STATES OF JERSEY

PROPOSED BUDGET 2026-2029 REVIEW (S.R.6/2025): JOINT RESPONSE OF THE CHIEF MINISTER AND MINISTER FOR TREASURY AND RESOURCES

Presented to the States on 21st January 2026
by the Minister for Treasury and Resources

STATES GREFFE

PROPOSED BUDGET 2026-2029 REVIEW (S.R.6/2025): JOINT RESPONSE OF THE CHIEF MINISTER AND THE MINISTER FOR TREASURY AND RESOURCES

Ministerial Response to:	S.R.6/2025
Ministerial Response required by:	21st January 2026
Review title:	Proposed Budget 2026 2029 Review
Scrutiny Panel:	Corporate Services Scrutiny Panel

INTRODUCTION

The 2026-2029 Budget reflects the Government's commitment to balance and responsibility, delivering measures that support Islanders today, while preparing for future challenges. It is a forward-looking financial plan, which maintains a competitive economy and delivers strong public finances, as approved by the States Assembly.

The Budget means:

- **Putting Islanders first** – Making life better for Islanders, providing more support for families, better healthcare, and help with the cost of living.
- **Investing in health and care** – Putting £28 million into healthcare to improve services and make sure Islanders get the care they need, when they need it.
- **Supporting families** – Expanding free childcare and investing in children's services.
- **Building for the future** – Over the next four years, £1 billion is being invested in Jersey's infrastructure: a new hospital, better roads, and modern public services.
- **Sports & leisure** – Investing £43 million to regenerate Fort Regent and provide Jersey with much needed sports and leisure facilities.
- **Keeping taxes fair** – Increasing tax allowances and keeping duties low, as far as possible, on everyday essentials, such as fuel and alcohol, to keep more money in Islanders' pockets and help with cost-of-living pressures.

The Council of Ministers is grateful for the Panel's review, the detailed findings and proposed recommendations. They are best considered by the new Council of Ministers when they formulate the proposed Common Strategic Policy and Budget, later this year.

FINDINGS

	Findings	Comments
1	As the Budget is the final Budget of this Council of Ministers ahead of the parliamentary elections in 2026, no notable changes have been made to the Budget design and its implementation. However, further steps have been taken to improve the communication of the Budget to Islanders including Jersey's youth.	Noted.
2	Children's Rights Impact Assessments were undertaken by Ministers when developing the Budget and these were published as an addendum to the Budget in a timely manner.	Noted.
3	No gender responsive budgeting process or gender sensitive analysis was explicitly applied when developing the Budget. The Government is of the view that its existing approach of framing policy development by the Discrimination (Jersey) Law 2013 provides fairness in all funding decisions and is meeting the needs of all parts of the community.	All policy decisions – this includes the development of the Budget – include a consideration of the effect on the different sexes, alongside the other protected characteristics, under the Discrimination (Jersey) Law 2013.
4	The Council of Ministers is taking steps to increasingly encourage the embedding of Sustainable Wellbeing in Jersey's budget process, with longer-term impacts also being considered when making decisions. The Ministerial Submission template has been revised to encourage the explicit assessment of community, economic, and environmental impacts and the Organisation for Economic Co-operation and Development (OECD) Better Life Index also provides a benchmark for monitoring overall wellbeing.	Noted. As the C&AG has previously stated (Jersey Performance Framework Report, published 14 October 2024): "Jersey is a leading jurisdiction by enshrining into law a requirement to consider sustainable wellbeing in Government decision making…legislation requires the Council of Ministers to take account of sustainable wellbeing in the Government Plan [the Budget].

	Findings	Comments
5	Risk Management is coordinated through the Government's Corporate Risk Register. Risks are monitored, escalated as appropriate and applied to the Budget process when an immediate response is required. The Budget decisions are therefore informed by assessment of emerging risks which would affect current and future generations if not addressed.	Noted.
6	Mechanisms used to track the delivery of the Budget initiatives, including for the Common Strategic Policy (CSP) and department - specific priorities, include the Corporate Risk Register, quarterly CSP reporting and quarterly departmental reporting. The Council of Ministers is satisfied with that level of progress reporting for tracking progress against the Budget.	Noted.
7	The Future Jersey Vision 2017-2037 (FJV), following a two-year public consultation was established as a 30-year vision to deliver on Jersey's ten Island Outcomes. It continues to work as an effective framework to guide policy-making decisions and Government priorities, particularly the establishment of the Common Strategic Policy (CSP). Although the framework's themes remain relevant and reliable for Jersey, the order in which they are prioritised may benefit from a reordering to better align decision-making with Jersey's current circumstances. The FJV was developed in a manner to enable individual Governments to prioritise aspects of it depending on the nature of the circumstances at the time.	Global events may contribute to changes that can be seen in the Island Outcome Indicators over time. In the ordinary course of events, a long-term vision would not be expected to change quickly. A future government may wish to revisit and refresh that long-term vision, in consultation with Islanders. However, as the outcomes are still just as relevant today, so there are no current plans to change it.
8	The Future Jersey Vision has gaps in areas including Cost of Living, inclusion and environment and has resulted in these themes not being	The Future Jersey Vision covers the full range of outcomes, including affordable living, natural environment, and an inclusive community.

