent

This Budget includes £43 million to initiate the transformation of Fort Regent. This necessary investment is at a level that can't be absorbed by the capital programme without a detrimental effect of the balance of the programme and so will be financed by borrowing.

The funding strategy will mirror that for the New Healthcare Facilities, with the revolving credit facility being used in the short term until such a time when longer-term borrowing can be effectively arranged. The servicing of the debt, and contributions to a sinking fund for eventual payment, have been built into revenue budgets included in the Budget, and will be funded through restraint in revenue spend. This is a refocusing of revenue spent to capital investment, although in this case with the costs spread over time.

## Overdraft

Under the Public Finances (Jersey) Law 2019, Article 26 (1)(a), the Minister for Treasury and Resources is also permitted to arrange for a bank overdraft in any given year, which can be used to meet immediate unforeseen financing needs should they occur. To minimise the costs to Government, the use of the Revolving Credit Facility will continue to be formally extended to include the provision of funds under Article 26 (1)(a), should they be needed and subject to the appropriate limits of that article.

The Consolidated Fund section includes further information on Cash Flow forecasting and the use of overdraft.

## Strengthening our Reserves

The States hold three main reserves that are designed to work together to provide stability and protect public finances from both the economic cycle and external shocks and to smooth the impact of changing demographics. These funds exceed £3.5 billion in total.

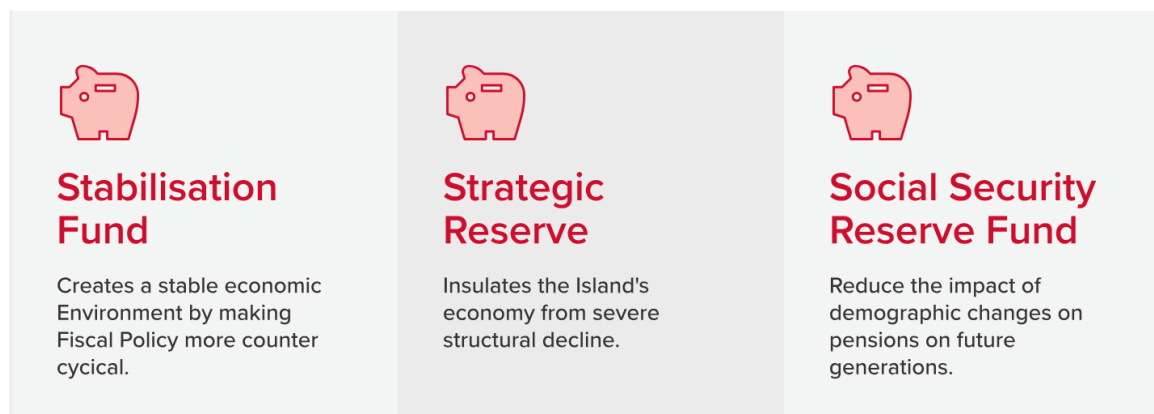


Figure 18: Key Reserve Pots

The impact of the pandemic, the cost-of-living crisis, and the need to invest in our infrastructure and services have meant that there have been limited transfers to the Stabilisation Fund and Strategic Reserve in recent Budgets, and both funds are consequentially at lower levels than those recommended by the Fiscal Policy Panel.

The Social Security Reserve has grown significantly in recent years, driven by good investment returns. An actuarial review is planned for 2026, but under current projections, the Fund remains in a healthy position for the foreseeable future. The original purpose of the Social Security Reserve, to smooth the impact of the ageing demographic will be more than served, which has previously prompted the FPP to recommend a review of the purpose and objectives of the fund. This work should be informed by the actuarial review.

Whilst a healthy Social Security Reserve is something the Island should be proud of, continuing to grow the Fund today whilst other areas of government need investment is an inefficient allocation of resource. This Budget proposes temporary reductions to the States grant to allow resources to be reprioritised to these needs, whilst safeguarding the Fund, ensuring that its size is maintained and that it can fulfil its purpose.

The implementation of Pillar Two also presents an opportunity to strengthen our reserves, if receipts are received in excess of the base case forecast. This is a responsible and prudent approach – using any additional receipts above the base forecast to strengthen our resilience. Whilst the exact application of receipts to strengthen reserves would need to be determined, the following hierarchy is proposed to guide decision making, subject to the availability of funds.

- a) Replenish the Stabilisation Fund (up to a balance of £100 million) to insulate the Island from the impacts of the Economic Cycle.
- b) Reduce the level of transfers from the Strategic Reserve to fund the NHF, or to repay previous transfers made (up to £277 million). This improves the value of the Strategic Reserve in the medium term.
- c) Reducing borrowing for the NHF (up to £500 million) – to ultimately improve the Strategic Reserve position.
- d) Make further transfers into the Strategic Reserve to achieve the target % as a proportion of GVA faster.

## Consolidated Fund

The Consolidated Fund is the main fund through which the States collects taxes, other income, and spends money in providing services.

Income received or due is accounted for in the Consolidated Fund, except where specified in Law. Expenditure from the Consolidated Fund is approved by the States Assembly in the Budget. The Council of Ministers must not lodge a Budget which shows a negative balance in the Consolidated Fund at the end of any of the financial years that the plan covers.

The Consolidated Fund Balance is calculated to include not only cash, but also short-term assets and liabilities (such as money owed to government, or money owed to suppliers) – known as working capital. This effectively means that the actual cash balance in the Fund will differ from the Fund balance by the net amounts owed to the States. Amounts approved but unspent are also removed from the available balance.

In recent years the level of working capital has grown, whilst the balance in the Consolidated Fund has decreased. This has resulted in the Fund being in a cash negative position, requiring

an overdraft to effectively fund working capital. Previously unspent capital amounts would have resulted in the holding of cash balances years before they were needed, but the shift to a cash-flow based approvals for capital means that this is no longer the case.

The Treasury department uses a Cash Flow model to estimate the overdraft requirements, which fluctuate based on the daily inflows and outflows of cash. The level of the overdraft would increase as the balance in the consolidated fund decreases (forecast across the plan) but also changes with levels of working capital.

Using an overdraft has associated costs, which are provided for in this Budget. From 2025 the Treasury department has begun an initiative to reduce levels of debts owed to the States, including amounts deferred during the pandemic. Reducing debt levels will directly reduce overdraft requirements and therefore overdraft costs. To this end, the costs of the team used to reduce debts will be charged to the Financing Costs head of expenditure – to match the avoided costs of reduced debt levels.

Future governments may wish to consider whether they would prioritise the application of excess income to eliminate the overdraft above transfers to the Stabilisation Fund or other reserves.

There are several planned transfers between the fund to and from other States Funds. This includes;

Transfers to fund the delivery of specific capital and project expenditure, including;

- borrowing for the New Health Care Facilities programme and Fort Regent, transferred to the Strategic Reserve and then distributed back to the Consolidated Fund as required.
- transfers from the Criminal Offences Confiscation Fund and Technology Accelerator Fund to support specific projects.
- transfers to the Strategic Reserve to form sinking fund for the eventual repayment of the pension past-service liability bond and Fort Regent borrowing.
- transfers to the Climate Emergency Fund based on the hypothecated income from fuel duty and Vehicle Emissions Duty (VED).

contingent transfers are also included:

- to the Agricultural Loans fund (£5 million) to continue the recapitalisation of the Fund to £10 million as previously agreed.
- to the Stabilisation Fund (up to £50 million) if income receipts exceed forecast (in particular from Pillar Two).

<b>Consolidated Fund</b>					
<b>2025</b>		<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>Estimate</b>	<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>60,890</b>	<b>Opening Balance</b>	<b>46,929</b>	<b>1,953</b>	<b>118</b>	<b>7,820</b>
	<b>Operating Surplus/(Deficit)</b>				
1,258,242	General Revenue Income	1,338,819	1,390,340	1,457,651	1,520,085
(1,188,715)	Net Revenue Expenditure	(1,277,762)	(1,315,507)	(1,367,573)	(1,423,553)
<b>69,527</b>		<b>61,057</b>	<b>74,833</b>	<b>90,078</b>	<b>96,532</b>
	<b>Other Movements in Fund Balances</b>				
12,500	Prior Year Basis Tax Debt Receipts	-	-	-	-
9,493	Release of unspent Capital Allocations	-	-	-	-
-	Property Disposals	3,000	10,000	-	-
<b>21,993</b>		<b>3,000</b>	<b>10,000</b>	<b>-</b>	<b>-</b>
	<b>Capital and Other Projects Expenditure</b>				
(98,132)	Capital and Projects Expenditure	(133,592)	(97,125)	(74,132)	(87,274)
(73,000)	New Healthcare Facilities	(174,719)	(205,400)	(213,200)	(39,076)
<b>(171,132)</b>		<b>(308,311)</b>	<b>(302,525)</b>	<b>(287,332)</b>	<b>(126,350)</b>
	<b>Capital Financing Transfers In</b>				
-	Criminal Offences Confiscation Fund	1,700	-	-	-
1,289	Technology Accelerator Fund	3,387	1,387	-	-
73,000	Strategic Reserve - New Healthcare Facilities	174,719	205,400	213,200	39,076
<b>74,289</b>		<b>179,806</b>	<b>206,787</b>	<b>213,200</b>	<b>39,076</b>
	<b>Fund Transfers In/(Out)</b>				
(4,358)	Climate Emergency Fund	(4,493)	(4,427)	(4,363)	(4,300)
9,000	Strategic Reserve - finance costs	-	-	-	-
(2,580)	Strategic Reserve - Pension refinancing sinking fund	(3,002)	(3,436)	(3,881)	(4,337)
-	Strategic Reserve - Fort Regent sinking fund	-	-	-	(1,300)
(5,000)	Agricultural Loans Fund	-	-	-	-
(7,700)	Insurance Fund	-	-	-	-
1,075	Dwelling Houses Loan Fund	-	-	-	-
250	Assisted House Purchase Scheme	-	-	-	-
675	99 Year Leaseholders Fund	-	-	-	-
-	Jersey Innovation Fund	900	-	-	-
<b>(8,638)</b>		<b>(6,595)</b>	<b>(7,863)</b>	<b>(8,244)</b>	<b>(9,937)</b>
	<b>Movements in Borrowing</b>				
73,000	Borrowing Proceeds - New Healthcare Facilities	174,719	182,536	-	-
(73,000)	Transfer borrowing proceeds to Strategic Reserve	(174,719)	(182,536)	-	-
-	Borrowing Proceeds - Fort Regent	26,067	16,933	-	-
<b>46,929</b>	<b>Closing Balance</b>	<b>1,953</b>	<b>118</b>	<b>7,820</b>	<b>7,141</b>

Table 35: Consolidated Fund

## States Funds

The Government has several other States funds established by statute. This provides the public with the confidence that the funds remain ring-fenced and used for the specific purpose for which they were established. For the purposes of investment, the funds are pooled together into the Common Investment Fund, thus achieving the benefits of economies of scale and more effective risk management of the overall Government investment portfolio. Each individual fund has its own investment strategy which reflects the long-term aims of that fund, and investment returns are estimated based on the target investment return for each fund.

<b>Summary Fund Balances</b>				
	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Strategic Reserve Fund	1,575,474	1,620,580	1,465,717	1,488,543
Stabilisation Fund	557	579	602	626
The Health Insurance Fund	92,776	83,390	72,924	61,047
The Long-Term Care Fund	41,156	65,980	86,364	102,263
The Social Security Fund	108,670	111,185	120,145	128,380
The Social Security (Reserve) Fund	2,619,643	2,734,749	2,844,753	2,961,527
Climate Emergency Fund	4,734	4,734	4,734	4,734
Technology Accelerator Fund	5,649	2,518	818	-
Other Special Funds	11,831	12,069	13,047	13,670
Jersey Car Parking Fund	20,240	16,245	4,955	2,978
Jersey Fleet Management Fund	6,602	6,880	7,248	4,586
<b>Fund's Net Assets</b>	<b>4,487,332</b>	<b>4,658,909</b>	<b>4,621,307</b>	<b>4,768,354</b>

Table 36: Summary Fund Balances

### *Jersey Car Parking Trading Fund*

The Jersey Car Parking trading operation manages the provision of the public parking places that are within the functions of the Minister for Infrastructure. Priority is given to maintenance and refurbishment of car parking facilities. The proposition 'Car parking charges: allocation of additional income to the funding of transport initiatives'<sup>26</sup> previously agreed by the States Assembly proposed that income in excess of the amount required to maintain and operate the Car Park Trading Fund should be allocated to the department for funding of sustainable transport initiatives, such as the bus service and highway maintenance.

