STATES OF JERSEY

REINSTATE THE STATES GRANT TO THE SOCIAL SECURITY FUND

Lodged au Greffe on 27th July 2026
by Deputy M.B. Andrews of St Helier North
Earliest date for debate: 8th September 2026

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion −

to agree that the States Grant to the Social Security Fund should be reinstated to its full formula value from 2028 onwards and to request the Minister for Treasury and Resources to reflect this within the Budget 2027 to 2030.

DEPUTY M.B. ANDREWS OF ST. HELIER NORTH

REPORT

This proposition requests that the States Assembly agree to reinstate the full States Grant for the 2028 Government Budget. In doing so, I want to retain the Social Security (Reserve) investment income in the Reserve Fund to increase the Fund value without further need of supplementing the Social Security Fund.

Had the States Grant not been partially withdrawn in the 2026 Government Budget, the Consolidated Fund would have remained in deficit. It was this reason that the Council of Ministers decided to withhold the States Grant to allocate £52 million in new growth bid spending.

Over the last six Government Budgets, the States Assembly approved £334 million of growth bid expenditure, of which £276 million was approved between 2020 and 2024. Growth bids of £6 million were approved in 2025, increasing to £52 million in 2026.

In the November 2025 Fiscal Policy Panel report, the Panel highlighted the consequences of the States Assembly approving the additional expenditure in the 2026 Government Budget. The Panel concluded:

In summary, Budget 2026 proposes both an increase in day-to-day spending that exceeds revenue growth and a larger capital investment programme. Total proposed spend exceeds income and relies on borrowing and reducing reserves. Increasing spend at a time when Jersey's economy is operating at capacity is likely to exacerbate domestically generated inflation.

Should the new Council of Ministers maintain or increase government expenditure then it runs the risk of inflation becoming more embedded in the economy. In the recent November report, the Fiscal Policy Panel recommended government expenditure must be curtailed because growth in government expenditure is unsustainable.

Without reducing government expenditure, the partial withholding of the States Grant will remain in place. Between 2027 and 2029, it is expected that between £42 million and £45 million of investment income will be transferred annually from the Reserve Fund to the Social Security Fund.

Given the public sector has experienced exponential growth, each Minister should be tasked with securing savings to department budgets to ensure the full States Grant can be reinstated in full. Additionally, work must be undertaken to deliver efficiencies across government departments.

We also need to be mindful of generating more revenue too. One way to achieve this is by increasing economic growth which can increase government revenue. Consideration should also be given to broadening the tax base to generate larger revenues. Should the government manage to achieve public sector surpluses, these additional funds can be used to rebuild the reserve funds.

The recent ministerial decision to transfer £114,259,000 from the Reserve to the Social Security Fund to compensate for reductions in the States Grant for 2025 and 2026 sets a dangerous precedent.

To restore order to public finances, the States Assembly must work towards sustaining current account surpluses. Future current account surpluses should be transferred to the reserve funds to complement investment returns and increase the Reserve Fund value over the long term.

Should this proposition be accepted, it allows the Council of Ministers time to secure expenditure reductions alongside revenue raising measures to permit the reintroduction of the full States Grant. Growth bids should not be proposed until public finances have returned to a sustainable position, consistent with the recommendations of the Fiscal Policy Panel.

Financial and staffing implications

In all, it is expected the Council of Ministers will rebalance departmental budgets to ensure the full States Grant can be reinstated. The Council of Ministers will be responsible for delivering expenditure reductions across each respective department. Furthermore, the Council of Ministers need to deliver efficiencies across government departments. Consideration must also be given to factor in revenue raising measures too.

Children's Rights Impact Assessment

I consider that this proposition has no direct or indirect impact on children and that the duty to have due regard to the UN Convention on the Rights of the Child does not arise. Accordingly, a Children's Rights Impact Assessment is not required under the Children (Convention Rights) (Jersey) Law 2022.

References:

1) Government of Jersey (2025) *Budget 2026 to 2029 (Government Plan)*. St Helier: Government of Jersey. Available at: Budget 2026 to 2029 PDF (Accessed: 23 July 2026).
2) Fiscal Policy Panel (2025) *Fiscal Policy Panel Annual Report 2025*. St Helier: Government of Jersey. Available at: Fiscal Policy Panel Annual Report 2025 PDF (Accessed: 23 July 2026).
3) States Assembly (2026) *Written Question: WQ.2/2026*. St Helier: States Greffe, States Assembly of Jersey. Available at: WQ-2-2026 PDF (Accessed: 23 July 2026).
4) States Assembly (2024) *Oral Question OQ.89/2024*. St Helier: States Greffe, States Assembly of Jersey. Available at: https://statesassembly.je/publications/questions/2024/2024-oral-questions/2024-oq-61-90/oq-89-2024 (Accessed: 23 July 2026).
5) Government of Jersey — Ministerial Decision Report: "Transfer from the Social Security Reserve Fund to the Social Security Fund" — MD-SOSEC-2026-309 WR (2026).