STATES OF JERSEY

FINANCE LAW DELEGATION REPORT FOR THE SIX-MONTH PERIOD TO 30 JUNE 2025

Presented to the States on 20th February 2026
by the Minister for Treasury and Resources

STATES GREFFE

REPORT

Summary:

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 31st December 2025 the Minister or Treasurer (acting under delegation from the Minister) approved the following:

- Six transfers between approved heads of expenditure totalling up to £26.8 million, of which up to £11.8 million were transfers into the Central Reserve from project heads of expenditure
- Twenty uses of additional departmental income above that included in the Government Plan, totalling up to £4.2 million
- Eight allocations from the Central Reserve totalling up to £26.8 million. Of these:
    - up to £5.5 million was allocated in 2025 to support the early delivery of planned projects (from future allocations) and to fund priority works, digital improvements, and essential service needs
    - up to £560,000 was allocated to address the continued impact of Major Incidents
    - up to £130,000 was for the 2025 pay award for Junior Doctors
    - up to £1.5 million was allocated to maintain regional air connectivity
    - up to £19 million was allocated to support a range of priority financial pressures across departments, including legal and court related costs, market and operational needs, departmental budget pressures, and project funding
- Two Letters of Comfort to Accountable Officers, totalling up to £790,000

Further Ministerial Decisions will be made in early 2026 to effect year-end adjustments once final financial positions for 2025 are known.

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 31st December 2025. 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.

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 Article 19, 20, or 24. 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.

Head of expenditure		**Amount £**	**Purpose**
From	**To**		
JHA	HCS (now HCJ)	Up to 7,853,306	Restructure of key health and care functions: the States of Jersey Ambulance Service, Public Health and

			Strategic Health Policy, including 88 FTE. MD-TR-2025-482
Revenue Transformation Project Phase 4 (RTP4)	Revenue Transformation Project Phase 3 (RTP3)	Up to 770,000	Transfer of funds to cover additional software programming and testing. MD-TR-2025-586
T&E	HCS (now HCJ)	Up to 935,567	Transfer of Finance Business Partnering function (£742,934 including 13 FTE) and Commercial Services function (£192,633 including 2 FTE) to be part of an autonomous Integrated Health Service under the Health and Care Jersey department. MD-TR-2025-605
Various project heads of expenditure (details in the linked decision)	Central Reserve	Up to 11,802,167	Transfer of unspent 2025 funds into the Central Reserve for reallocation in future years. MD-TR-2025-696
People Services	T&E	Up to 140,000	Transfer of the budget and associated FTE of the Analytics team to support a centralised team combining both People and Financial data analytics. This aligns with the broader government data transformation strategy. MD-TR-2025-752
Technology and Digital Services (now Digital Services)	HCS (now HCJ)	Up to 5,303,000	This transfer supported HCJ plans with a migration of responsibility to HCJ and aims to improve ownership, management, and governance of the Digital Health Portfolio, whilst maintaining a close working relationship between HCJ and Digital Services as custodians of the wider Government's IT applications, network, and infrastructure that HCJ integrates with. MD-TR-2025-785

2.2 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) 2025-2028.

Head of expenditure	Amount £	Purpose
SoJP	Up to 175,000	Payment from the Criminal Offences Confiscation Fund to the States of Jersey Police (SoJP) head of expenditure. It was used to fund the IT investment to retain and archive a substantial amount of evidence that has been gathered as a result of the SoJP investigations into the Major Incidents which occurred in late 2022. MD-TR-2025-953
Firearms Range	Up to 280,000	Payment from the Criminal Offences Confiscation Fund to cover the final stage of completion of the new Firearms Range project. MD-TR-2025-953
Various heads of expenditure (details in the linked decision)	Up to 1,960,000	Use of additional income to meet additional costs and various financial pressures across a total of five heads of expenditure. MD-TR-2025-966
SoJP	Up to 4,000	Use of additional income from SoJP fee increases (above 2.5%), aligning with the National Police Chiefs Council (NPCC) charging guidelines, to cover additional cost pressures faced by the SoJP. TR-2025-TD024.
Official Analyst	Up to 30,000	Use of additional income in 2025 generated from analytical services to cover unbudgeted pressures associated with the accreditation of the laboratory and legal services. TR-2025-TD029
JHA	Up to 440	Use of additional income from the fee increases above 2.5% for the licensing of door security staff in Jersey. The additional income will be offset by the running costs of the scheme. TR-2025-TD030

JHA	Up to 213,000	Use of additional income generated in 2025 from immigration, passport and other fees to cover unbudgeted cost pressures. TR-2025-TD031
INF	Up to 155,000	Use of additional income from fees and charges increases above 2.5% related to user pays services in 2026 to support the Infrastructure Department's ability to make full cost recovery. TR-2025-TD036
OLG	Up to 50,000	Use of additional income in 2025 generated from naturalisation and immigration fees to cover unbudgeted pressures associated with unforeseen maintenance and temporary staffing pressures. TR-2025-TD037
SoJP	Up to 150,800	Use of additional income in 2025 from money received from the Home Office to fund additional resources to allow for the implementation of the Law Enforcement Data Service (LEDS) project, and other one-off income sources - received through the sale of old weapons, to cover other pressures. TR-2025-TD038
HCJ	Up to 560,000	Use of additional income from the increase in the 2026 Private Patient Tariff (from 1 January 2026) of 5.75%, to offset anticipated cost increases to non-pay costs of providing services to private patients and inflation to staff costs. TR-2025-TD045
ENV	Up to 41,000	Use of additional income from fee increases for Water Abstraction in 2026 above 2.5% to support the Environment Department's ability to fulfil its regulatory services under the user pays principle. TR-2025-TD047
Various (details in table *1)	Up to 610,000	Use of additional income by Non-Ministerial Departments to meet unbudgeted cost pressures in 2025, across four departments. TR-2025-TD049AH
JHA	Up to 1,453	Use of additional income from fee increases above 2.5% from 1 January 2026 for security vetting to be offset by the running costs of the scheme. TR-2025-TD051

2.3 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 31 December 2025, 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 31 December the HSBC overdraft was £16.1m drawn.