	Findings	Comments
	explicitly reflected as priorities in the Common Strategic Policy.	Similarly, the Common Strategic Policy's 13 priorities support these outcomes areas, such as, 'keeping fees, duties and charges as low as possible to help islanders with the cost of living', reduced cost GP Visits, extending nursery care, Violence against Woman and as well a specific priority to assist in addressing 'environmental wellbeing': the implementation of the Carbon Neutral Roadmap. The existing Ministerial Submission Template includes requirements to consider all aspects of sustainable wellbeing, including diversity equity inclusion issues.
9	Jersey's progress for delivering on the Future Jersey Vision is monitored locally through the Service Performance Measures and compared against other jurisdictions by Statistics Jersey submitting the Island Outcome Indicators to the Organisation for Economic Co-operation and Development (OECD). The Classification of the Functions of Government is also used to compare Jersey's public expenditure with that of other jurisdictions.	Noted.
10	Investing in Jersey 2026-2050 is a long-term vision which aligns with the Future Jersey Vision and the Island Outcomes. Jersey's participation in the Organisation for Economic Co-operation and Development (OECD) Better Life Index also provides a data driven approach for benchmarking the Investing in Jersey priorities.	Noted.
11	It is the Government's intention to tie the decision-making for Investing in Jersey priorities (what to invest in) and their delivery to the Island Outcome Indicators for the Future Jersey Vision.	Noted.

	Findings	Comments
12	The absence of a central strategic performance management function in Government has resulted in unclear oversight, significant data gaps, and limited capacity to monitor whether services are contributing to the Island Outcomes of the Future Jersey Vision. While Statistics Jersey provides valuable data, it cannot substitute for the performance-focused role previously fulfilled at the centre of government.	The Jersey Performance Framework is an authoritative mechanism in which to measure progress towards sustainable wellbeing. It is split into two parts, measuring progress against long-term measures (Island Outcome Indicators) and short-term indicators (through dedicated Service Performance Measures). The current Framework works well without the need of a dedicated performance management function. This Government has focused resource on the delivery of frontline services, not increasing layers of administration.
13	All United Nations Member States adopted the 2030 Agenda for Sustainable Development in 2015 and since then several Governments have taken steps to embed the 17 Sustainable Development Goals (SDG) in their legislation and policy, which are core to that agenda. SDG are a common standard for sustainability reporting globally.	The Government has not formally adopted the United Nations Sustainable Development Goals (SDGs). Instead, it has developed the Jersey Performance Framework, which provides a structure for measuring progress towards sustainable wellbeing. Sustainability reporting is prepared in accordance with the Jersey Financial Reporting Manual (JFReM), which incorporates the UK sustainability reporting framework as a best practice, though it is not a mandatory requirement. As outlined in the written report accompanying the JFReM, an appropriate standard for sustainability reporting is currently under review and will be determined in due course.
14	The review of the Outcome Indicators streamlined the indicators to 72, retaining the 10 main Outcomes from the Future Jersey Vision and nearly all original indicators, while removing redundancies. New indicators were also introduced in areas such as digital services. The improved presentation via the dashboard with red/amber/green status, dynamic time periods, and enhanced accessibility supports wider Government use and enables more effective real-time performance management.	Noted.
15	While departmental dashboards are used to inform the Executive Leadership Team and the Council of	The size and complexity of Government Departments range significantly and so it should be expected that the amount of analytical

	Findings	Comments
	Ministers on performance, there is significant inconsistency in their sophistication and data richness across departments. Departments with strong in-house analytics have richer dashboards, while smaller or less data-intensive departments maintain simpler dashboards.	resource and the dashboards would be different. Nevertheless, the responsibilities in law and in the PFM for Accountable Officers remains consistent, so it is a matter for individual Departments as to how to mitigate these issues proportionately.
16	There is an uneven distribution of analytical capacity across departments. Departmental analytical resources are reported to be prioritised based on need and impact rather than even allocation. Insufficient data in certain areas therefore risks under-measurement, meaning some needs might not be identified or funded appropriately through the Budget cycle. Although risk registers and Island Outcome Indicators flag priority areas for investment, areas lacking data may not be highlighted, potentially leaving gaps in policy attention and resource allocation.	Response to point 15.
17	Departmental performance is largely assessed against the department's business plan objectives, including policy delivery and operational outcomes. While departments link their business plans to the Common Strategic Policy and Island Outcome Indicators, cross-cutting oversight relies primarily on informal mechanisms such as dialogue, collaboration and shared resources, rather than a formal, systematic framework for monitoring and evaluating performance across departments.	Cross-cutting oversight is achieved through rigorous performance management of the leadership, starting from the CEO and Chief Officer objective setting and applied down throughout the organisation.
Cross-c18	While Government departments are aligning performance monitoring with Island Outcome Indicators and tracking both inputs and outputs, the full principles of Outcomes Based Accountability are not yet	Noted.

