STATES OF JERSEY

FINANCE LAW DELEGATION REPORT FOR THE SIX-MONTH PERIOD TO 30 JUNE 2026

Presented to the States on 27th August 2026
by the Minister for Treasury and Resources

STATES GREFFE

REPORT

The purpose of this report is to satisfy a requirement of the Public Finances (Jersey) Law 2019 for the Minister to report to the States Assembly, twice yearly, decisions taken by the Minister under certain Articles of that Law. Details of such decisions are set out in the body of this report. In most cases these decisions vary the amounts for heads of expenditure approved by the Assembly in the Government Plan.

In summary, during the six-month period ending on 30 June 2026 the Minister or Treasurer (acting under delegation from the Minister) approved the following:

- Five transfers between approved heads of expenditure totalling up to £3.9 million, of which up to £1.4 million were transfers into the Central Reserve from project heads of expenditure
- One transfer of departmental and unallocated Central Reserve funding from 2025 to the Central Reserve in 2026, totalling £12.5 million
- One transfer of Major Project funding to the following year for New Healthcare Facilities, totalling £97.3 million
- Thirteen uses of additional departmental income above that included in the Government Plan, totalling up to £9.85 million
- One allocation from the Central Reserve made in 2026 relating to 2025 totalling up to £1.2 million, to amend departmental and project budgets in line with Budget 2026-29
- Six allocations from the Central Reserve made in 2026 relating to 2026 totalling up to £33.8 million. Of these:
    - up to £6.9 million was to fund ongoing capital projects in 2026
    - up to £300,000 was allocated to Living Wage Transitional Support (Better Business Support Scheme)
    - up to £585,000 was the transfer of previously approved project balances held in the Central Reserve back to the relevant Heads of Expenditure in 2026 to support the delivery of capital projects
    - up to £4.2 million was transferred to departmental Heads of Expenditure to support departmental priorities and operational requirements
    - up to £21.7 million was to fund 2026 pay awards
- Two Letters of Comfort to Accountable Officers, totalling up to £1.7 million

Approvals in the period are detailed below.

1. The administration of the public finances of Jersey

In accordance with the Public Finances (Jersey) Law 2019 (“the Law”) certain matters are required to be reported to the States Assembly twice yearly by the Minister for Treasury and Resources (“the Minister”).

The Public Finances Manual requires that this report includes a list of all letters of comfort issued during the preceding six-month period. A letter of comfort from the Minister for Treasury and Resources confirms to an Accountable Officer that additional funding will be allocated from Reserves in that financial year if it appears that the approved head of expenditure may be exceeded.

This report summarises all decisions made, and letters of comfort issued during the six month period to 30 June 2026. Where decisions have not previously been published, this is due to one of two reasons –

- The decisions were exempted from publication under the Freedom of Information (Jersey) Law 2011; or
- The decisions were taken by the Treasurer of the States under delegated authority from the Minister.

2. Reporting on decisions

The areas of administration which are required to be reported on are as follows:

(a) each function undertaken, within the applicable 6-month period under any of Articles 18 to 21, 24 and 26 to 28; and

(b) each direction given, within the applicable 6-month period by the Minister under Article 15(3) with respect to the amounts appropriated for a reserve head of expenditure.

Article 18 relates to transfers between heads of expenditure.
Article 19 relates to transfers to the following year's reserve.
Article 20 relates to transfers of major project amounts to the following year.
Article 21 relates to the power to allocate excess income.

Head of expenditure		Amount £	Purpose
From	**To**		
EDTSC	CABO	Up to 70,000	Transfer of the budget for the Freedom of Information element of the Jersey Office of the Information Commissioner (JOIC) grant. MD-TR-2026-001
Various project Heads of Expenditure (details in the linked decision)	Central Reserve	Up to 1,424,849	Adjustment to project Heads of Expenditure (table 1 in the linked decision) MD-TR-2026-219
Infrastructure	Financing Costs	Up to 1,584,000	To transfer the budget for interest and capital repayments relating to the Bellozanne Sewage Treatment Works infrastructure investment, reflecting the nature of the expenditure and aligning it with other capital financing costs. MD-TR-2026-219
ELL	EDTSC	Up to 670,000	Transfer to reflect the change in accountability for delivering the policy objectives of the Jèrriais Service. MD-TR-2026-257
People Services	Treasury & Exchequer	Up to 181,000	Transfer of People Services Analytics resources and budget to Treasury & Exchequer. MD-TR-2026-258

Article 24 relates to emergency expenditure.
Article 26 relates to financing (borrowing).
Article 27 relates to loans.
Article 28 relates to guarantees and indemnities.