<b>Jersey Car Parking Trading Fund</b>				
	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Opening Balance</b>	<b>19,882</b>	<b>20,240</b>	<b>16,245</b>	<b>4,955</b>
Trading Income	9,892	10,119	10,351	10,589
Expenditure on Transport Initiatives	(3,784)	(6,619)	(6,569)	(6,369)
Other Expenditure	(5,250)	(5,425)	(5,612)	(5,807)
Capital Expenditure	(500)	(2,070)	(9,460)	(390)
<b>Closing Balance</b>	<b>20,240</b>	<b>16,245</b>	<b>4,955</b>	<b>2,978</b>

Table 37: Jersey Car Parking Trading Fund

<sup>26</sup>Car parking charges | P-147-2004 (statesassembly.je)

## *Jersey Fleet Management Trading Fund*

The Jersey Fleet Management trading operation manages the acquisition, maintenance, servicing, fuelling, garaging and disposal of vehicles and mobile plant and machinery on behalf of the Government of Jersey. Charges to departments are set to recover the up-front cost of the asset, routine maintenance and servicing and the costs of managing the fleet operations.

<b>Jersey Fleet Management Trading Fund</b>				
	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Opening Balance</b>	<b>6,568</b>	<b>6,602</b>	<b>6,880</b>	<b>7,248</b>
Trading Income	6,343	6,523	6,707	6,899
Other Expenditure	(3,938)	(4,068)	(4,203)	(4,343)
Capital Expenditure	(2,371)	(2,177)	(2,136)	(5,218)
<b>Closing Balance</b>	<b>6,602</b>	<b>6,880</b>	<b>7,248</b>	<b>4,586</b>

Table 38: Jersey Fleet Management Trading Fund

## *Strategic Reserve Fund*

The Strategic Reserve is a permanent reserve, to be used in exceptional circumstances to insulate the Island's economy from severe structural decline such as the sudden collapse of a major Island industry or from major natural disaster. It forms a critical part of the infrastructure of financial and risk management and helps to protect the long-term financial sustainability of the Island.

### *Purpose of the Strategic Reserve*

The purpose of the Strategic Reserve was updated in the Budget 2025: it is a permanent reserve only to be used:

- a) in exceptional circumstances to insulate the Island's economy from severe structural decline such as the sudden collapse of a major Island industry or from major natural disaster.
- b) if necessary, for the purposes of providing funding (up to £100 million) for the Bank Depositors Compensation Scheme established under the Banking Business (Depositors Compensation) (Jersey) Regulations 2009, including to meet the States contribution to the Scheme and/or to meet any temporary cash flow funding requirements of the Scheme.
- c) to support the development of future healthcare facilities and the borrowing costs for such work, in line with a financing strategy agreed by the Assembly; and
- d) as a holding Fund for any or all monies raised through external financing until required, and for any monies related to the repayment of debt raised through external financing, with the monies used to offset the repayment of debt, as and when required.
- e) in accordance with Article 24 of the Public Finances (Jersey) Law 2019, where the Treasury and Resources Minister is satisfied that there exists an immediate threat to the health or safety of any of the inhabitants of Jersey, to the stability of the economy in Jersey or to the environment, for which no other suitable funding is available.

### *Growth of the Fund*

The FPP have recommended that to meet its objectives the Strategic Reserve balance should be between 30% and 60% of GVA. The rationale behind this is set out in their “Advice for the 2020-23 Government Plan”. As at 31 December 2024, the fund balance was £1.18 billion (17.7% GVA). Budget 2025 set out a plan to increase the value of the Strategic Reserve, achieving 30% of GVA in the medium to long-term, including investment returns, the transfer of Prior Year Basis (PYB) Taxation Debtors. The costs of collecting PYB Taxation Debtors will also be met by the Fund, including both any capital costs required for IT, and ongoing revenue costs.

The Financing Strategy for phase 1 of the New Healthcare Facilities programme approved in Budget 2025 – 2028, uses a blended approach of borrowing and £277 million from the Strategic Reserve. If Pillar Two receipts exceed the base case, these could be used to reduce the levels of transfers needed, reduce borrowing or increase the value of the Reserve.

As Pillar Two receipts remain uncertain, other alternative funding sources for transfers (e.g. alternative revenue raising) have not been considered at this point. If Pillar Two receipts are not sufficient to deliver a strategy to meet the Strategic Reserve target value, then this strategy would need to be revisited, and alternative revenue sources of funding considered.

<b>Strategic Reserve</b>				
	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Opening Balance</b>	<b>1,514,323</b>	<b>1,575,474</b>	<b>1,620,580</b>	<b>1,465,717</b>
Investment income	57,521	65,028	54,686	56,496
Other expenditure	(572)	(494)	(230)	(231)
Transfer from Consolidated Fund (Pension refinancing sinking fund)	3,002	3,436	3,881	4,337
Transfer from Consolidated Fund (Fort Regent sinking fund)	-	-	-	1,300
Healthcare Facilities related;				
- Borrowing Proceeds	174,719	182,536	-	-
- Transfer to Consolidated Fund (Capital costs)	(174,719)	(205,400)	(213,200)	(39,076)
Transfer from Hospital Construction Fund	1,200	-	-	-
<b>Closing Balance</b>	<b>1,575,474</b>	<b>1,620,580</b>	<b>1,465,717</b>	<b>1,488,543</b>
<b>Closing Balance (excluding PYB tax debt)</b>	<b>1,307,974</b>	<b>1,365,580</b>	<b>1,223,217</b>	<b>1,258,543</b>

Table 39: Strategic Reserve

## Stabilisation Fund

The Stabilisation Fund was created in 2006 to manage government finances through the economic cycle, where expenditure could be drawn down in economic downturns and the Fund replenished through surpluses in economic booms and periods of above-trend growth.

Recent plans have not resulted in the allocation funds to the Stabilisation Fund. This plan recognises the ongoing need to rebuild the Stabilisation Fund and includes a contingent transfer, allowing any income in excess of forecast (in particular Pillar Two in excess of the “base case”) be transferred to the Fund. Before any transfers were made, it would be necessary to assess the relative merits of transfers to the Stabilisation Fund, reduction of overdrafts in the Consolidated Fund, the need to grow the Strategic Reserve and the need to invest in our Island through the proposed Jersey Capital Investment Fund.

As any transfer is contingent, figures are not included in the forecast for the Consolidated Fund or Stabilisation Fund at this point.

<b>Stabilisation Fund</b>				
	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Opening Balance</b>	<b>537</b>	<b>557</b>	<b>579</b>	<b>602</b>
Other income	23	25	26	27
Other expenditure	(3)	(3)	(3)	(3)
<b>Closing Balance</b>	<b>557</b>	<b>579</b>	<b>602</b>	<b>626</b>

Table 40: Stabilisation Fund

## Health Insurance Fund

The Health Insurance Fund (HIF) receives allocations from Social Security contributions from employers and working-age adults and supports the wellbeing of Islanders by subsidising GP visits, the cost of prescriptions and other primary care services. The table reflects the anticipated costs of current services and benefits over the period as they are presently provided for.

<b>Health Insurance Fund</b>				
	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Opening Balance</b>	<b>101,259</b>	<b>92,776</b>	<b>83,390</b>	<b>72,924</b>
Social Security Contributions	54,000	56,000	58,000	60,000
Investment income	3,409	3,088	2,764	2,406
Social Benefit Payments	(59,253)	(62,002)	(64,567)	(67,345)
Other expenditure	(6,639)	(6,472)	(6,663)	(6,938)
<b>Closing Balance</b>	<b>92,776</b>	<b>83,390</b>	<b>72,924</b>	<b>61,047</b>

Table 41: Health Insurance Fund

The cost of these programmes of investments in general practice and community pharmacy is shown over their respective lifetimes. As these programmes reach maturity the additional capacity within these services is likely to lead to further contracts. The cost of these further contracts is not known and therefore not included in the forecast.

The HIF provides benefits and funds contracts to reduce the cost of primary care services to islanders. These provide for:

- Over £50 subsidy to reduce the cost of GP adult surgery appointments.
- Free prescription medicines.
- Free access to surgery consultations for children under the age of 18.
- Free access to surgery consultations for full time adult students.
- Health Access Scheme – fixed, low-cost fees covering full range of GP services for low-income households.
- Support for remote consultations and surgery consultations with an allied health professional. In 2025, this support was extended to include a £10 reduction in patient fees.

In addition, specific services are also funded from the HIF.

- The majority of Covid and flu vaccinations are provided through HIF contracts using primary care practitioners and the HIF also funds other vaccines for primary care use including shingles, RSV and pneumococcal. From 2026 the HIF will also fund the cost of covid vaccines, which were previously provided free from the UK government.
- Free cervical screening.
- Free diabetic ancillary supplies through community pharmacies – in 2025 this was extended in line with current UK NICE guidance.
- Free medical dressings to those with a clinical need.

Finally, quality payments are provided to general practice against a range of agreed measures, with a similar framework supporting community pharmacies. Wage support schemes also provide funding to expand the range and skills of primary care staff.

The value of the fund is expected to fall to around £61 million by 2029. This represents less than one year's worth of expenditure.

The ageing demographic, increasing levels of disease in our community, and improvements in available treatments, are increasing the cost of health and care services in Jersey – this includes the costs met by the Fund. These pressures will continue to increase in coming years. Changes will be needed to pay for future health and care costs in a sustainable way.

The Minister for Health and Social Services is continuing to review the Island's health and care costs, with options for the future funding of our whole health and care system being developed in discussion with the Council of Ministers. These options will include possible reform of the Health Insurance Fund. Whilst the Fund provides ring fenced funding for primary care services, the ring fencing also introduces barriers which can act against the best interests of patients and can create disincentives to the effective use of public money.

In the meantime, the current role of the Health Insurance Fund in subsidising the cost of specific primary care services will be maintained.

## Long-Term Care Fund

The Long-Term Care Fund provides universal and means-tested benefits to adults with long-term care needs and is funded through a central grant from general revenues and income-related contributions from income taxpayers.

Costs are increasing rapidly at present driven by a combination of demographic changes and the increasing complexity of care packages. There has been a sharp increase in costs since the preparation of the 2025 Budget and future costs are forecast to continue to rise steeply over the next few years.

Urgent action is now needed to maintain the Fund. This can be achieved by increasing the contributions into the Fund or by reducing the range or value of benefits provided from the Fund.

The estimates for 2027 to 2029 in the table below include an increase of 1 percentage point in the LTC contribution rate from 1 January 2027. Any rate change will require legislation and a States Assembly debate. Ministers have instigated a detailed internal review of the LTC scheme to consider the way in which benefit levels are set and income and assets of claimants are taken into account as well as the way in which services are delivered. The outcome of this detailed review will be available to the incoming Council of Ministers in summer 2026 to allow for a decision to be made during 2026 as to the actions needed to increase contributions into the Fund and/or reduce the generosity of benefits paid out of the Fund for future new benefit applicants, to ensure the sustainability of the Fund in coming decades.