	Findings	Comments
	consistently applied across all departments. Moreover, engagement with the community to understand collective impact and partnership contributions to outcomes is currently limited.	
19	Government provides no formal, government-wide training programme in Outcomes Based Accountability (OBA) for Officers or partner agencies. While some departments with strong analytical capacity are actively using OBA principles in partnership with external agencies and charities, this practice is inconsistent across Government. Central policy teams do not provide training or guidance, and support for embedding OBA across all departments has largely stalled.	Noted.
20	Jersey's economic outlook remains fragile and uncertain. In 2025, Jersey's inflation is edging upwards and the gap with the UK has widened, the labour market is tight, and domestic price and wage growth is outpacing productivity in some sectors. The economy contracted by 0.7% in 2024, and the housing market is experiencing its largest annual fall since 1986, negatively affecting construction and related industries. These conditions highlight vulnerabilities in Jersey's economy and the need for caution and readiness to respond to deteriorating economic conditions.	Government continues to monitor the economic outlook, including the views of the FPP.
21	Jersey's public finances are under pressure due to a persistent imbalance between rising day-to-day expenditure and slower-growing revenues. The operating balance is projected to move into a £12 million deficit in 2026, with the overall balance remaining negative through	The Budget shows broadly balanced budgets across the plan, with the £12m technical deficit (after depreciation) in 2026 moving to surpluses in future years. It is the Council of Ministers' priority to curb the growth in the public sector, and work is ongoing to outline options to reduce costs to increase the size of surpluses available for

	Findings	Comments
	2026-2029 due to cumulative deficits, continued borrowing and rising debt servicing costs. The Strategic Reserve remains critically low, below 20% of GDP, which is well under the recommended 30–60% range. The Stabilisation Fund is exhausted, and reductions in the Government grant to the Social Security Reserve Fund is being used to cover overspends. These factors collectively increase Jersey's fiscal vulnerability and reduce resilience to economic shocks or adverse interest rate movements.	investment into infrastructure or our reserves (including growing the Strategic Reserve). The temporary reduction in the States Grant to the Social Security Fund is a prudent, and pragmatic measure to ensure vital investment now, whilst protecting the sustainability of the fund. The Island's finances remain strong and form a platform with which we can meet the challenges that most developed economies are facing.
22	The proposed reduction of the Social Security grant in 2025, combined with ongoing reliance of a £50 million reduction to balance the Budget, highlights that Government is not spending within its means. While the Social Security Fund is projected to remain financially sustainable long-term, the decision reflects a short-term measure to cover a structural deficit caused by day-to-day expenditure growth outpacing revenue growth. This approach contrasts with the Budget's stated principle of spending within means and raises concerns about reliance on temporary funding to support ongoing expenditure. The Fiscal Policy Panel has also advised that reducing contributions to the Social Security Funds before a full actuarial review is completed is not prudent.	The proposed reduction in the States Grant represents a sensible and pragmatic reprioritisation of resources – enabling immediate investment without the need to increase taxes for Islanders. Curbing the growth in the public sector is outlined in the response to Finding 21.
23	While the Government maintains an annual stakeholder engagement process and demonstrates a continued commitment to consultation in the Budget, the current approach has limitations. Engagement is stronger with sectors that have representative bodies and monitoring of revenue-raising or relief measures is	The Government strikes a correct balance between policy appraisal, including stakeholder engagement, and value for money in its use of limited resources. It is highly unlikely that any tax policy could be "responsive to the needs of all Islanders and businesses."

	Findings	Comments
	inconsistent, depending on the scale of the policy. This may limit the Government's ability to ensure that policy outcomes are fully evidence-based and responsive to the needs of all Islanders and businesses.	
24	The Budget seeks to balance supporting the hospitality sector through tap relief with moderate alcohol duty increases, while recognising the limits of fiscal policy in influencing alcohol consumption in Jersey.	The Government is confident that tap relief will assist a broad range of retailers of alcohol in keeping prices lower while not encouraging unhealthy or irresponsible levels of consumption.
25	Tobacco duty policy in Jersey increases tobacco duties above inflation, as part of its health and fiscal strategy. However, opportunities to adjust duty-free limits are constrained by international rules and industry practices.	The Government agrees and considers it would not be possible to derogate from the general worldwide approach to duty-free shopping for excise goods in ports and airports and onboard ships and aircraft.
26	Vaping liquid tax seeks a balance to support public health goals by preventing uptake of vaping among youth while facilitating smoking cessation. The increase in vaping liquid tax shown in the Budget for 2027, 2028 and 2029 is not a reflection of increased tax in those years but recognises that the tax will only be implemented in Q2 2026. This will follow the development of Custom's systems, engagement with stakeholders and training in early 2026.	As discussed at the last CSSP hearing, the T&E Revenue Policy Unit will undertake a policy evaluation of the vaping liquid duty in a few years' time when sufficient data becomes available to judge its impact on young people and persistent smokers.
27	The Budget seeks to balance restoring fuel duty in line with inflation with ongoing support for low-emission alternatives including Hydrotreated Vegetable Oil (HVO). Although Islanders continue to face Cost of Living pressures, it is the view of the Council of Ministers that fuel duty increases are justified in 2026 due to lower inflation and lower and varied	Revalorisation of excise duties by RPI maintains their real value and collateral health and environmental impacts. This provides important symmetry to support revalorisation of tax allowances and reliefs.