In addition to the above overdraft, the Revolving Credit Facility (RCF) may be drawn upon for additional Overdraft funding.

As of 31 December a total of £88.1m had been drawn from the RCF for this purpose. Use of the RCF for this purpose serves to minimise costs associated with short-term borrowing. These drawdowns were approved by the Treasurer of the States under delegated authority from the Minister.

In combination, the total overdraft position was £104.2m.

Revolving Credit Facility (approved by the States, but included for completeness)

In the six months to 31 December 2025, additional drawings of £17.4m were made from the RCF for the purpose of funding the New Healthcare Facilities project, bringing the total drawn to £95.5 million.

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

As of 31/12/25 the total drawn value of the RCF is £183.6m split £95.5m for the New Healthcare Facilities project and £88.1m for overdraft purposes.

2.4 Approvals of loans under Article 27

Blue Islands Loan

Two additional loan payments were issued to Blue Islands under Article 27 in the six-month period, the first valued at £1.2m and a the second valued at £1.5m.

Subsequently Blue Islands defaulted and are currently subject to liquidation proceedings. The outstanding balance of total loans to the company had increased to £9,156,528 in total, including the loan granted during Covid, before their default. Post year end £1,773,706 was received from the liquidator against this balance and 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 £32,222 to £28,888.75 due to capital repayments made.

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

During the six-month period to 31 December, no new loans were approved by the Minister for Treasury and Resources.

The net value of loans outstanding from the Housing Development Fund are issued to Andium Homes Limited and Le Vaux Housing Trust. Loans to Andium remain unchanged at £227,615,777; loans owed by Le Vaux Housing Trust fell marginally from £1,236,700 to £1,233,791 though capital repayments

2.5 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 31 December 2025.

The following information is included in this report for completeness.

2.5.1 Jersey Student Loan Scheme

During the six-month period to 31st December 2025, 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 6th June 2007 and a maximum outstanding limit of £10 million for an unlimited time period was approved. As at 31st December 2025 there were 46 loans outstanding with a balance of £74,603. At the end of June 2025 this was £126,088.

2.5.2 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 31 December 2025, 15 facilities remained active. These facilities had a total facility value of £0.8 million at their respective dates of award. At as 31 December 2025, reflecting repayments made in the period to the year's end, the remaining value of guarantee exposure from these facilities (including accrued interest) is £0.1 million. 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 five confirmed defaults which resulted in claims by banks: one in 2021; two in 2023; and two in 2025.

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

2.6 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**
Central Reserve	Various heads of expenditure (details in lin ked decision)	Up to 5,593,47 3	Amendments to project budgets in line with Budget 2025-28, to enable the timely delivery of projects now scheduled for earlier completion, by bringing forward funding already approved in

			the Budget (Government Plan); to allocate 2024 underspends required to support 2025 expenditure. MD-TR-2025-696
Central Reserve	States of Jersey Police	Up to 560,000	Allocation to address the continued impact of Major Incidents. MD-TR-2025-696
Central Reserve	HCS (now HCJ)	Up to 130,000	Pay Award 2025 for Junior Doctors. MD-TR-2025-751
Central Reserve	EDTSC	Up to 1,500,000	Allocation of Reserve Funding to maintain regional air connectivity. MD-TR-2025-981
Central Reserve (Court and Case Cost Smoothing Reserve)	Various heads of expenditure (details in linked decision)	Up to 2,707,329	Allocations to cover financial pressures. MD-TR-2025-966
Central Reserve (Market Smoothing Reserve)	INF	Up to 50,000	These funds cover the costs associated with maintenance works that were carried out at the Central Markets during 2025. MD-TR-2025-966
Central Reserve	Various departmental heads of expenditure (details in linked decision)	Up to 15,530,000	These allocations provide the funding needed to cover departmental and project cost pressures and to ensure compliance with regularity requirements. MD-TR-2025-966

Central Reserve	Various project heads of expenditure (details in linked decision)	Up to 792,000	Additional allocations due to pressures primarily driven by factors outside normal project delivery expectations, including delays arising from supplier disputes, post-completion contractual adjudications, accelerated delivery and strategic design changes. MD-TR-2025-966

*Table 1

Non-Ministerial Departments – use of additional income. TR-2025-TD049AH

Head of Expenditure	**Amount up to (£)**
Law Officers' Department	200,000
Comptroller & Auditor General	60,000
Viscount's Department	330,000
Jersey Overseas Aid	20,000
Total	**610,000**

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.

There were two Letters of Comfort issued during the six-month period to 31st December 2025.

Reference number	Department	Subject/ Pressure	Maximum amount (£)
LOC-2025-36	States of Jersey Police	SoJP Recruitment in 2026	300,000
LOC-2025-37	T&E	Medical Malpractice Insurance Policy Renewal	490,000

Minister for Treasury and Resources
February 2026

Abbreviations

CYPES	Children, Young People, Education and Skills
C&CC	Court and Case Costs
DS	Digital Services
EDTSC	Economic Development, Tourism, Sport and Culture
ENV	Environment
HCS	Health and Community Services
HCJ	Health and Care Jersey
INF	Infrastructure
JHA	Justice and Home Affairs
OLG	Office of the Lieutenant-Governor
SoJP	States of Jersey Police
T&E	Treasury and Exchequer