Whenever possible, long term care claimants are supported to receive care in their own home rather than enter more costly institutional care. The Minister for Social Security introduced additional support in 2024 within the income support system to help low-income families with additional domestic costs when a family member is receiving care at home. At the beginning of 2025, the Minister established a standard hourly rate for funding domiciliary care costs as part of the development of a sustainable domiciliary care market. These actions should help to reduce the extent of future increases in Long-Term Care expenditure.

An external independent actuarial review of the Long-Term Care Fund will be undertaken at the end of 2025 with results published in mid-2026.

Long-Term Care Fund				
£'000	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate
<b>Opening Balance</b>	<b>46,617</b>	<b>41,156</b>	<b>65,980</b>	<b>86,364</b>
Long-Term Care Contributions	51,600	89,000	92,200	95,800
States Grant to Long-Term Care Fund	40,360	41,409	42,651	43,803
Investment income	523	342	307	307
Social Benefit Payments	(95,963)	(104,015)	(112,806)	(121,863)
Other expenditure	(1,981)	(1,912)	(1,968)	(2,148)
<b>Closing Balance</b>	<b>41,156</b>	<b>65,980</b>	<b>86,364</b>	<b>102,263</b>

Table 42: Long -Term Care Fund

## *Social Security Fund*

The Social Security Fund receives allocations from Social Security contributions from employers and working-age adults and an annual States grant. The Fund supports the wellbeing of Islanders by providing old age pensions and a range of working age benefits.

With a Social Security (Reserve) Fund of £2.5 billion, the investment income from the reserve provides a significant additional source of income into the Fund (2024: £273 million). While investment returns will fluctuate from year to year, the average annual return over the last 5 years has been 9.3% with a 7.3% average annual return over the last ten years. These investment returns, combined with the existing contribution rate and States grant, suggest that the Reserve Fund will continue to expand while also meeting the increasing cost of pensions.

Alongside the regular actuarial review of the Social Security scheme as at 31<sup>st</sup> December 2025, the Minister for Social Security will instruct the independent actuary to undertake a full review of the current funding policy of the scheme as established in the late 1990s. The review will include the outcome of the decisions taken at that time and an assessment of the current position.

An international comparison of similar government funded schemes will be undertaken and an assessment of the level of assets considered to be prudent to support such a scheme. The actuary will also be asked to set out a range of options in terms of the future sustainable funding of the scheme, in terms of both contribution levels and the future role and nature of an annual States grant into the scheme.

The actuary will present their findings to the next Minister for Social Security in early 2027. In the meantime, it is clear that there is scope for grant funding into the Fund to be reduced over the plan period to allow current funding pressures in other areas to be addressed.

As such, Council of Ministers are proposing:

- In the light of the changes to economic conditions, a one-off additional adjustment of £50 million in the States Grant in 2025 to ensure that the government can continue to provide the full range of public services to islanders.
- For 2026, the grant will be rebased to £50 million, with an additional one-off reduction of £17.6 million to fund capital projects (in addition to the previously agreed £10 million to support the transition to a Living Wage).
- For 2027 to 2029, the £50 million grant will be uprated using Average Earnings.

This will allow funds to be re-allocated to other high priority areas, rather than seeking tax rises from Islanders. During this 4-year period, in addition to the report from the independent actuary on future funding into the Social Security scheme, a review of health funding will be completed and options put forward for the sustainable funding of a holistic health care system for Jersey.

While these reviews take place, the underlying funding structure of the scheme will remain in place. Assembly decisions will be needed to make changes to the underlying formula of the States grant or the contribution rates. If no other action is agreed before then, the States grant will revert to its formula value from 2030 onwards.

In addition to the actions set out above, and in support of the 2024 Common Strategic Policy, last year the Assembly agreed to an adjustment to the States grant payment in 2025 and 2026 in order to provide one off funding to support the transition to a living wage. For these two years, the value of the States grant is reduced by £10 million. The £20 million released is wholly allocated to support packages to both employers and employees during the transition to a living wage. In the event that the full allocation is not required, the balance will be returned to the Social Security Fund.

A major IT project is now underway to implement a new, transformational benefits system, and it is planned that this project will complete in 2028. This represents a significant capital investment by the Fund which will provide a new digital platform to improve customer service and efficient management of social security benefits for many years to come.

<b>Social Security Fund</b>				
	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Opening Balance</b>	<b>107,733</b>	<b>108,670</b>	<b>111,185</b>	<b>120,145</b>
Social Security Contributions	285,000	295,000	305,000	315,000
Other income	185	188	192	192
Transfer from Social Security (Reserve) Fund	64,259	42,073	45,877	45,377
Grant to Social Security Fund	22,768	52,199	53,850	55,499
Social Benefit Payments	(352,789)	(366,598)	(379,684)	(392,721)
Other Expenditure	(17,368)	(16,854)	(11,549)	(9,915)
Revenue expenditure on New Benefits System	(1,118)	(3,493)	(4,726)	(5,197)
<b>Closing Balance</b>	<b>108,670</b>	<b>111,185</b>	<b>120,145</b>	<b>128,380</b>

Table 43: Social Security Fund

## *Social Security (Reserve) Fund*

The Social Security (Reserve) Fund holds the balances built up in the Social Security Fund and is critical in supporting intergenerational fairness and managing the impact of an ageing population on future pension costs.

Alongside the regular actuarial review of the Social Security (Reserve) Fund as at 31<sup>st</sup> December 2025, the Minister for Social Security will instruct the independent actuary to undertake a full review of the current funding policy of the scheme as established in the late 1990s. The review will include the outcome of the decisions taken at that time and an assessment of the current position.

<b>Social Security (Reserve) Fund</b>				
	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Opening Balance</b>	<b>2,541,574</b>	<b>2,619,643</b>	<b>2,734,749</b>	<b>2,844,753</b>
Investment income	142,328	157,179	155,881	162,151
Transfer to Social Security Fund	(64,259)	(42,073)	(45,877)	(45,377)
<b>Closing Balance</b>	<b>2,619,643</b>	<b>2,734,749</b>	<b>2,844,753</b>	<b>2,961,527</b>

Table 44: Social Security (Reserve) Fund

The fund balance in 2029 is forecast to be equivalent to 7.5 times benefit expenditure, compared to 7.4 times in 2026.

## *Climate Emergency Fund*

In 2022 the States Assembly agreed the Carbon Neutral Roadmap (CNR) which outlines the Island's strategic approach, and the policies intended to reduce our greenhouse gas emissions in line with the Paris Agreement on climate change.

The Climate Emergency Fund (CEF) is the vehicle through which the funding for the policies in the roadmap will be met. The Fund receives annual income from previously agreed increases in fuel duty and vehicle emissions duty (VED).

Following the approval of the proposition to establish a Climate Council (P.117/2022), the States Assembly is due to receive the first report from Jersey's independent Climate Council in early 2026, prior to the general election. The Council's report will evaluate the Government of Jersey's progress in implementing the CNR during the 2022-2025 delivery period.

The CNR stipulates that, "an updated delivery plan be set out at the start of each new term of government." Accordingly, proposals for the second CNR delivery plan will be brought forward in 2026 for the new States Assembly to consider alongside the Climate Council's findings and recommendations. To ensure alignment between the States Assembly, CNR and Climate Council cycles, 2026 will be treated as a continuation year for the first CNR delivery plan, with the second CNR delivery plan running from 2027-2030.

### *Carbon Neutral Roadmap Net Zero Financing Strategy*

It is accepted that current income streams will be insufficient to fund all the necessary policies to achieve our net zero targets and it is expected that further income streams will need to be added to the fund. Based on previous estimates of a £300 million requirement, this would equate to approximately £11 million a year over the next 25 years. Some of this will be delivered by the existing revenue ring-fenced to the Climate Emergency Fund each year.

The net zero financing strategy (NZFS) will set out how the Government expects to raise the money it needs to successfully achieve Jersey's net zero transition. The first phase will address the projected expenditure profile for the second CNR delivery period from 2027-2030.

It is intended that new polluter pays measures, such as the previously proposed fuel duty replacement policy, will be progressed to generate additional revenue for the Climate Emergency Fund.

### *Climate Emergency Expenditure 2026-2029*

The first CNR delivery period will conclude at the end of 2025. Estimated spending in 2026 covers the completion of this work and preparation for the next phase. For 2027 to 2029, expenditure is assumed to be equal to the expected revenues from fuel duty and VED transferred to the fund in each of those years.

2026 is a continuation year for the phase 1 policies agreed in the Carbon Neutral Roadmap. The Climate Emergency Fund expenditure will include, amongst other things, continuation of the grants to help Islanders switch to low carbon heating systems, install electric vehicle charging facilities and complete energy audits of their homes, as well as support for the uptake of biodiesel by businesses, active and public travel initiatives and climate change education and awareness.

<b>Climate Emergency Fund</b>				
	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Opening Balance</b>	<b>5,356</b>	<b>4,734</b>	<b>4,734</b>	<b>4,734</b>
Transfer from Consolidated Fund (from a portion of fuel duty and VED)	4,493	4,427	4,363	4,300
Settlement of Sustainable Transport Capital Projects	(1,038)	-	-	-
Expenditure (as detailed in the Carbon Neutral Roadmap) <sup>27</sup>	(4,077)	(4,427)	(4,363)	(4,300)
<b>Closing Balance</b>	<b>4,734</b>	<b>4,734</b>	<b>4,734</b>	<b>4,734</b>
<b>Closing Balance (excluding non-current assets)</b>	<b>4,636</b>	<b>4,636</b>	<b>4,636</b>	<b>4,636</b>

Table 45: Climate Emergency Fund

The 2026-2029 closing balances for the CEF include the sum of £0.1 million of investment in non-current assets relating to sustainable transport policies. The fund's cash balance, excluding these non-current assets, has been presented separately.

### *Technology Accelerator Fund*

The Technology Accelerator Fund was created from a £20 million transfer from the Consolidated Fund in 2022, funded by the receipt of an extraordinary dividend from Jersey Telecom in 2021 of £40 million.

The Technology Accelerator Fund, through a delivery programme called Impact Jersey delivered on behalf of Government by Digital Jersey, aims to assist in solving the Island's strategic challenges by enhancing the digital economy, incubating, supporting, and accelerating high value technological initiatives and closing known gaps in Jersey's innovation eco-system. It was initially envisaged that all funds could be disbursed by 2026.

Working with Digital Jersey in 2024, a revised spend profile of this £20 million fund was agreed enabling some monies to be transferred into the Consolidated Fund to fund investment in the Government's digital programme. Further amounts are proposed to be transferred to the Consolidated Fund in 2026 for this same purpose.

A review in 2026 will assess the next phases of the programme and what further transfers to the Technology Fund are needed for future phases of the programme, that would use early learning and experience to grow the programme in a more measured and still effective way over a longer period.

<b>Technology Accelerator Fund</b>				
	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Opening Balance</b>	<b>11,382</b>	<b>5,649</b>	<b>2,518</b>	<b>818</b>
Programme expenditure	(2,346)	(1,744)	(1,700)	(818)
Transfer to Consolidated Fund	(3,387)	(1,387)	-	-
<b>Closing Balance</b>	<b>5,649</b>	<b>2,518</b>	<b>818</b>	<b>-</b>

Table 46: Technology Accelerator Fund

<sup>27</sup> Carbon Neutral Roadmap

## Other Special Funds

There are several other special funds that operate for specific purposes. The funds included in this category are Jersey Currency Notes Fund, Jersey Coinage Fund, Housing Development Fund, Dormant Bank Accounts Fund, Dental Scheme Fund, Insurance Fund, Agricultural Loans Fund, Tourism Development Fund, CI Lottery (Jersey) Fund, Jersey Innovation Fund, Criminal Offences Confiscation Fund, Civil Asset Recovery Fund, Ecology Fund and Hospital Construction Fund.

These funds generally hold lower balances and are similarly established either under legislation or through bequests made to the Government. Income and expenditure are generally equal.