There were no approvals in the period under Articles 24 or 26. Other approvals are detailed below.

2.1. Transfers between heads of expenditure under Article 18.

NB A list of abbreviations used can be found at the end of this report.
Where Ministerial Decisions were public the full decisions can be read on www.gov.je.

2.2. Transfers of unspent 2025 approvals to the following year's Central Reserve under Article 19.

From head of expenditure	Amount £	Purpose
Various heads of expenditure	Up to 12,510,000	The transfer of unspent departmental and unallocated Central Reserve funding in 2025 to the Central Reserve in 2026 (2025 year-end allocations). MD-TR-2026-164

2.3. Transfers of Major Project heads of expenditure to the following year under Article 20.

Head of expenditure	Amount £	Purpose
New Healthcare Facilities	Up to 97,300,000	Transfer to enable the project to progress in line with the revised spending profile. MD-TR-2026-164

2.4. Approvals of the allocation of excess income under Article 21. Excess income in this regard is income over and above 10% (up to a maximum of £100,000) of the relevant departmental income estimates in the Government Plan (Budget) 2026-2029.

Head of expenditure	Amount £	Purpose
States of Jersey Police	Up to 725,000	Payment from the Criminal Offences Confiscation Fund to invest in new technology and digital infrastructure for the retention of digital evidence. MD-TR-2026-083
Various heads of expenditure (details in the linked decision)	Up to 4,815,000	Retention of additional income to meet additional costs and various financial pressures for the following heads of expenditure: HCJ, EDTSC, Digital Services, ELL and Past Service Pension Liability.

		MD-TR-2026-164
JHA (Replacement Assets and Minor Capital)	Up to 92,243	Payment from the Criminal Offences Confiscation Fund to make upgrades to the Customs and Excise System for the Administration of Revenue (CAESAR) import system allowing the service to achieve the recommendations from the 2025 MONEYVAL Evaluation Report. MD-TR-2026-241
CYPES	Up to 123,000	Use of additional income from fee increases (above 2.5%) for fee-paying provided schools – Jersey College for Girls (JCG) and Jersey College Preparatory School (JCP). MD-TR-2026-246
CYPES	Up to 107,000	Use of additional income from fee increases (above 2.5%) for fee-paying provided schools – Victoria College (VC) and Victoria College Preparatory School (VCP). MD-TR-2026-248
JG	Up to 206,500	Use of additional income from Stamp Duty court fees to meet the 2025 revenue costs associated with Court Digitisation. TR-2025-TD052
BC	Up to 141,000	Use of additional income from Stamp Duty fees (£67,000 in 2025 and £75,000 in 2026) to cover the annual honoraria for Jurats in 2025 and 2026. TR-2026-TD002
SoJP	Up to 133,000	Use of additional income in 2026 from money received from the Home Office to fund additional resources to allow for the implementation of the Law Enforcement Data Service (LEDS) project, increase in income received from DBS UK to fund vetting officer roles following job revaluation increase and 3.8% pay award in 2026. TR-2026-TD005

CABO (Jersey Reclaim Fund)	Up to 278,000	Use of additional income to meet the operating expenses of the Charity Commissioner for the financial year 2026, in accordance with the Dormant Bank Accounts (Jersey) Law 2017 and the principles of the Public Finances Manual. TR-2026-TD007
Infrastructure	Up to 1,500,000	To adjust I&E estimated income submission for Budget 2026 – 2029. TR-2026-TD010
Economy (EDTSC)	Up to 350,000	Use of additional income generated by the Cyber Security Centre in recognition of Guernsey's contribution to joint service delivery and associated costs. TR-2026-TD022
T&E	Up to 1,168,000	Use of additional income in 2026 generated from recharges to funds and cost recovery arrangements to cover associated increases in expenditure across Treasury and Exchequer services. All of these increased recharge amounts were refined, agreed, and finalised outside the standard timelines of the 2026 Budget process but agreed with the Deputy Chief Executive Officer and Minister in advance. TR-2026-TD024
JHA	Up to 215,000	Use of additional income generated from immigration and other fees, fire certificate fees and prison sales of goods to cover unbudgeted cost pressures. TR-2026-TD026

2.5. Approvals of financing (borrowing) under Article 26

There were no new approvals under Article 26 in the six-month period. However, the following information is included in this report for completeness.

