STATES OF JERSEY

STRATEGIC RESERVE FUND – LONG-TERM FUNDING PLAN

Lodged au Greffe on 21st September 2026
by Deputy M.B. Andrews of St Helier North
Earliest date for debate: 20th October 2026

STATES GREFFE

PROPOSITION

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

to request the Minister for Treasury and Resources to develop a long-term funding plan to increase the value of the Strategic Reserve to between 30% and 60% of Jersey's Gross Value Added (GVA) (the desired range identified by the Fiscal Policy Panel), and for such a funding plan to be implemented no later than January 2029.

DEPUTY M.B. ANDREWS OF ST. HELIER NORTH

REPORT

States Members will be aware of how vocal I have been during the last term of office for the need to build the reserve funds. So, it comes as no surprise that I stood on a mandate to introduce a long-term funding plan to grow the Strategic Reserve (the 'Reserve').

As the Reserve remains below the Fiscal Policy Panel's (the 'FPP') Annual Report – November 2021 desirable range of 30-60% of Gross Value Added (the 'GVA') (Recommendation 4, p.4), efforts must be made to increase the Reserve fund value as a percentage of GVA.

The 2021 report concluded "Current forecasts suggest the Strategic Reserve will remain below the desirable range of 30-60% of GVA for the next 40 years. This does not meet the Panel's previous recommendations. A long-term plan is needed to increase the size of the Reserve, and the Government should set this out" (p. 4).

Despite Recommendation 8 of the FPP's 2014 Annual Report also recommending the States Assembly "should give an indication of the desired size of the Strategic Reserve" (p. 8) no indication of a desired size or a long-term plan have been put forward. For these reasons I remain concerned about the lack of a dedicated strategy to build the Reserve over time.

The latest FPP Annual Report, published in November 2025, states that the Strategic Reserve fund value is currently below 20% of GVA and that the value will drop further to 18% of GVA due to the transfer of £277 million to fund the New Healthcare Facilities (p. 5).

We need to overcome the challenges we face and to do so we need a coherent plan. I believe the Minister for Treasury and Resources is best placed to bring forward a long-term funding plan for the Reserve. This will ensure future States Assemblies work towards building the Reserve relative to the size of Jersey's economy to improve the Island's resilience.

We also must consider the impacts of borrowing when we consider the plan because the New Healthcare Facilities may impact future States Assemblies ability to make transfers to the Reserve.

I know there may also be concerns about whether a long-term funding plan is deliverable given the prevalence of increased government expenditure. To address this, we must reduce government expenditure, and where possible, grow government revenues to make larger transfers to the reserve funds.

Without strong current account surpluses, the Strategic Reserve will remain well below its desirable fund value of 30-60% GVA, because transfers could be insufficient to grow the Reserve to the FPP fund range.

We also cannot afford the continuation of fiscally expansionary budgets as this contributed to the £118 million deficit in 2025 before it was off-set by investment returns (States of Jersey 2025 - Annual Report and Accounts, p. 68).

Whilst Strategic Reserve investment income can grow the Reserve, growth in the Strategic Reserve could be made stronger with transfers and investment income complementing one another over consecutive budgets.

Such a plan can also outline the extent of transfers to be made to the reserve funds alongside the forecast investment income against the fund investment return benchmarks. We must also recognise that we may well be presented with cyclical challenges which means what is planned for may not always be deliverable.

In bringing forward this proposition, I am requesting the Minister for Treasury and Resources develop a long-term funding plan to increase the size of the Reserve to the FPP recommended "desirable range" for the fund no later than January 2029.

Financial and staffing implications

There will be a manpower requirement in the Treasury and Exchequer department to work on setting a target and developing a long-term funding plan for the Strategic Reserve. There will also be financial implications that form part of the plan which include prospective expenditure reductions and revenue raising measures in the Consolidated Fund[1] alongside transfers from the Consolidated Fund to the Strategic Reserve.

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.

[1] It is noted that in 2027 Consolidated Fund will be replaced by the Jersey Capital Investment Fund and the General Revenue Fund. Public Finances (States Funds) Amendment (Jersey) Commencement Order 2026.