The Fiscal Policy Panel have previously recommended a review of the objectives of States Funds. It is proposed that we wind up essentially redundant States Funds, that are no longer in use:

- Jersey Innovation Fund (balance transferred to the Consolidated Fund)
- Hospital Construction Fund (assets transferred to the Consolidated Fund, balance to the Strategic Reserve)
- Assisted House Purchase Scheme (balance transferred to the Dwelling Houses Loan Fund)
- 99-year Leaseholders Fund (balance transferred to the Dwelling Houses Loan Fund)

The Budget includes transfers to ensure that balances are allocated to appropriate funds, which then enables the Minister for Treasury and Resources to wind-up the funds in line with Article 61 of the Public Finances (Jersey) Law 2019.

Other Special Funds				
	2026	2027	2028	2029
£'000	Estimate	Estimate	Estimate	Estimate
<b>Opening Balance</b>	<b>19,624</b>	<b>11,831</b>	<b>12,069</b>	<b>13,047</b>
Investment Income	3,640	3,640	3,640	3,640
Lottery and Other Income	15,556	15,243	15,283	15,058
Other Expenditure	(14,389)	(14,645)	(13,745)	(13,575)
Return to Consolidated Fund	(4,000)	(4,000)	(4,200)	(4,500)
Net Transfers	(8,600)	-	-	-
<b>Closing Balance</b>	<b>11,831</b>	<b>12,069</b>	<b>13,047</b>	<b>13,670</b>

Table 47: Other Special Funds

## Government of Jersey Group Forecast

The financial forecast for the Government of Jersey Group considers the income and expenditure through trading operations and special funds. An operating surplus is forecast throughout the plan period. Investment returns of the funds also form part of the accounting surplus, although the use of these returns is restricted.

<b>Summary Forecast Operating Balance - Government of Jersey</b>					
<b>2025</b>		<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>Forecast</b>	<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>(8,469)</b>	<b>States Operating Surplus/(Deficit)</b>	<b>(12,316)</b>	<b>21</b>	<b>12,118</b>	<b>16,833</b>
2,398	Trading Operations Net Income	3,263	530	674	969
(26,775)	States Funds Net Expenditure	(94,942)	(41,297)	(42,799)	(47,823)
<b>(32,846)</b>	<b>Group Operating Surplus/(Deficit)</b>	<b>(103,995)</b>	<b>(40,746)</b>	<b>(30,007)</b>	<b>(30,021)</b>
171,417	States Funds - Investment Income	211,357	232,979	221,074	228,648
<b>138,571</b>	<b>Group Surplus/(Deficit)</b>	<b>107,362</b>	<b>192,233</b>	<b>191,067</b>	<b>198,627</b>

Table 48: Summary Forecast Operating Balance - Government of Jersey

# Financial Matters Under Development

## Sustainability of Health Funding

Whilst the revenue growth provided in this Budget, coupled with the HCJ Financial Recovery Plan, will help address immediate pressures on the health and care budget for 2026, there remains a growing future funding gap. Additional funding will be required over coming years to maintain Jersey's health and care services as the costs of diagnostics and treatments continue to increase, standards improve and our population ages, meaning that more of us will need complex, enhanced care.

The growing funding requirement will have a significant impact on all parts of Jersey's health and care system. Health and Care Jersey accounts for just over half the total expenditure on health and care services in Jersey, with other expenditure coming from sources such as, private insurance, the Health Insurance Fund and Islanders' out-of-pocket payments. Increased expenditure against the Health Insurance Fund means that the fund will be exhausted during the early-2030s unless action is taken soon.

Jersey is not alone in this – Health and care costs are rising the world over. Bodies such as OECD and UK Office for Budget Responsibility (OBR), forecast UK health care inflation as being around 4%, and health care inflation may be higher in Jersey due to the additional challenges that come from inherent diseconomies of scale.

If we were to continue our long-standing policy of investing an additional 2% year-on-year (which is lower than the projected rate in the UK), by 2045 we would be spending nearly 50% more on health and care services than we do today (ignoring inflation). This would mean significantly less funding would be available for other public services. This is before taking into account the pressures in the wider health and care system (including the Health Insurance Fund).

Work has started to better understand how money is being spent today on health and care, and to inform options for the future funding of the health and care system. A better understanding is being developed of the factors that are driving increased costs and, by early 2026, a forecast will have been developed of future requirements. This will support the development of options for change as the basis for decisions during the next term of Government.

## Longer-Term Planning

Long-term Financial Sustainability is a critical objective of government, and it is intended that further work is undertaken in 2026 to further improve financial forecasting over a longer time period, to help inform decision making. This will build on the longer-term capital plan, which provided the strategic underpinning for much of the Investing in Jersey programme through the Jersey Capital Investment Fund.

Forecasts over a range of periods will be developed:

- Short Term (4-5 years)
- Medium Term (5-10 years)
- Long-Term (10-25 years)

Medium and long-term plans will seek to estimate the impact of changes to population size, demographics, and the economy over those longer timescales – including the impact of the rising costs of healthcare described above.

It is anticipated that the development of these models will be a multi-year project, drawing on existing work where possible, to eventually incorporate all aspects of Government finances into a holistic model.

## Changes to the Public Finances (Jersey) Law

Changes to the Public Finances Law will be developed for debate in Q1 2026 to:

- a) Formally establish the Jersey Capital Investment Fund, which underpins our vision for Investing In Jersey
- b) Reinstate of multi-year expenditure budgeting, providing more certainty, increased financial discipline helping curb growth in the Public Sector, and enabling a greater focus on delivery in line with a medium-term plan.

## Long-term Sustainability of the Jersey Teachers Superannuation Fund (JTSEF)

Following the last actuarial valuation as at the end of 2021, the Jersey Teachers Superannuation Fund Management Board highlighted to Government that the contributions being paid into the JTSEF to fund benefits are likely to be insufficient to pay for the future benefits for current and future teachers.

The Jersey Teachers Superannuation Scheme is in need of review and modernisation, as was undertaken for the public pensions for all other government and States employees. The repayment of the JTSEF Pension Increase Debt in 2022 has supported the long-term sustainability and was a prerequisite for any review.

An actuarial valuation as at the end of 2024 is being completed which will inform an updated assessment of the long-term sustainability of the Jersey Teachers Superannuation Fund. Further actions will be considered as part of the pay strategy and any implications included in a future Budget.

## Sustainable Funding for Waste Management

Government Plan 2024-2027 included investment in our liquid waste infrastructure, and this Budget extends funding across the plan, allowing the work to progress whilst work on a sustainable funding model is finalised by the Minister for Infrastructure.

In addition, solid waste charges are proposed to be introduced from 2028, in recognition of the reduction in waste income to the infrastructure department, to ensure that services can continue to be delivered, and to promote recycling and reuse where possible (e.g. construction waste)

# APPENDICES



# Appendix 1: Key to Abbreviations

<b>Departments</b>	
<b>BC</b>	Bailiff's Chambers
<b>CBO</b>	Cabinet Office
<b>C&amp;F</b>	Children and Families
<b>C&amp;AG</b>	Comptroller and Auditor General
<b>CYPES</b>	Children, Young People, Education Services
<b>DS</b>	Digital Services
<b>EDTSC</b>	Economic Development, Tourism, Sport, and Culture
<b>ELL</b>	Education and Lifelong Learning
<b>ESSH</b>	Employment, Social Security and Housing
<b>ENV</b>	Environment
<b>ER</b>	External Relations
<b>FC</b>	Financing Costs
<b>FS</b>	Financial Services
<b>HCJ</b>	Health and Care Jersey
<b>I&amp;E</b>	Infrastructure & Environment
<b>INF</b>	Infrastructure
<b>JHA</b>	Justice and Home Affairs
<b>JOA</b>	Jersey Overseas Aid
<b>JUG</b>	Judicial Greffe
<b>LOD</b>	Law Officers' Department
<b>PS</b>	People Services
<b>SG</b>	Grants to States Funds
<b>SoJP</b>	States of Jersey Police
<b>T&amp;E</b>	Treasury and Exchequer
<b>NM</b>	Non-Ministerial Departments
<b>OAN</b>	Official Analyst
<b>OLG</b>	Office of the Lieutenant Governor
<b>VID</b>	Viscount's Department
<b>STA</b>	States Assembly
<b>PRO</b>	Probation

<b>Glossary of Terms</b>	
<b>AHC</b>	Arts, Heritage & Culture
<b>CNR</b>	Carbon Neutral Roadmap
<b>COCF</b>	Criminal Offences Confiscation Fund
<b>CSP</b>	Common Strategic Policy
<b>EPT</b>	Enveloped Property Tax
<b>FPP</b>	Fiscal Policy Panel
<b>FRP</b>	Financial Recovery Plan
<b>GST</b>	Goods and Services Tax
<b>GVA</b>	Gross Value Added
<b>HIF</b>	Health Insurance Fund
<b>IFG</b>	Income Forecasting Group
<b>IJJ</b>	Investing in Jersey
<b>ISE</b>	International Services Entity
<b>JCIF</b>	Jersey Capital Investment Fund
<b>JTSF</b>	Jersey Teachers Superannuation Fund Management
<b>LTC</b>	Long-Term Care Fund
<b>LTT</b>	Land Transaction Tax
<b>NHF</b>	New Healthcare Facilities
<b>OECD</b>	Organisation for Economic Development
<b>PFL</b>	Public Finances (Jersey) Law 2019
<b>RCF</b>	Revolving Credit Facility
<b>RPI</b>	Retail Price Index
<b>RTP</b>	Revenue Transformation Project
<b>SPON</b>	Sponsoring Department
<b>SUPP</b>	Supplying Department
<b>VED</b>	Vehicle Emissions Duty

# Appendix 2: Proposition and Summary Tables

## 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.

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- 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 out in the Appendix to the accompanying Report.

COUNCIL OF MINISTERS

**Summary Table 1 - States Income**

£'000	2026	2027	2028	2029
	Estimate	Estimate	Estimate	Estimate
<b>Income Taxes</b>				
- Personal Income Tax	784,500	823,500	859,500	901,500
- Corporate Income Tax	234,000	235,000	248,000	260,000
- Interest Tax Relief (Letting Properties Only)	-	1,900	1,900	1,900
	<b>1,018,500</b>	<b>1,060,400</b>	<b>1,109,400</b>	<b>1,163,400</b>
<b>Goods and Services Tax (GST)</b>				
- Goods and Services Tax	118,500	121,500	124,500	127,500
- International Service Entities Fees	13,500	13,500	13,500	13,500
	<b>132,000</b>	<b>135,000</b>	<b>138,000</b>	<b>141,000</b>
<b>Impôt Duties</b>				
- Spirits	7,111	7,325	7,575	7,811
- Wine	8,723	8,887	9,090	9,271
- Cider	956	962	970	977
- Beer	6,169	6,271	6,400	6,511
- Tobacco	16,033	15,874	15,777	15,632
- Fuel	24,425	24,570	24,811	24,983
- Goods (Customs)	550	550	550	550
- Vehicle Emissions Duty (VED)	3,845	3,740	3,725	3,725
- Vaping	467	955	955	955
	<b>68,279</b>	<b>69,134</b>	<b>69,853</b>	<b>70,415</b>
<b>Stamp Duty and Land Transaction Tax</b>				
- Stamp Duty	34,237	38,476	41,554	44,593
- Land Transaction Tax (LTT)	2,276	2,703	3,038	3,358
- Probate	4,900	4,900	4,900	4,900
- Enveloped Property Transaction Tax	1,000	1,000	1,000	1,000
	<b>42,413</b>	<b>47,079</b>	<b>50,492</b>	<b>53,851</b>
<b>Other Income</b>				
- Island-Wide Rates	18,224	18,771	19,277	19,798
- Dividend Income	10,718	10,888	11,047	11,212
- Income from Andium Homes	28,773	29,266	29,689	30,292
- Liquid Waste Charges	-	-	10,000	10,000
- Other Non-dividend Income	19,912	19,802	19,893	20,117
	<b>77,627</b>	<b>78,727</b>	<b>89,906</b>	<b>91,419</b>
<b>Total States Income</b>	<b>1,338,819</b>	<b>1,390,340</b>	<b>1,457,651</b>	<b>1,520,085</b>