	Findings	Comments
	fuel prices across Jersey, so consumer impact should be minimal.	
28	The principle of annual increases to Vehicle Emissions Duty (VED) established under the Carbon Neutral Roadmap continues to function as both a fiscal and environmental tool, generating funds for the Climate Emergency Fund and incentivising lower emissions. However, the remaining demand for high-polluting vehicles limits its effectiveness in changing behaviour and any further VED adjustments to those vehicles must consider interests of niche vehicle markets like collectable and vintage cars.	The Government already bears the highlighted factors into account in future policy development. There is already a VED exemption for vintage cars that are more than 50 years old.
29	The 1% reduction in second-home stamp duty for 2026 is based on evidence from housing market trends and Fiscal Policy Panel guidance, balancing revenue stability with affordability and market signals. The decision aligns with both Treasury analysis and housing policy oversight.	The Government is grateful for the CSSP's support for this measure.
30	The proposal to expand the civil penalty regime to cover incorrect GST returns aims to simplify and standardise penalty regimes across tax types, providing clarity and equity for taxpayers while maintaining operational efficiency. It has negligible fiscal impact.	The Government is grateful for CSSP's support and this measure was passed within the draft Finance (2026 Budget) Law 202-.
31	The work to develop a Fuel Replacement Policy has been deferred however, a lot of the policy groundwork has been undertaken and preserved for future use. The complexity of designing a replacement policy has been acknowledged. It is likely that this workstream may need to be progressed by the next Government.	The Government agrees that work on the Fuel Duty Replacement Policy remains important. Fuel consumption will continue to be monitored, and work will continue to be progressed after the General Election, subject to Ministerial direction.

	Findings	Comments
32	Revenue Jersey is progressing with the implementation of the Pillar Two regime, including registration and payment systems. While the Budget cycle forecasts remain aligned with the base case, uncertainty continues due to unresolved negotiations between the United States and the Organisation for Economic Co-operation and Development, which may influence the final structure of global minimum tax rules. Confidence in the forecasted revenue is underpinned by the stability of banking groups, which contribute most significantly to the base case estimate.	The OECD published the Side-by-side package on January 5, 2026. The "side-by-side" Safe Harbour currently applies only to the USA from 2026. The Government will continue to monitor the Pillar 2 landscape. We have always taken a prudent approach to our forecasted revenue. Accordingly, these proposals are not expected to impact the Pillar Two revenues identified in the Budget. Jersey has a wide range of groups in our Pillar Two taxpayer base: the majority of these groups will remain within the scope of Pillar Two following this Side-By-Side Agreement.
33	There are no current plans to broaden the tax base beyond Pillar Two taxation.	The Government confirms that it has no plans at this time to broaden the tax base beyond Pillar 2 taxation.
34	Reviews of formula driven expenditure are instigated at least annually through the Budget process, with the requirement in the Public Finances (Jersey) Law 2019, that the Council of Ministers cannot lodge a Government Plan with a negative balance in the Consolidated Fund for any of the four years.	Noted.
35	£5 million contingency is allocated centrally in the General Reserve for unforeseen expenditures in-year in 2026, which is very low compared to previous years. Previously contingency funding was maintained at a much higher level in the Consolidated Fund, however, was reduced post-Covid. The current Budget cycle limits flexibility, whereas multi-year planning enables a more robust buffer for both expenditure and income variability.	The Government is supportive of a move back to multi-year budgeting.
36	Government recognises limitations in the current annual Government Plan	The Government is supportive of a move back to multi-year budgeting. The Minister plans to

	Findings	Comments
	process, which encourages short-termism and drives departments to seek growth funding upfront rather than planning sustainably over multiple years. A return to a three-year Government Plan cycle is being actively considered to improve financial predictability, support long-term capital planning and strengthen income management. However, the shift requires significant operational and legislative changes and Government has not yet set out a clear timeline or framework for implementation.	instruct the Law Draftsmen on changes to the Public Finances Law this year, for debate by the next Assembly.
37	The Investing in Jersey vision relies on the States Assembly approving the Jersey Capital Investment Fund. The Council of Ministers considers both the Budget and the Jersey Capital Investment Fund to be foundational steps in addressing unsustainable expenditure growth and restoring long-term investment capacity. The shift in focus towards structural reforms intends to ensure that investment is protected and prioritised.	Noted – changes to the PFL to create the JCIF will be lodged early in 2026 to be debated before the election.
38	The Jersey Capital Investment Fund (JCIF) is being designed as a centralised, legislatively backed mechanism to safeguard and finance long-term infrastructure and capital projects. The Fund aims to operationalise the Long-Term Capital Plan, provide strategic protection for capital budgets, and ensure sustainable investment while mitigating short-term budget pressures. The JCIF is considered a more robust mechanism than fiscal rules or existing processes for ensuring disciplined, sustainable and transparent capital investment. While the JCIF's structure, governance	Noted – changes to the PFL to create the JCIF will be lodged early in 2026 to be debated before the election.