Overdraft

During the six months to 30 June 2026, there were no changes to the overdraft facility held with HSBC, which remained at £50 million, as approved by the Treasurer of the States (under delegated authority from the Minister). As of 30 June the HSBC overdraft drawn was £12.1m.

In addition to the overdraft described above, the Revolving Credit Facility (RCF) may be utilised to provide additional overdraft funding. Use of the RCF for this purpose helps minimise costs associated with short-term borrowing. As at 30 June, all RCF drawings made for this purpose had been fully repaid and no amount remained outstanding in respect of overdraft funding. Previous drawdowns had been approved by the Treasurer of the States under delegated authority from the Minister.

In combination, the total overdraft position was £12.1m.

Revolving Credit Facility (approved by the States, but included for completeness)
In the six months to 30 June 2026, additional drawings of £7.4m were made from the RCF for the purpose of funding the New Healthcare Facilities project, bringing the total drawn to £102.9 million.

The existing capacity of the RCF is £300m with an accordion option which will allow it to be expanded to £500m.

As of 30/6/26 the total drawn value of the RCF is £102.9m fully attributable to the New Healthcare Facilities project.

2.6. Approvals of loans under Article 27

Blue Islands Loan

Blue Islands is currently subject to liquidation proceedings. As of 30 June 2026 the outstanding balance of loans to the company had fallen to £7,382,822 following receipt of £1,773,706 from the liquidator in the first quarter. Work is continuing to recover further funds from the defaulted loan holder.

Caesarean Tennis Club

An existing loan to Caesarean Tennis Club remains in issue. No further drawdowns were made from the loan to Caesarean Tennis Club, which continued to make capital repayments in line with their loan schedule. During the period the loan fell from £28,888.75 to £25,555 due to capital repayments made.

Housing Development Fund (States approved but included for continuity from prior reports)

During the six-month period to 30 June 2026, no new loans were approved by the Minister for Treasury and Resources.

The net value of loans outstanding from the Housing Development Fund is issued to Andium Homes Limited and Le Vaux Housing Trust. Loans to Andium remain unchanged at £227,615,777 as no repayments were due; loans owed by Le Vaux Housing Trust fell marginally from £1,233,791 to £1,230,080 though capital repayments.

2.7. Approvals of guarantees under Article 28

Under the Public Finances (Jersey) Law 2019 (‘PFL’), paragraph 28, the Minister may provide financial guarantees not exceeding £3 million per annum or £20 million in total.

On 2 July 2024 the Minister signed MD-TR-2024-511 to issue a guarantee to the Royal Bank of Scotland International Limited, relating to a loan of up to £2,500,000 to Beaulieu Convent School Limited, to be secured against the assets of St Meen Properties Limited.

The guarantee was renewed in August 2025 and remains in place.

No further guarantees or indemnities have been issued by the Minister over the period to 30 June 2026.

The following information is included in this report for completeness.

2.7.1.Jersey Student Loan Scheme

During the six-month period to 30 June 2026, no new loans were guaranteed by the States under the Jersey Student Loan Scheme, which provided financial guarantees to four banks. The Scheme closed to new loans in 2018.

P53/2007 (Student Loans for higher education – guarantees) was debated by the States Assembly on the 6 June 2007 and a maximum outstanding limit of £10 million for an unlimited time period was approved. As at 30 June 2026 there were 40 loans outstanding with a balance of £53,560. At the end of December 2025 this was £74,603.

2.7.2.Disruption Loan Guarantee Scheme (Covid)

This scheme was introduced alongside other measures to assist businesses as part of Covid support and allowed Government to guarantee loans to businesses from banks. It was not extended after 31 December 2021, therefore no new applications have been made, nor guarantees granted since that date.