**Summary Table 2 - Borrowing for 2026**

£'000	2025 Approved	Change to Approved	2026 Approval
Refinancing of past-service liabilities	477,000	-	477,000
Housing bond	250,000	-	250,000
Fort Regent	-	43,000	43,000
<b>Borrowing (before healthcare facilities)</b>	<b>727,000</b>	<b>43,000</b>	<b>770,000</b>
Healthcare facilities	523,000	-	523,000
<b>Borrowing</b>	<b>1,250,000</b>	<b>43,000</b>	<b>1,293,000</b>

**Table 3 - Transfer of monies between States Funds**

£'000	2026 Proposed	2027 Proposed	2028 Proposed	2029 Proposed
<b>Transfer from</b>		<b>Transfer to</b>		
Technology Accelerator Fund	3,387	Consolidated Fund	1,387	-
Consolidated Fund	4,493	Climate Emergency Fund	4,427	4,363
Strategic Reserve	174,719	Consolidated Fund (Capital costs)	205,400	213,200
Consolidated Fund	3,002	Strategic Reserve (pension refinancing)	3,436	3,881
Criminal Offences Confiscation Fund	1,700	Consolidated Fund	-	-
Jersey Innovation Fund	900	Consolidated Fund	-	-
Hospital Construction Fund	4,800	Consolidated Fund	-	-
Consolidated Fund	-	Strategic Reserve (Fort Regent)	-	1,300
Social Security Reserve Fund	64,259	Social Security Fund	42,073	45,877
Hospital Construction Fund	1,200	Strategic Reserve Fund	-	-
Assisted House Purchase Scheme	60	Dwelling Houses Fund	-	-
99 Year Leaseholders Fund	170	Dwelling Houses Fund	-	-

**Table 4 Major Projects**

£'000	Previous Approval	Revised Approval	Change In Approval
Mont a' L'Abbe Secondary	41,000	41,000	-
Le Squez	7,500	7,500	-
North of St Helier Youth Centre	10,237	16,129	5,892
Learning Difficulties - Specialist Accommodation	8,850	8,850	-
Digital Care Strategy	18,308	18,308	-
Liquid Waste Key Infrastructure	21,307	51,307	30,000
Fort Regent Redevelopment	-	43,000	43,000
Fire & Rescue Headquarters	24,403	24,403	-
Revenue Transformation Programme (Phase 3)	9,425	10,531	1,106
Revenue Transformation Programme (Phase 4)	11,274	10,168	(1,106)
Cyber Programme 2.0	10,621	10,621	-
Pillar 2 Implementation	4,360	11,210	6,850
Dewberry House - Sexual Assault Referral Centre	4,291	5,991	1,700
<b>Major Projects (before healthcare facilities)</b>	<b>171,576</b>	<b>259,018</b>	<b>87,442</b>
Healthcare facilities	770,360	770,360	-
<b>Major Projects (after healthcare facilities)</b>	<b>941,936</b>	<b>1,029,378</b>	<b>87,442</b>

**Table 5i - Revenue Heads of Expenditure**

<b>2026</b>			<b>Head of</b>
<b>£'000</b>	<b>Income</b>	<b>Expenditure</b>	<b>Expenditure</b>
<b>Departmental Expenditure</b>			
Cabinet Office	(410)	18,771	18,361
Digital Services	(1,410)	35,959	34,549
People Services	(6,101)	19,404	13,303
Education and Lifelong Learning	(26,498)	214,391	187,893
Children and Families	(1,317)	59,346	58,029
Employment, Social Security and Housing	(11,470)	124,769	113,299
Infrastructure	(27,156)	90,425	63,269
Environment	(6,633)	17,740	11,107
Health and Care Jersey	(37,536)	418,918	381,382
Jersey Overseas Aid	-	21,844	21,844
Justice and Home Affairs	(4,875)	41,533	36,658
States of Jersey Police	(222)	31,364	31,142
Ministry of External Relations	(340)	3,785	3,445
Economic Development, Tourism, Sport & Culture	(500)	38,556	38,056
Financial Services	-	11,948	11,948
Treasury and Exchequer	(5,192)	51,772	46,580
Grants to States Funds	-	63,128	63,128
Living Wage Transitional Support	-	10,000	10,000
Past Service Pension Liability Refinancing	-	-	-
Financing Costs	(174)	33,623	33,449
<b>Departmental Expenditure</b>	<b>(129,834)</b>	<b>1,307,276</b>	<b>1,177,442</b>
<b>Non-Ministerial and Other States Bodies</b>			
Bailiff's Chambers	(53)	4,014	3,961
Comptroller and Auditor General	(167)	1,354	1,187
Judicial Greffe	(2,678)	13,392	10,714
Law Officers' Department	(127)	14,881	14,754
Office of the Lieutenant Governor	(198)	1,147	949
Official Analyst	(67)	882	815
Probation	(38)	3,513	3,475
States Assembly	-	11,719	11,719
Viscount's Department	(946)	3,667	2,721
<b>Non-Ministerial and Other States Bodies Expenditure</b>	<b>(4,274)</b>	<b>54,569</b>	<b>50,295</b>
<b>Departmental and Non-Ministerial Expenditure</b>	<b>(134,108)</b>	<b>1,361,845</b>	<b>1,227,737</b>
<b>Reserves</b>			
Central Reserve	-	50,025	50,025
<b>Reserve Expenditure</b>	<b>-</b>	<b>50,025</b>	<b>50,025</b>
<b>Revenue Heads of Expenditure Total</b>	<b>(134,108)</b>	<b>1,411,870</b>	<b>1,277,762</b>

**Summary Table 5ii - Capital and Other Projects Heads of Expenditure**

£'000	Major Project	Spon Dept	Supp Dept	2026 Estimate
<b>Feasibility</b>				<b>1,880</b>
<b>Estates</b>				
Mont a' L'Abbe Secondary	M	ELL	I&E	400
Le Squez	M	ELL	I&E	-
North of St Helier Youth Centre	M	C&F	I&E	4,697
New School and Educational Developments		ELL	I&E	-
Loving Homes Estate		C&F	I&E	2,269
Gas Place Site Acquisition		ELL	I&E	-
Upgrades to CYPES Estates		ELL	ELL	3,800
Learning Difficulties - Specialist Accommodation	M	HCJ	HCJ	2,700
Health Services Improvements Programme		HCJ	HCJ	5,000
Crematorium		I&E	I&E	500
Major Refurbishment and Upgrades		I&E	I&E	6,675
Land Acquisition		I&E	I&E	-
Other I&E Estate Projects		I&E	I&E	1,307
Fort Regent Redevelopment	M	I&E	I&E	26,067
Fire & Rescue Headquarters	M	JHA	I&E	53
Army and Sea Cadets Headquarters		JHA	I&E	1,400
Dewberry House - Sexual Assault Referral Centre	M	SoJP	SoJP	5,288
Prison Phase 8		JHA	I&E	660
<b>Estates</b>				<b>60,816</b>
<b>Infrastructure</b>				
Infrastructure Rolling Vote and Public Realm		I&E	I&E	16,850
Liquid Waste Key Infrastructure	M	I&E	I&E	13,428
Other Infrastructure		I&E	I&E	3,805
<b>Infrastructure</b>				<b>34,083</b>
<b>Information Technology</b>				
Cyber Programme 2.0	M	DS	DS	3,714
IT Infrastructure Improvement Programme		DS	DS	6,000
Digital Government Platform		DS	DS	600
Digital Care Strategy	M	HCJ	HCJ	1,596
Digital Systems Improvements		HCJ	HCJ	1,250
Next Passport Project		JHA	JHA	550
Combined Control Room		JHA	JHA	200
Electronic Patient Records		JHA	JHA	94
Revenue Transformation Programme (Phase 3)	M	T&E	T&E	1,108
Revenue Transformation Programme (Phase 4)	M	T&E	T&E	3,322
Pillar 2 Implementation	M	T&E	T&E	5,350
Court Digitisation		JUG	JUG	220
Replacement LC-MS System		OAN	OAN	650
Probation/Prison Offender Case Management System		PRO	PRO	425
Automatic Electoral Registration		STA	DS	135
<b>Information Technology</b>				<b>25,214</b>

**Summary Table 5ii - Capital and Other Projects Heads of Expenditure (Continued)**

<b>£'000</b>	<b>Major Project</b>	<b>Spon Dept</b>	<b>Supp Dept</b>	<b>2026 Estimate</b>
<b>Replacement Assets and Minor Capital</b>				
Replacement Assets and Minor Capital - DS		DS	DS	2,500
Replacement Assets and Minor Capital - ELL		ELL	ELL	300
Replacement Assets and Minor Capital - HCJ		HCJ	HCJ	2,300
Replacement Assets and Minor Capital - I&E		I&E	I&E	4,550
Fisheries Protection Vessel & Auxiliary Vessels		I&E	I&E	1,219
Replacement Assets and Minor Capital - JHA		JHA	JHA	380
Replacement Assets and Minor Capital - SoJP		SoJP	SoJP	350
<b>Replacement Assets and Minor Capital</b>				<b>11,599</b>
<b>Total Capital and Projects Heads of Expenditure (before NHF)</b>				<b>133,592</b>
Healthcare facilities	M	HCJ	HCJ	174,719
<b>Total Capital and Projects Heads of Expenditure</b>				<b>308,311</b>

**Summary Table 6 - Trading Operations Revenue Heads of Expenditure**

<b>2026</b>			<b>Estimated</b>
<b>£'000</b>	<b>Income</b>	<b>Expenditure</b>	<b>Net</b>
			<b>Income</b>
Jersey Car Parking	9,892	(9,034)	858
Jersey Fleet Management	6,343	(3,938)	2,405
	<b>16,235</b>	<b>(12,972)</b>	<b>3,263</b>

**Summary Table 7 - Trading Operations Project Heads of Expenditure**

<b>2026</b>		<b>Estimated</b>
<b>£'000</b>		<b>Expenditure</b>
Jersey Car Parking		500
Jersey Fleet Management		4,000
		<b>4,500</b>

**Summary Table 8 - Climate Emergency Fund**

<b>£'000</b>	<b>2026</b>
	<b>Estimate</b>
<b>Opening Balance</b>	<b>5,356</b>
Transfer from the Consolidated Fund	4,493
Expenditure	(4,077)
Settlement of Sustainable Transport Capital Projects	(1,038)
<b>Closing Balance</b>	<b>4,734</b>