	Findings	Comments
	framework and operational details are still being developed the Fund intends to: --protect and ringfence capital funding, with legal and procedural safeguards, --be primarily funded through annual transfers tied to depreciation and supplemented by borrowing, --employ structured project management, business cases, Key Performance Indicators and audit functions to monitor delivery, --maintain central financial oversight (Treasurer of the States), strategic oversight (Council of Ministers) and project level accountability (Officers).	
39	Information Technology (IT) has been recognised in the Budget as an area of increasing risk. The funding being proposed for 2026 intends to address areas of risk for failure of frontline IT services and cyber defence through modernising legacy systems and protecting critical services from emerging threats.	The Government continues to maintain, and where beneficial, increase, its investment across the Information Technology estate.
40	The major project Cyber Programme 2.0 continues in 2026 to enhance Government's cyber resilience. Focus has been on tactical defence enhancements in response to heightened geopolitical and security risks. Although funding has been rephased to prioritise immediate protections, the overall programme remains within existing expenditure limits, ensuring continued progress on long-term resilience objectives.	Please refer to the comment to Finding 39.
41	The IT Major Upgrade and Replacement Programme continues in 2026. Government is developing a strategy to balance in-house capability with selective use of external providers, aiming to strengthen	In line with the Common Strategic Policy and the Government's commitment to curb the growth in public expenditure, further focus is being put on enhancing in-house capability,

	Findings	Comments
	resilience, retain internal expertise and avoid displacing local companies. The project is sufficiently funded, with the budget rebalanced to prioritise efficiency and continuity in Government IT operations.	rather than relying on external consultants. This approach is not unique to Digital Services.
42	The Digital Government Platform is technically ready and nearing full implementation, with final testing underway. No firm go-live date has been set. While current expenditure aligns with the Budget forecast and ongoing operational funding is considered sufficient, any future expansion of the platform is likely to require additional funding.	The Digital Government Platform has gone through routine testing. It will be launched by the end of this term of Government.
43	The proposed 2026 budget allocations for the Office of the Children's Commissioner, Jersey Care Commission and Jersey Advisory and Conciliation Service are barely sufficient to maintain core services which risks compromising service delivery.	The approved Budgets, as adopted by the States Assembly in December 2025, are sufficient to maintain service delivery. Where further funding is required, this will be considered on a case-by-case basis. Just as Departments have done, ALOs will need to give greater thought to prioritising their work programmes, ensuring that taxpayers' money is being used in the most effective manner.
44	The completion of Phase 3 and progress in Phase 4 of the Revenue Transformation Programme represents substantial modernisation of Jersey's tax administration infrastructure. The reforms have streamlined processes, enhanced compliance, and strengthened international reporting capability. Delivering these improvements is positioning Revenue Jersey as a more efficient, integrated and digitally enabled service. The programme remains on track despite minor timeline adjustments.	The Government, Treasurer and Comptroller thank CSSP for its recognition of the progress made in reforming Jersey's tax system and administration.
45	The major project Pillar Two Implementation has made significant progress in implementing the OECD Pillar Two regime, with the system aligned to global minimum tax	Noted.

	Findings	Comments
	requirements. Implementation was operational from 1st January 2025 and is on track to meet reporting and payment obligations in 2026. Revenue Growth funding is proposed for 2026 to grow a Pillar 2 Tax Team to further facilitate this workstream. The successful implementation of the Pillar Two reforms relies on specialised skills. To date, a cautious and staged approach for recruitment to roles has been adopted, reflecting the uncertainties and the complexity of the workstream.	
46	The Fiscal Policy Panel notes that total borrowing has increased significantly in recent years and the need to service the higher debt will absorb a larger share of revenue, thereby increasing sensitivity of the Budget to future movements in interest rates.	Whilst this is not inaccurate, the Government's financing strategy does plan to refinance the existing RCF with longer-term debt when market conditions are suitable, effectively mitigating this risk. Existing bonds are fixed interest.
47	Government's borrowing strategy primarily relies on the Revolving Credit Facility for short-term funding and deferring large-scale debt issuance until a significant borrowing quantum is required. The strategy is actively managed, with regular reviews of debt structure, duration and interest rate options with the aim to maintain cost-effectiveness and fiscal prudence.	Noted.
48	The funding strategy for the New Healthcare Facilities (NHF) combines short-term borrowing through the Revolving Credit Facility (RCF) with projected Pillar Two tax receipts as the preferred option, while retaining the Strategic Reserve as a fallback. However, assuming the drawdown from the Strategic Reserve as a fallback, the Fiscal Policy Panel notes that the Prior Year Basis tax receipts appears as an asset in the Strategic	The funding for Phase 2 of the Fort will be decided once the plans have been agreed and costed.

	Findings	Comments
	Reserve but will only be realised in income terms over time (20 years). The funding strategy for Phase 1 of the Fort Regent redevelopment is also proposed to utilise the Revolving Credit Facility for short-term needs. However, Phase 2 funding has no current budget allocation, which reflects an approach that secures funding only for contractually committed works.	
49	Progress is being made to review States Funds, with four redundant funds being closed and balances reallocated through this Budget. Further reviews are planned for the Criminal Offences Confiscation Fund, Insurance Strategy Fund, Social Security Fund, Long-Term Care Fund, Technology Accelerator Fund and Climate Emergency Fund to ensure their objectives, policies and operations remain in alignment with strategic goals.	Noted.
50	The Strategic Reserve remains significantly below the recommended level of 30–60% of GDP, currently standing at 20%, leaving the Island potentially vulnerable to economic or financial shocks. While the Budget commits to use Pillar Two receipts above the base case to strengthen the reserves, there is no formal mechanism or additional action in place to accelerate this, and liquidity risks exist due to the inclusion of non-immediately liquid assets (Prior Year Basis revenues) in the accounting value of the Strategic Reserve.	The Budget was clear on the strategy of using Pillar 2 receipts in excess of the base case to strengthen reserves. The transfer of PYB debt improves the fund position – providing a cash flow across many years.
51	The proposed £50 million transfer to the Stabilisation Fund in 2026 is uncertain. The past attempt to transfer funds (£25 million in 2025) was not possible due to the Consolidated Fund being in a cash-negative position. The	The implementation of Pillar 2 increases the likelihood that this transfer will be possible.