169 enquiries had been made by clients to banks under the scheme at the end of 2021, of which 70 had progressed and a facility issued. Whilst £4.3 million of facilities had at one stage or another been approved, by 30 June 2026, 9 facilities remained active. These facilities had a total facility value of £0.5 million at their respective dates of award. At as 30 June 2026, reflecting repayments made in the period to the year's end, the remaining value of guarantee exposure from these facilities (including accrued interest) is £44,000 based upon confirmations received from the bank to date. Loan repayments will continue to diminish this guarantee exposure over time, notwithstanding that balances may continue to accrue interest until full repayment.

To date, there have been six confirmed defaults which resulted in claims by banks: one in 2021; two in 2023; two in 2025; and one in 2026.

The 2021 claim had a value of £28,000 and was paid in January 2022.

The 2023 claims had values of £28,000 and £411,000 and were paid in September 2023 and January 2024 respectively.

The 2025 claims had values of £3,150 and £10,334 and were paid in June 2025 and July 2025 respectively.

The 2026 claim had a value of £15,480.60 and was paid in May 2026.

2.8. Allocations from the Reserve under Article 15(3)

Further information on the Minister's policy for the types of allocation from the Reserve is contained in "Procedures for allocations from the Reserve", published as R.163/2025.

From	**To**	**Amount (£)**	**Purpose**
Relating to 2025			
Central Reserve	Various Heads of Expenditure	Up to 1,244,900	Amendments to departments and project budgets in line with Budget 2026-29. Details in linked decision, table 1. MD-TR-2026-164
Relating to 2026			
Central Reserve	Various project Heads of Expenditure	Up to 6,900,000	Allocation of funding from the Central Reserve to project and Major Project Heads of Expenditure for ongoing capital projects in 2026. Details in linked decision, table 2. MD-TR-2026-164

Central Reserve	Living Wage Transitional Support Head of Expenditure	Up to 300,000	Allocation from Central Reserve in 2026 as agreed in Budget 2026-29. MD-TR-2026-164
Central Reserve	Various project Heads of Expenditure	Up to 584,940	To transfer previously approved project balances held in the Central Reserve back to the relevant Heads of Expenditure in 2026 to support the delivery of capital projects. Details in linked decision, table 1. MD-TR-2026-285
Central Reserve	Various departmental Heads of Expenditure	Up to 3,946,000	Transfer of funding from the Central Reserve to departmental Heads of Expenditure to support departmental priorities and operational requirements. Details in linked decision, table 2. MD-TR-2026-285
Central Reserve	Various Heads of Expenditure (details in linked decision)	Up to 21,732,000	Allocation for the 2026 Pay Awards. MD-TR-2026-335
Central Reserve - Competitiveness	T&E	Up to 325,000	Allocation to undertake market research and competitor analysis into business taxes portals used around the world, understand the requirements of Financial and Related Professional Services customers and formation of a dedicated unit. MD-TR-2026-430

3. Letters of Comfort

A letter of comfort from the Minister for Treasury and Resources confirms to an Accountable Officer that additional funding will be allocated in that financial year if it appears that the approved head of expenditure may be exceeded, even after appropriate actions have been taken to control spending levels, or if urgent funding is required. The Minister decided, when approving the relevant Public Finances Manual section, that a list of these decisions should be published twice-yearly in this report. Letters of comfort provide temporary assurance, pending preparation of full business cases, to Accountable Officers so that necessary expenditure can continue. Budgets are not formally increased until such time as an allocation of funding is made (for example from Reserves) under the Minister's powers in the Public Finances Law.

Some letters may not result in a formal allocation of additional funding if expenditure can be managed within existing approvals.

The following Letters of Comfort were issued during the six-month period to 30 June 2026.

Department	**Subject/ Pressure**	**Maximum amount (£)**
I&E (Infrastructure)	Dilapidations in 2026	1,400,000
JHA	Emergency Services Control Centre in 2026	300,000

Minister for Treasury and Resources

August 2026

Abbreviations

BC	Bailiff of Chambers
CYPES	Children, Young People, Education and Skills
C&CC	Court and Case Costs
CABO	Cabinet Office
EDTSC	Economic Development, Tourism, Sport and Culture
ELL	Education and Lifelong Learning
ENV	Environment
ER	External Relations
HCJ	Health and Care Jersey
I&E	Infrastructure and Environment
INF	Infrastructure
JG	Judicial Greffe
JHA	Justice and Home Affairs
LOD	Law Officers Department
SoJP	States of Jersey Police
T&E	Treasury and Exchequer