# Appendix 3: Supplementary Financial Tables

## Expenditure Growth Allocations

Expenditure Growth Allocations							
£'000			2026	2027	2028	2029	
Head of Expenditure	Reference	Description	Estimate	Estimate	Estimate	Estimate	
Education and Lifelong Learning	I-ELL-B26-001	Nursery 2 - 3 yr olds	3,000	3,000	1,800	1,900	
Education and Lifelong Learning	I-ELL-B26-002	Teachers' terms and conditions	1,800	1,800	1,800	1,800	
<b>Education and Lifelong Learning Total</b>			<b>4,800</b>	<b>4,800</b>	<b>3,600</b>	<b>3,700</b>	
Children & Families	I-C&F-B26-001	Children's Services Improvement Programme	7,615	7,953	8,623	8,342	
<b>Children &amp; Families Total</b>			<b>7,615</b>	<b>7,953</b>	<b>8,623</b>	<b>8,342</b>	
Employment Social Security & Housing	I-ESH-B26-001	Supporting islanders and strengthening communities	1,800	1,800	1,800	1,600	
<b>Employment Social Security &amp; Housing Total</b>			<b>1,800</b>	<b>1,800</b>	<b>1,800</b>	<b>1,600</b>	
Health & Care Jersey	I-HCJ-B26-001	Health deficit	15,600	15,600	15,600	15,600	
Health & Care Jersey	I-HCJ-B26-002	Preventative health	4,000	4,000	4,000	4,000	
Health & Care Jersey	I-HCJ-B26-003	Digital health	8,000	8,000	8,000	8,000	
<b>Health &amp; Care Jersey Allocated Subtotal</b>			<b>27,600</b>	<b>27,600</b>	<b>27,600</b>	<b>27,600</b>	
Central Reserve	I-RES-B26-001	Assisted Dying	525	727	688	718	
Central Reserve	I-RES-B26-002	NHF - Facilities Management & Clinical Costs	-	-	-	10,500	
<b>Health &amp; Care Jersey Central Reserve Subtotal</b>			<b>525</b>	<b>727</b>	<b>688</b>	<b>11,218</b>	
<b>Health &amp; Care Jersey Total</b>			<b>28,125</b>	<b>28,327</b>	<b>28,288</b>	<b>38,818</b>	
Justice& Home Affairs	I-JHA-B26-001	Vaping Tax	146	100	80	82	
Justice& Home Affairs	I-JHA-B26-002	Fire and Rescue Service Workforce	413	1,306	1,306	1,306	
Justice& Home Affairs	I-JHA-B26-003	Emergency Services Control Centre	300	460	460	460	
<b>Justice&amp; Home Affairs Total</b>			<b>859</b>	<b>1,866</b>	<b>1,846</b>	<b>1,848</b>	

<b>Expenditure Growth Allocations (Continued)</b>							
<b>£'000</b>							
<b>Head of Expenditure</b>							
Financial Services	I-RES-B26-004	Investment in competitiveness	7,000	6,000	8,000	10,000	
<b>Financial Services Total</b>			<b>7,000</b>	<b>6,000</b>	<b>8,000</b>	<b>10,000</b>	
Treasury & Exchequer	I-T&E-B26-001	Pillar 2 Tax Team	1,748	2,998	2,680	2,685	
<b>Treasury &amp; Exchequer Total</b>			<b>1,748</b>	<b>2,998</b>	<b>2,680</b>	<b>2,685</b>	
Bailiff's Chamber	I-BAC-B26-001	Judicial Remuneration Review	122	122	122	122	
Bailiff's Chamber	I-BAC-B26-002	Jersey Family Justice Council	46	46	46	46	
Bailiff's Chamber	I-BAC-B26-003	Civic and National Events	60	60	60	60	
<b>Bailiff's Chamber Total</b>			<b>228</b>	<b>228</b>	<b>228</b>	<b>228</b>	
Comptroller & Auditor	I-CAG-B26-001	Contractual Inflation	-	-	-	42	
<b>Comptroller &amp; Auditor Total</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>42</b>	
Judicial Greffe	I-JUG-B26-001	Rent Tribunal	59	40	40	40	
Judicial Greffe	I-JUG-B26-002	Election 2026	269	-	-	-	
<b>Judicial Greffe Total</b>			<b>328</b>	<b>40</b>	<b>40</b>	<b>40</b>	
Probation	I-PRO-B26-001	Probation Service Inspection	-	65	-	-	
<b>Probation Total</b>			<b>-</b>	<b>65</b>	<b>-</b>	<b>-</b>	
States Assembly	I-STA-B26-001	Loss of Office Compensation	200	-	-	-	
<b>States Assembly Total</b>			<b>200</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Central Reserve Subtotal</b>			<b>7,525</b>	<b>6,727</b>	<b>8,688</b>	<b>21,218</b>	
<b>Allocated Subtotal</b>			<b>45,178</b>	<b>47,350</b>	<b>46,417</b>	<b>46,085</b>	
<b>Total Expenditure Growth Allocations</b>			<b>52,703</b>	<b>54,077</b>	<b>55,105</b>	<b>67,303</b>	

Table 49: Revenue Expenditure Growth

## Savings Proposals

Savings Proposals															
£'000	ALOs	Office	Roles	FRP	Future Savings	2026 Estimate	ALOs	Office	Pay Management	Future Savings	2027 Estimate	Office	Pay Management	2028 Estimate	
<b>Department</b>															
Cabinet Office	-	-	(1,335)	-	-	(1,335)	-	-	-	-	-	-	-	-	-
Digital Services	-	(1)	(1,034)	-	-	(1,035)	-	-	-	-	-	(1)	-	(1)	
People Services	-	(53)	(364)	-	-	(417)	-	(29)	-	-	(29)	(41)	-	(41)	
Education and Lifelong Learning	-	(57)	(1,183)	-	-	(1,240)	-	(32)	-	-	(32)	(44)	-	(44)	
Children and Families	-	(279)	(260)	-	-	(539)	-	(209)	-	-	(209)	-	-	-	
Employment, Social Security and Housing	-	(59)	(427)	-	-	(486)	-	-	-	-	-	-	-	-	
Infrastructure	-	(1,170)	(1,019)	-	-	(2,189)	-	(207)	-	-	(207)	(375)	-	(375)	
Environment	-	-	(749)	-	-	(749)	-	-	-	-	-	-	-	-	
Health and Care Jersey	-	(96)	-	(9,000)	-	(9,096)	-	(4)	-	-	(4)	(5)	-	(5)	
Jersey Overseas Aid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Justice and Home Affairs	-	-	(365)	-	-	(365)	-	-	-	-	-	-	-	-	
States of Jersey Police	-	-	(187)	-	-	(187)	-	-	-	-	-	-	-	-	
External Relations	-	-	(79)	-	-	(79)	-	-	-	-	-	-	-	-	
EDTSC	-	-	(384)	-	-	(384)	-	-	-	-	-	-	-	-	
Financial Services	-	-	(101)	-	-	(101)	-	-	-	-	-	-	-	-	
Treasury and Exchequer	-	-	(1,513)	-	-	(1,513)	-	-	-	-	-	-	-	-	
<b>Departmental Savings</b>	-	<b>(1,715)</b>	<b>(9,000)</b>	<b>(9,000)</b>	-	<b>(19,715)</b>	-	<b>(481)</b>	-	-	<b>(481)</b>	<b>(466)</b>	-	<b>(466)</b>	
<b>Non-Ministerial Savings</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Departmental and Non-Mins Total</b>	-	<b>(1,715)</b>	<b>(9,000)</b>	<b>(9,000)</b>	-	<b>(19,715)</b>	-	<b>(481)</b>	-	-	<b>(481)</b>	<b>(466)</b>	-	<b>(466)</b>	
Pay Management	-	-	-	-	-	-	-	-	(17,431)	-	(17,431)	-	-	-	
Future Savings	-	-	-	-	-	-	-	-	-	(11,304)	(11,304)	-	-	-	
<b>Savings Total</b>	-	<b>(1,715)</b>	<b>(9,000)</b>	<b>(9,000)</b>	-	<b>(19,715)</b>	-	<b>(481)</b>	<b>(17,431)</b>	<b>(11,304)</b>	<b>(29,216)</b>	<b>(466)</b>	-	<b>(466)</b>	
<i>Budget 2025 Savings Profile</i>	(1,000)	(1,715)	(9,000)	(9,000)	(3,285)	(24,000)	(1,000)	(481)	-	(1,019)	(2,500)	(466)	-	(466)	

Table 50: Saving Proposals

## Changes to Net Revenue Expenditure

Changes to Revenue Heads of Expenditure									
£'000	2025 Amended	Inflation	Formula Driven/Technical	Previous Revenue Growth	New Revenue Growth	Pay Award 2025	Budget Transfers	Savings	2026 Estimate
<b>Departmental Heads of Expenditure</b>									
Cabinet Office	26,188	65	-	(527)	-	853	(6,883)	(1,335)	18,361
Digital Services	39,790	412	-	200	-	771	(5,589)	(1,035)	34,549
People Services	14,107	69	-	-	-	461	(917)	(417)	13,303
Education and Lifelong Learning	175,502	(349)	-	2,791	4,800	6,128	261	(1,240)	187,893
Children and Families	50,077	275	-	(450)	7,615	1,568	(517)	(539)	58,029
Employment, Social Security and Housing	109,135	2,026	-	(133)	1,800	745	212	(486)	113,299
Infrastructure	62,900	637	-	(87)	-	1,394	614	(2,189)	63,269
Environment	11,763	-	-	35	-	601	(543)	(749)	11,107
Health and Care Jersey	322,065	2,473	6,456	110	27,600	9,727	22,047	(9,096)	381,382
Jersey Overseas Aid	22,221	-	(377)	-	-	-	-	-	21,844
Justice and Home Affairs	42,425	65	-	12	859	1,549	(7,887)	(365)	36,658
States of Jersey Police	30,185	65	-	(23)	-	1,102	-	(187)	31,142
External Relations	3,407	26	-	-	-	91	-	(79)	3,445
EDTSC	37,016	998	372	(150)	-	204	-	(384)	38,056
Financial Services	10,886	187	850	(45)	-	171	-	(101)	11,948
Treasury and Exchequer	46,699	321	(1,000)	30	1,748	1,255	(960)	(1,513)	46,580
Grants to States Funds	69,821	-	(6,693)	-	-	-	-	-	63,128
Living Wage Transitional Support	10,000	-	-	-	-	-	-	-	10,000
PSPL	13,783	-	-	-	-	-	(13,783)	-	-
Financing Costs	9,000	-	10,666	-	-	-	13,783	-	33,449
<b>Departmental NRE</b>	<b>1,106,970</b>	<b>7,270</b>	<b>10,274</b>	<b>1,763</b>	<b>44,422</b>	<b>26,620</b>	<b>(162)</b>	<b>(19,715)</b>	<b>1,177,442</b>
<b>Non-Ministerial &amp; Other States Bodies</b>									
Bailiff's Chambers	3,800	24	2	(200)	228	107	-	-	3,961
CAG	1,196	-	-	(9)	-	-	-	-	1,187
Judicial Greffe	9,968	132	-	(40)	328	176	150	-	10,714
Law Officers' Department	14,015	48	-	205	-	486	-	-	14,754
OLG	913	3	-	-	-	33	-	-	949
Official Analyst	784	6	-	3	-	22	-	-	815
Probation	3,324	10	-	24	-	117	-	-	3,475
States Assembly	10,932	40	-	283	200	252	12	-	11,719
Viscount's Department	2,616	-	-	(5)	-	110	-	-	2,721
<b>Non-Ministerial NRE</b>	<b>47,548</b>	<b>263</b>	<b>2</b>	<b>261</b>	<b>756</b>	<b>1,303</b>	<b>162</b>	<b>-</b>	<b>50,295</b>
<b>Departmental and Non-Mins Total</b>	<b>1,154,518</b>	<b>7,533</b>	<b>10,276</b>	<b>2,024</b>	<b>45,178</b>	<b>27,923</b>	<b>-</b>	<b>(19,715)</b>	<b>1,227,737</b>
<b>Reserves</b>									
Central Reserve	34,197	33,331	7,000	(4,105)	7,525	(27,923)	-	-	50,025
<b>Reserve Expenditure</b>	<b>34,197</b>	<b>33,331</b>	<b>7,000</b>	<b>(4,105)</b>	<b>7,525</b>	<b>(27,923)</b>	<b>-</b>	<b>-</b>	<b>50,025</b>
Future Savings	-	-	-	-	-	-	-	-	-
<b>Net Revenue Expenditure</b>	<b>1,188,715</b>	<b>40,864</b>	<b>17,276</b>	<b>(2,081)</b>	<b>52,703</b>	<b>-</b>	<b>-</b>	<b>(19,715)</b>	<b>1,277,762</b>