	Findings	Comments
	Consolidated Fund remains in a cash-negative position, so the transfer is contingent on budget management and any potential upside income, which under the current position appears unrealistic.	
52	Although the Stabilisation Fund's primary objective which is to support countercyclical fiscal policy and promote economic stability will remain unchanged, work has begun to review how the Stabilisation Fund can effectively fulfil its purpose. This is being given particular focus in the context of a proposed return to medium-term financial planning, which will influence the Fund's operational framework.	Noted.
53	The Consolidated Fund is currently in a weakened position, with working capital demands exceeding available balances, leaving it cash-negative and reliant on an overdraft. Historical buffers that previously absorbed income fluctuations have been depleted, reducing short-term contingency capacity of the Fund. The future of the Consolidated Fund is under review as a result of the potential establishment of the Jersey Capital Investment Fund (JCIF). Should the establishment of the JCIF be approved, the Consolidated Fund could be split into the JCIF and a General Revenue Fund which should create opportunity for reducing overdraft in future years. The proposition to establish the JCIF will clarify the detail.	The proposed changes to the PFL to establish the JCIF and GRF will be lodged in January 2026.
54	Despite long-recognised pressures on the health system the Budget 2026 does not set out immediate, concrete measures to address these challenges. While Health is a top priority for Islanders, particularly younger	Work is actively underway to forecast Jersey future health and care funding requirements. It is envisaged this will be completed before end Q1 2026 to allow the incoming future

	Findings	Comments
	generations, the Government has framed responses as part of ongoing work to develop a sustainable, long-term funding model. The resolution of critical health pressures are effectively left to the next Government.	Government to determine the options for change to be presented to the Assembly.
55	The recurrent overspends in health have led to the reprioritisation of funds from other services, which is distorting the Budget's portrayal of future spending and indicating that the current growth in health expenditure is not sustainable without impacting other sectors.	An analysis of growth in public sector spending shows that most, if not all, services have grown in real terms in recent years. This will be published in the Spring of 2026, as part of the next all States Members' workshop on the public sector growth. Much of the recent growth has been focused on prioritising essential services. This is consistent with the Common Strategic Policy, as adopted by the States Assembly. Ensuring the Funding for Healthcare is sustainable remains a key strategic area, with work ongoing. In the shorter term the Financial Recovery Programme is working to deliver better financial control and mitigate cost pressures.
56	A multi-year integrated fiscal model to support short (4-5 years), medium (5-10 years) and long-term (10-25 years) financial planning is being developed, which aims to strengthen long-term fiscal planning and enhance the Government's ability to respond to economic shocks. The initial phase, expected to be operational in 2026, will cover the Consolidated Fund and link departmental expenditure and tax revenues. Later phases will expand to include major funds such as the Social Security Fund and Long-Term Care Fund, integrating actuarial data and demographic trends. The approach is still in early stages and will require ongoing development to fully capture interdependencies across Government finances.	Noted. This a key Treasury project for 2026.

RECOMMENDATIONS

Note: In the coming three months, Ministers are prioritising the final delivery of the government's programme of work before the election period formally commences on 20th April 2026. This has informed decisions on whether to accept or reject recommendations.

The future Council of Ministers may wish to consider the recommendations further, as they will be responsible for the new Budget

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
1	The Council of Ministers must consider taking meaningful action for implementing a formal Gender Responsive Budgeting Framework for Jersey. This process should aim to identify gaps for improving the targeting of resources to address inequalities and support inclusive, sustainable development for all Islanders through the Budget cycle. The Council of Ministers should report back to Scrutiny on the trajectory for progressing this workstream by Q3 2026.		Reject	The future Council of Ministers may wish to consider this recommendation when developing the Budget 2027 - 2030. As noted, above, all policy decisions – including the development of the proposed Budget – include a consideration of the effect on protected characteristics as defined under the Discrimination (Jersey) Law 2013.	N/A
2	The Council of Ministers should consider whether there would be benefit in reordering the prioritisation of the themes within the Future Jersey Vision to better align decision-making with the circumstances at the time. This should be undertaken ahead of establishing the new Common Strategic Policy in 2026 and to inform		Reject	In the ordinary course of events, a long-term vision would not be expected to change quickly. The future Government may wish to revisit and refresh that long-term vision, in consultation with Islanders. However, it is still just as relevant today, so there are no current plans to change it.	N/A