Table 51: Changes to Revenue Heads of Expenditure 2025-2026

Changes to Revenue Heads of Expenditure									
£'000	2026 Estimate	Inflation	Formula Driven/Technical	Previous Revenue Growth	New Revenue Growth	Pay Awards	Service Area Transfers	Savings	2027 Estimate
<b>Departmental Heads of Expenditure</b>									
Cabinet Office	18,361	-	-	(124)	-	-	-	-	18,237
Digital Services	34,549	-	-	-	-	-	-	-	34,549
People Services	13,303	-	-	-	-	-	-	(29)	13,274
Education and Lifelong Learning	187,893	140	-	1,403	-	-	-	(32)	189,404
Children and Families	58,029	-	-	-	338	-	-	(209)	58,158
Employment, Social Security and Housing	113,299	3,177	-	(47)	-	-	-	-	116,429
Infrastructure	63,269	-	-	(3,163)	-	-	-	(207)	59,899
Environment	11,107	-	-	349	-	-	-	-	11,456
Health and Care Jersey	381,382	-	6,581	-	-	-	23	(4)	387,982
Jersey Overseas Aid	21,844	-	882	-	-	-	-	-	22,726
Justice and Home Affairs	36,658	-	-	44	1,007	-	(23)	-	37,686
States of Jersey Police	31,142	-	-	(21)	-	-	-	-	31,121
External Relations	3,445	-	-	-	-	-	-	-	3,445
EDTSC	38,056	34	218	-	-	-	-	-	38,308
Financial Services	11,948	-	-	(25)	-	-	-	-	11,923
Treasury and Exchequer	46,580	-	-	-	1,250	-	-	-	47,830
Grants to States Funds	63,128	-	20,480	10,000	-	-	-	-	93,608
Living Wage Transitional Support	10,000	-	-	(10,000)	-	-	-	-	-
PSPL	-	-	-	-	-	-	-	-	-
Financing Costs	33,449	-	10,084	-	-	-	-	-	43,533
<b>Departmental NRE</b>	<b>1,177,442</b>	<b>3,351</b>	<b>38,245</b>	<b>(1,584)</b>	<b>2,595</b>	<b>-</b>	<b>-</b>	<b>(481)</b>	<b>1,219,568</b>
<b>Non-Ministerial &amp; Other States Bodies</b>									
Bailiff's Chambers	3,961	-	2	-	-	-	-	-	3,963
CAG	1,187	-	-	28	-	-	-	-	1,215
Judicial Greffe	10,714	-	-	4	(288)	-	-	-	10,430
Law Officers' Department	14,754	-	-	-	-	-	-	-	14,754
OLG	949	-	-	-	-	-	-	-	949
Official Analyst	815	-	-	50	-	-	-	-	865
Probation	3,475	-	-	3	65	-	-	-	3,543
States Assembly	11,719	-	-	(119)	(200)	-	-	-	11,400
Viscount's Department	2,721	-	-	-	-	-	-	-	2,721
<b>Non-Ministerial NRE</b>	<b>50,295</b>	<b>-</b>	<b>2</b>	<b>(34)</b>	<b>(423)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,840</b>
<b>Departmental and Non-Mins Total</b>	<b>1,227,737</b>	<b>3,351</b>	<b>38,247</b>	<b>(1,618)</b>	<b>2,172</b>	<b>-</b>	<b>-</b>	<b>(481)</b>	<b>1,269,408</b>
<b>Reserves</b>									
Central Reserve	50,025	30,607	(5,000)	-	(798)	-	-	(17,431)	57,403
<b>Reserve Expenditure</b>	<b>50,025</b>	<b>30,607</b>	<b>(5,000)</b>	<b>-</b>	<b>(798)</b>	<b>-</b>	<b>-</b>	<b>(17,431)</b>	<b>57,403</b>
Future Savings	-	-	-	-	-	-	-	(11,304)	(11,304)
<b>Net Revenue Expenditure</b>	<b>1,277,762</b>	<b>33,958</b>	<b>33,247</b>	<b>(1,618)</b>	<b>1,374</b>	<b>-</b>	<b>-</b>	<b>(29,216)</b>	<b>1,315,507</b>

Table 52: Changes to Revenue Heads of Expenditure 2026-2027

Changes to Revenue Heads of Expenditure									
£'000	2027 Estimate	Inflation	Formula Driven/Technical	Previous Revenue Growth	New Revenue Growth	Pay Awards	Service Area Transfers	Savings	2028 Estimate
<b>Departmental Heads of Expenditure</b>									
Cabinet Office	18,237	-	-	-	-	-	-	-	18,237
Digital Services	34,549	-	-	-	-	-	-	(1)	34,548
People Services	13,274	-	-	-	-	-	-	(41)	13,233
Education and Lifelong Learning	189,404	210	-	1,533	(1,200)	-	-	(44)	189,903
Children and Families	58,158	-	-	-	670	-	-	-	58,828
Employment, Social Security and Housing	116,429	3,172	-	-	-	-	-	-	119,601
Infrastructure	59,899	-	-	-	-	-	-	(375)	59,524
Environment	11,456	-	-	-	-	-	-	-	11,456
Health and Care Jersey	387,982	-	6,708	-	-	-	-	(5)	394,685
Jersey Overseas Aid	22,726	-	840	-	-	-	-	-	23,566
Justice and Home Affairs	37,686	-	-	-	(20)	-	-	-	37,666
States of Jersey Police	31,121	-	-	-	-	-	-	-	31,121
External Relations	3,445	-	-	-	-	-	-	-	3,445
EDTSC	38,308	(16)	243	-	-	-	-	-	38,535
Financial Services	11,923	-	-	-	-	-	-	-	11,923
Treasury and Exchequer	47,830	-	-	-	(318)	-	-	-	47,512
Grants to States Funds	93,608	-	2,893	-	-	-	-	-	96,501
Living Wage Transitional Support	-	-	-	-	-	-	-	-	-
PSPL	-	-	-	-	-	-	-	-	-
Financing Costs	43,533	-	4,434	-	-	-	-	-	47,967
<b>Departmental NRE</b>	<b>1,219,568</b>	<b>3,366</b>	<b>15,118</b>	<b>1,533</b>	<b>(868)</b>	<b>-</b>	<b>-</b>	<b>(466)</b>	<b>1,238,251</b>
<b>Non-Ministerial &amp; Other States Bodies</b>									
Bailiff's Chambers	3,963	-	3	-	-	-	-	-	3,966
CAG	1,215	-	-	32	-	-	-	-	1,247
Judicial Greffe	10,430	-	-	4	-	-	-	-	10,434
Law Officers' Department	14,754	-	-	-	-	-	-	-	14,754
OLG	949	-	-	-	-	-	-	-	949
Official Analyst	865	-	-	-	-	-	-	-	865
Probation	3,543	-	-	(6)	(65)	-	-	-	3,472
States Assembly	11,400	-	-	85	-	-	-	-	11,485
Viscount's Department	2,721	-	-	-	-	-	-	-	2,721
<b>Non-Ministerial NRE</b>	<b>49,840</b>	<b>-</b>	<b>3</b>	<b>115</b>	<b>(65)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,893</b>
<b>Departmental and Non-Mins Total</b>	<b>1,269,408</b>	<b>3,366</b>	<b>15,121</b>	<b>1,648</b>	<b>(933)</b>	<b>-</b>	<b>-</b>	<b>(466)</b>	<b>1,288,144</b>
<b>Reserves</b>									
Central Reserve	57,403	31,369	-	-	1,961	-	-	-	90,733
<b>Reserve Expenditure</b>	<b>57,403</b>	<b>31,369</b>	<b>-</b>	<b>-</b>	<b>1,961</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90,733</b>
Future Savings	(11,304)	-	-	-	-	-	-	-	(11,304)
<b>Net Revenue Expenditure</b>	<b>1,315,507</b>	<b>34,735</b>	<b>15,121</b>	<b>1,648</b>	<b>1,028</b>	<b>-</b>	<b>-</b>	<b>(466)</b>	<b>1,367,573</b>

Table 53: Changes to Revenue Heads of Expenditure 2027-2028

<b>Changes to Revenue Heads of Expenditure</b>									
<b>£'000</b>	<b>2028 Estimate</b>	<b>Inflation</b>	<b>Formula Driven/Technical</b>	<b>Previous Revenue Growth</b>	<b>New Revenue Growth</b>	<b>Pay Awards</b>	<b>Service Area Transfers</b>	<b>Savings</b>	<b>2029 Estimate</b>
<b>Departmental Heads of Expenditure</b>									
Cabinet Office	18,237	-	-	-	-	-	-	-	18,237
Digital Services	34,548	-	-	-	-	-	-	-	34,548
People Services	13,233	-	-	-	-	-	-	-	13,233
Education and Lifelong Learning	189,903	140	-	-	100	-	-	-	190,143
Children and Families	58,828	-	-	-	(281)	-	-	-	58,547
Employment, Social Security and Housing	119,601	3,175	-	-	(200)	-	-	-	122,576
Infrastructure	59,524	-	-	-	-	-	-	-	59,524
Environment	11,456	-	-	-	-	-	-	-	11,456
Health and Care Jersey	394,685	-	6,837	-	-	-	-	-	401,522
Jersey Overseas Aid	23,566	-	861	-	-	-	-	-	24,427
Justice and Home Affairs	37,666	-	-	-	2	-	-	-	37,668
States of Jersey Police	31,121	-	-	-	-	-	-	-	31,121
External Relations	3,445	-	-	-	-	-	-	-	3,445
EDTSC	38,535	6	-	-	-	-	-	-	38,541
Financial Services	11,923	-	-	-	-	-	-	-	11,923
Treasury and Exchequer	47,512	-	-	-	5	-	-	-	47,517
Grants to States Funds	96,501	-	2,801	-	-	-	-	-	99,302
Living Wage Transitional Support	-	-	-	-	-	-	-	-	-
PSPL	-	-	-	-	-	-	-	-	-
Financing Costs	47,967	-	9	-	-	-	-	-	47,976
<b>Departmental NRE</b>	<b>1,238,251</b>	<b>3,321</b>	<b>10,508</b>	<b>-</b>	<b>(374)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,251,706</b>
<b>Non-Ministerial &amp; Other States Bodies</b>									
Bailiff's Chambers	3,966	-	-	-	-	-	-	-	3,966
CAG	1,247	-	-	-	42	-	-	-	1,289
Judicial Greffe	10,434	-	-	-	-	-	-	-	10,434
Law Officers' Department	14,754	-	-	-	-	-	-	-	14,754
OLG	949	-	-	-	-	-	-	-	949
Official Analyst	865	-	-	-	-	-	-	-	865
Probation	3,472	-	-	-	-	-	-	-	3,472
States Assembly	11,485	-	-	-	-	-	-	-	11,485
Viscount's Department	2,721	-	-	-	-	-	-	-	2,721
<b>Non-Ministerial NRE</b>	<b>49,893</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,935</b>
<b>Departmental and Non-Mins Total</b>	<b>1,288,144</b>	<b>3,321</b>	<b>10,508</b>	<b>-</b>	<b>(332)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,301,641</b>
<b>Reserves</b>									
Central Reserve	90,733	29,953	-	-	12,530	-	-	-	133,216
<b>Reserve Expenditure</b>	<b>90,733</b>	<b>29,953</b>	<b>-</b>	<b>-</b>	<b>12,530</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133,216</b>
Future Savings	(11,304)	-	-	-	-	-	-	-	(11,304)
<b>Net Revenue Expenditure</b>	<b>1,367,573</b>	<b>33,274</b>	<b>10,508</b>	<b>-</b>	<b>12,198</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,423,553</b>