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	other significant strategic policy direction including for the development of the next Island Plan.				
3	The Council of Ministers should consider whether there would be benefit in assessing the Future Jersey Vision (FJV) to identify any gaps in themes. A gap analysis of the Future Jersey Vision should be undertaken and consideration given to including themes to address the gaps identified, with particular focus given to Cost of Living, inclusion and environment. This should be undertaken ahead of establishing the new Common Strategic (CSP) Policy in 2026 in order to reflect these priorities appropriately with the next CSP.		Reject	Please see the above comment to Recommendation 2. Cost of Living and the Environment were both appropriately factored into the Common Strategic Policy, as approved by the States Assembly. The existing Ministerial Submission Template includes requirements to consider all aspects of sustainable wellbeing, including diversity equity inclusion issues.	N/A
4	The Council of Ministers must action the *Recommendations, Work planned that should be prioritised and Areas for consideration* from the Comptroller and Auditor General's review of the Jersey Performance Framework reported on in October 2024. Scrutiny must be formally updated on the delivery of these by Q3 2026.		Reject	The recommendations of the C&AG have been appropriately considered. As the C&AG considers Jersey to be a 'leading jurisdiction' in considering sustainable wellbeing (i.e. the community, economic and environmental wellbeing of Jersey), which is the core benchmark for assessing whether Government measures are improving the lives of Islanders, it is not envisaged that further work will be progressed. This will be for the new Government to consider, as necessary.	N/A

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
5	The Council of Ministers should re-establish a central performance management function with responsibility for setting performance standards, coordinating data collection and providing whole-of-government performance analysis. This function should work alongside departments and Statistics Jersey to provide strategic cross-departmental coordination, strengthen oversight, close data gaps and ensure that progress towards Island Outcomes is consistently measured and understood.		Reject	The future Council of Ministers may wish to consider this recommendation. Nevertheless, the Jersey Performance Framework is an authoritative mechanism in which to measure progress towards sustainable wellbeing. It is split into two parts, measuring progress against long-term measures (Island Outcome Indicators) and short-term indicators (through dedicated Service Performance Measures). The current Framework works well without the need of a dedicated performance management function. This Government has focused resource on the delivery of frontline services, not increasing layers of administration, cost and bureaucracy. This recommendation will be for the next Government to consider, as necessary.	N/A
6	A review of the Future Jersey Vision should compare Jersey's framework to those of other jurisdictions to consider any best practice that Jersey can learn from and whether there would be any merit in embedding the 17 Sustainable Development Goals of the United Nations Member States 2030 Agenda in a manner that is proportionate to Jersey's size.		Reject	Jersey's progress against sustainable wellbeing is considered within the context of additional monitoring frameworks, such as the OECD Better Life Index.	N/A
7	The Council of Ministers should consider standardising dashboard functionality across all departments to ensure consistent quality, accessibility and data		Reject	Please see commentary against Finding 15 above. Further, this would be an additional administrative requirement for Departments.	N/A

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	richness, while providing support to departments with fewer analytic resources. This will enhance Government-wide performance monitoring and ensure that all departments can effectively inform strategic decision-making.				
8	A Government-wide strategy for ensuring consistent and sufficient data collection and analytics across all departments should be established. This should include identifying and addressing gaps in indicators, ensuring that all policy areas are measurable and that investment decisions are fully informed by comprehensive evidence.		Reject	Please see commentary against Finding 15 above.	N/A
9	The Council of Ministers must provide Statistics Jersey with sufficient resources so that it is able to appropriately undertake its cross-Government role to support, develop and improve the cross-departmental Statistics function in line with its statutory obligations.		Accept	This is in place. It is a legal requirement to ensure that Statistics Jersey is sufficiently resourced.	N/A
10	A structured Government-wide performance oversight framework that		Reject	The current system is sufficient. This Government has focused resource on the delivery of frontline services, not	N/A

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	systematically monitors cross-departmental outcomes should be established. This framework should complement existing departmental reporting and ensure consistent alignment with the Common Strategic Policy and Island Outcome Indicators, enhancing accountability and facilitating decision-making at a strategic level.			increasing layers of administration, headcount and cost.	
11	Government must develop a consistent approach to Outcomes Based Accountability across all departments, incorporating qualitative measures, community engagement, and partnership evaluation. This should ensure that performance monitoring not only measures activity and outputs but also the real-world impact on communities and long-term improvement in outcomes.		Reject	The existing arrangements are proportionate and suitable. The Jersey Performance Framework exists already and sustainable wellbeing is built into it. These issues are considered at the earliest stage in policy development, through the Ministerial Submission template, through the requirements of the PFM and are scrutinised through audit processes. Additional actions here are deemed less proportionate for a public service that is seeking to curb unsustainable growth.	N/A
12	Government should establish a formal, centrally coordinated training and development programme in Outcomes Based Accountability (OBA). This should target Officers across all departments and relevant		Reject	Existing processes and training are sufficient.	N/A

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	partner agencies, ensuring consistent understanding, application and evaluation of OBA principles. The programme should also include guidance on using partner data and dashboards to monitor and report on outcomes, enhancing accountability and the impact of Government-funded services. This should be implemented by Q3 2026.				
13	The Treasury and Exchequer should strengthen stakeholder engagement by proactively reaching out to underrepresented groups to ensure broader input into policy development.		Reject	Appropriate stakeholder engagement takes place every year in relation to the Budget. Within the context of limited resources, T&E always seek to engage with all stakeholders who have been identified to have a stake in a material policy change.	N/A
14	The Treasury and Exchequer should implement systematic post -implementation monitoring of all revenue-raising, relief and significant policy measures to evaluate effectiveness and inform future decision-making and to ensure that measures are responsive to the needs of Islanders and businesses.		Reject	As explained at the last CSSP quarterly hearing, the T&E Revenue Policy Unit will normally undertake Post Implementation Reviews of major new implementations; and Policy Evaluation Reviews at a later stage. It would not represent value for money routinely to undertake PIR and PER of ALL changes.	N/A
15	The Treasury and Exchequer should		Reject	The Draft Alcohol Licensing (Jersey) Law 202- which is to be debated in	N/A