Table 54: Changes to Revenue Heads of Expenditure 2028-2029

## Reconciliation of Estimated Project Expenditure Against Budget

Reconciliation of Project Spend Against Approvals									
£'000	Major Project (M)	Total Project Budget	Expenditure As at 31 Dec 2024	Estimate 2025	Estimate 2026	Estimate 2027	Estimate 2028	Estimate 2029	Estimate 2030+
<b>Estates</b>									
Mont a' L'Abbe Secondary	M	41,000	267	-	400	3,917	14,194	14,830	7,392
Le Squez	M	7,500	3	-	-	-	4,500	2,997	-
North of St Helier Youth Centre*	M	16,129	51	1,350	4,697	8,502	1,529	-	-
Loving Homes Estate		11,970	-	-	2,269	2,134	2,900	4,667	-
Learning Difficulties - Specialist Accommodation	M	8,850	3,330	1,196	2,700	1,624	-	-	-
Crematorium		1,000	-	-	500	250	250	-	-
Land Acquisition		-	-	-	-	-	-	-	-
Fort Regent Redevelopment	M	43,000	-	-	26,067	16,933	-	-	-
Fire & Rescue Headquarters	M	24,403	233	60	53	500	-	1,000	22,557
Army and Sea Cadets Headquarters		1,697	97	200	1,400	-	-	-	-
Dewberry House - Sexual Assault Referral Centre	M	5,991	528	175	5,288	-	-	-	-
Prison Phase 8		2,721	939	1,122	660	-	-	-	-
<b>Infrastructure</b>									
Liquid Waste Key Infrastructure	M	51,307	3,572	4,307	13,428	10,000	10,000	10,000	-
<b>Information Technology</b>									
Cyber Programme 2.0	M	10,621	450	2,514	3,714	3,943	-	-	-
IT Infrastructure Improvement Programme		13,000	-	3,601	6,000	3,399	-	-	-
Digital Government Platform		2,205	1,005	600	600	-	-	-	-
Digital Care Strategy	M	18,308	13,550	2,582	1,596	380	200	-	-
Digital Systems Improvements		3,850	-	1,615	1,250	495	490	-	-
Next Passport Project		850	-	300	550	-	-	-	-
Combined Control Room		2,263	1,813	250	200	-	-	-	-
Electronic Patient Records		667	573	-	94	-	-	-	-
Revenue Transformation Programme (Phase 3)	M	10,531	7,420	2,003	1,108	-	-	-	-
Revenue Transformation Programme (Phase 4)	M	10,168	1,277	2,500	3,322	3,069	-	-	-
Pillar 2 Implementation		11,210	-	1,760	5,350	3,400	350	350	-
Court Digitisation		4,191	2,741	1,230	220	-	-	-	-
Replacement LC-MS System		650	-	-	650	-	-	-	-
Probation/Prison Offender Case Management		756	111	100	425	120	-	-	-
Automatic Electoral Registration		747	162	405	135	45	-	-	-

Table 55: Reconciliation of project spend

## Reprofiling Project Approvals

Each year the Budget reprofiles capital project approvals for each financial year to meet updated cashflow requirements. This reprofiling does not change the total project budget it reflects changes to how that total budget is allocated to financial years. The following tables set out the impact of this reprofiling for Budget 2026-2029.

Table 56 details how 2025 approvals that are no longer forecast to be spent in 2025 has been reprofiled to future years. A Ministerial Decision by the Minister for Treasury and Resources will withdraw the relevant funding in 2025 as it has been reprofiled to future years by this Budget.

Reprofile of 2025 allocations to future years								
£'000	Spon Dept	2025 Budget	2025 Forecast	2025 Change	2026 Change	2027 Change	2028 Change	2029 Change
Liquid Waste Key Infrastructure	I&E	8,435	4,307	(4,128)	4,128	-	-	-
IT Infrastructure Improvement Programme	DS	6,000	3,601	(2,399)	-	2,399	-	-
Dewberry House - Sexual Assault Referral Centre	SoJP	1,638	175	(1,463)	1,463	-	-	-
Fisheries Protection Vessel & Auxiliary Vessels	I&E	2,800	1,581	(1,219)	1,219	-	-	-
New School and Educational Developments*	C&F	2,500	1,350	(1,150)	1,150	-	-	-
Other I&E Estate Projects	I&E	1,360	803	(557)	557	-	-	-
Probation/Prison Offender Case Management	PRO	425	100	(325)	315	10	-	-
Combined Control Room	JHA	450	250	(200)	200	-	-	-
Next Passport Project	JHA	425	300	(125)	125	-	-	-
Vehicle Testing Service	T&E	100	-	(100)	100	-	-	-
Fire & Rescue Headquarters	JHA	113	60	(53)	53	-	-	-
Cyber Programme 2.0	DS	2,557	2,514	(43)	-	43	-	-
<b>Total Change</b>		<b>26,803</b>	<b>15,041</b>	<b>(11,762)</b>	<b>9,310</b>	<b>2,452</b>	<b>-</b>	<b>-</b>

Table 56: Reprofile of 2025 allocations to future years

Table 57 details how approvals previously allocated to future years in Budget 2025-28 will be made available in 2025. A Ministerial Decision by the Minister for Treasury and Resources will make the funding available from the Reserve in 2025. The approvals for future years have already been reduced by this Budget.

Reprofile of future allocations to 2025								
£'000	Dept	2025 Budget	2025 Forecast	2025 Change	2026 Change	2027 Change	2028 Change	2029 Change
Digital Systems Improvements	HCJ	800	1,615	815	520	(1,025)	(310)	-
Learning Difficulties - Specialist Accommodation	HCJ	697	1,196	500	(500)	-	-	-
Replacement Assets and Minor Capital – HCJ	HCJ	2,250	2,450	200	(200)	-	-	-
<b>Total Change</b>		<b>3,747</b>	<b>5,261</b>	<b>1,515</b>	<b>(180)</b>	<b>(1,025)</b>	<b>(310)</b>	<b>-</b>

Table 57: Reprofile of future allocations to 2025

Table 58 sets how underspent approvals from 2024 are reprofiled. Some amounts have already been allocated to 2025 through MR-TR-2025-230 the remaining amounts required in 2025 will be allocated through a further Ministerial Decision by the Minister of Treasury and Resources. Balances required for future years are provided through this Budget.

<b>Allocation of 2024 underspends</b>								
<b>£'000</b>	<b>Dept</b>	<b>2024</b>	<b>2025</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
		<b>Underspend</b>	<b>Allocated</b>	<b>to Allocate</b>	<b>to Allocate</b>	<b>to Allocate</b>	<b>to Allocate</b>	<b>to Allocate</b>
Major Refurbishment and Upgrades	I&E	1,449	-	1,449	-	-	-	-
Firearms Range	I&E	1,143	237	906	-	-	-	-
Oakfield and Fort Regent Decant	I&E	826	-	826	-	-	-	-
Digital Care Strategy	HCJ	1,405	-	579	826	-	-	-
Prison Improvement Works	JHA	1,782	1,010	112	660	-	-	-
Cyber Programme 2.0	DS	646	-	43	106	497	-	-
<b>Total Change</b>		<b>7,250</b>	<b>1,247</b>	<b>3,915</b>	<b>1,592</b>	<b>497</b>	<b>-</b>	<b>-</b>

Table 58: Allocation of 2024 underspends

Table 59 details how funds no longer required for Revenue Transformation Programme Phase 4 will be transferred to support increased funding requirements for Revenue Transformation Programme Phase 3. A Ministerial Decision by the Minister for Treasury and Resources will be brought forward to effect the 2025 implications, the changes to future years are made in this Budget.

<b>Transfer between Head of Expenditure</b>							
<b>£'000</b>	<b>Dept</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	
		<b>Change</b>	<b>Change</b>	<b>Change</b>	<b>Change</b>	<b>Change</b>	
Revenue Transformation Programme (Phase 4)	T&E	(770)	(293)	(53)	-	-	
Revenue Transformation Programme (Phase 3)	T&E	687	429	-	-	-	
<b>Total Change</b>		<b>(83)</b>	<b>136</b>	<b>(53)</b>	<b>-</b>	<b>-</b>	

Table 59: Transfer between project Heads of Expenditure

# Appendix 4: Administrative Tax Measures

Additional administrative and technical measures to be included in the Finance Law (debated alongside the Budget)

Below is the list of administrative and technical measures that will be included in the Draft Finance (2026 Budget) (Jersey) Law, as at the date of lodging Budget 2026.

## *Definition of commercial vehicles*

The Customs and Excise (Jersey) Law is amended to re-categorise buses and coaches as commercial vehicles for the purpose of calculating Vehicle Excise Duty. Other amendments are made to the definition to align those in the Customs Law with those used by DVS. To continue to align our definition with the most recent EU standards, a new power is inserted to allow the Minister to update the definition by Order.

## *Taxation of undistributed profits*

Provisions that ensure taxpayers who were taxed on deemed dividends between 2009 and 2012 are not double taxed are moved from Schedule 5 into the main body of the Income Tax (Jersey) Law 1961 (the “Income Tax Law”).

## *Appeals to the Royal Court*

The requirement to immediately notify an appeal against a determination by the Commissioners of Appeal is removed. It is replaced with a clear 21-day period in which appeals to the Royal Court must be made. Appeals must be made to the Judicial Greffier.

## *Commissioners’ hearings*

A measure to authorise the making of procedural rules relating to Commissioners of Appeal hearings, consistent with other tribunal bodies.

## *Expanding set-off provisions*

Currently, the Comptroller may offset any income tax overpayment against a taxpayer’s GST debt, or vice versa. Following the move of the administration of Social Security contributions to Revenue Jersey, the set off provision in the Revenue Administration (Jersey) Law 2019 (the “Revenue Administration Law”) is expanded to include these contributions.

### *Clarification measures*

- The definition of group in both the Stamp Duties and Fees (Jersey) Law 1998 and the Taxation (Land Transactions) (Jersey) Law 2009 is amended to ensure there is a control element in a chain of companies.
- The definition of a “relevant trust” is amended to put beyond doubt that a relevant trust does not include a pension trust as defined by Part 19 of the Income Tax Law.
- Article 63 of the Income Tax Law is amended to clarify that all occupation of Jersey land for any purpose other than farming or market gardening is taxable under Schedule A rather than Schedule D.

### *Live-in carers*

The exemption from accommodation benefit-in-kind is extended to those providing care to the resident of the accommodation through an agency.

### *Exemption from income tax for States owned entities*

A new Order-making power is created to enable the Minister for Treasury and Resources to exempt any 100% States-owned entities from income tax.

### *Tax on property development*

Article 51 of the Income Tax Law is clarified to ensure that property development in Jersey, however structured, is taxable at 20% under Schedule A.

### *Civil penalties for LTC*

Civil penalties levied under the Revenue Administration Law relating to income tax are extended to include long-term care (LTC) contributions, collected by the Comptroller on behalf of the Minister for Social Security.

### *Default assessments on deceased individuals*

Revenue Jersey must raise an assessment on a deceased individual within 1 year and 1 day of their death. These assessments may be default assessments (estimated assessments) if a return has not been received within this time period. The changes require the Comptroller to replace the default assessment, once a return has been submitted, to accurately reflect the taxpayer’s liability.

### *Dividends from companies under MCIT*

Taxpayers who receive a dividend from companies taxed under the Income Tax Law can receive a credit for the tax paid by the company on the amount of the dividend. This is extended to cover dividends from companies taxed under the Multinational Corporate Income Tax (Jersey) Law 2025 (‘the MCIT Law’). The exemption from income tax for non-residents receiving dividends from companies taxed under the Income Tax Law is also extended to exempt dividends from companies taxed under the MCIT Law.

### ***Relocation expenses***

Employers who relocate workers to Jersey often cover some or all of the moving costs. Normally, these payments would be taxable on the employee under the benefits-in-kind regime. However, costs related to removal, storage, and travel that are paid directly by the employer are fully exempt, so the employee is not taxed on the benefit. In addition, an employer can pay directly up to £7,500 of miscellaneous relocation expenses, also tax-exempt to the employee, provided the expenses meet certain criteria. This allowance is increased to £15,000.

### ***Multinational Corporate Income Tax (Jersey) Law 2025 (“the MCIT Law”)***

It may be necessary to include a technical amendment in the Finance Law to the current MCIT Law to adapt to US and OECD developments and negotiations in relation to Pillar Two.