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	conclude its review of the alcohol licensing and duty system, engaging with the hospitality sector regarding off-licence and on-licence taxation, to develop measures that balance public health objectives with the economic sustainability of licensed venues. This review should consider the cumulative impact of duties, operational costs, and market competitiveness to ensure policies effectively support both responsible drinking and the viability of the local hospitality industry. This work should be completed and any proposals brought forward in the subsequent Budget.			January 2026 seeks to reduce the operational costs on businesses and provides an opportunity to simplify the existing fee structure. Should the Law be adopted, T&E will work with interested stakeholders (in Government and across the economy) to review the longer-term future of alcohol excise duties following the 2026 General Election.	
16	When a future Government progresses the development of the Fuel Replacement Policy meaningful industry consultation must be undertaken at all stages of policy development.		Accept	As a major tax-policy change, any Policy Appraisal will include extensive stakeholder consultation.	TBC
17	Government must maintain the adoption of a clear fiscal rule governing the use of Pillar Two revenues, ensuring that only base case income is incorporated into standard budgeting		Accept	This is consistent with the prudent approach set out in the Budget.	N/A

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	processes while any excess or volatile revenues are directed exclusively towards one-off investments. This approach will help safeguard fiscal sustainability and prevent the creation of new structural spending pressures linked to an uncertain and evolving global tax framework.				
18	Should the States Assembly approve the establishment of the Jersey Capital Investment Fund in principle, the Proposition lodged for States Assembly debate must include explicit detail for: --the governance and operational framework, including investment principles and risk management measures, -- the interaction between the JCIF and the Long-term Capital Plan, -- the reporting mechanisms and prioritisation process, -- transparency of the funding sources, planned transfers and borrowing arrangements, -- how performance will be measured and reported to demonstrate the effectiveness of the JCIF in delivering on the		Accept	These areas will be covered in the accompanying report, to the legislation. The full package reflecting all of these aspects will follow in further [legislation] and updates, as necessary, to the Public Finances Manual	January 2026

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	Long-term Capital Plan, protecting long-term infrastructure investment and delivering on the Jersey Island Outcomes.				
19	Government must review the funding requirements for the Office of the Children's Commissioner for Jersey, Jersey Care Commission and Jersey Advisory and Conciliation Service to ensure they are adequately resourced to fulfil their statutory responsibilities, maintain independence and support the effective delivery of critical regulatory and human rights functions. Consideration must also be given to provision for necessary external expertise where on-Island capacity is insufficient. The funding review must be undertaken by Q3 2026 and ahead of the subsequent Budget.		Reject – already in place	This has been considered extensively by the Public Accounts Committee's work on ALOs and the Chief Officer Cabinet Office's contributions to that enquiry. Reviews of capacity and capabilities already happen on a quarterly basis, including discussions of risk. The approved Budgets, as adopted by the States Assembly in December 2025, are sufficient to maintain service delivery. Where further funding is required, this will be considered on a case-by-case basis. Just as Departments have done, ALOs will need to give greater consideration to prioritising their work programmes, ensuring that taxpayers' money is being used in the most efficient and effective manner possible. A further additional funding review is not necessary.	N/A
20	The Council of Ministers must strengthen its commitment to prioritise transfers to the Strategic Reserve and the Stabilisation Fund to establish them at the appropriate levels as advised by the Fiscal Policy Panel. This should also include returning to the position of the		Accept	The Budget 2026 already set out the policy of prioritising Pillar 2 receipts in advance of the base case to strengthen reserves. In addition, work on how growth revenue expenditure can be reduced is being prepared. This would enable surpluses to be run, which could be used to invest in capital or strengthening reserves.	Ongoing

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	preceding Budget to allocate a portion of the base case Pillar Two revenues to increase the balance in the Stabilisation Fund.			Balancing transfers to reserves against the need for investment will continue to be a key consideration for the next COM (and Assembly).	
21	The Council of Ministers must strengthen its commitment to address known health system pressures in 2026 to ensure that immediate pressures are mitigated while longer-term sustainable solutions are developed. This must include the development of accurate, evidence-based health spending forecasts to ensure fiscal discipline, support sustainable allocation of resources and provide a realistic picture of future budget pressures. This work must commence immediately to lay the groundwork for the future Council of Ministers to progress. The detailed proposals should be included in the subsequent Budget.		Accept	The Health Minister is actively working to: - mitigate immediate pressures by reducing waste and ensuing that available resources are targeted at need - develop accurate, evidence-based forecasts for future spend, with a view to presenting this to the future Council of Ministers post-election, and to bringing forward proposals to the next Assembly, either as separate proposition or as part of the next Government budget.	Ongoing