STATES OF JERSEY

PROPOSED BUDGET (GOVERNMENT PLAN) 2026-2029 (P.70/2025): TWENTY-SIXTH AMENDMENT (P.70/2025 AMD.(26)) – COMMENTS

Presented to the States on 4th December 2025
by the Council of Ministers

STATES GREFFE

COMMENTS

The Council of Ministers urge Members to reject this amendment for the reasons detailed below.

Part 1: One-off grant increase in 2026 funded by the Better Business Support Package

Apprenticeship course fees charged by Highlands College were increased by 5.5% from September 2025 along with an increase to the maximum grant from £1,600 to £1,852. This presents a 15.75% uplift in the maximum grant available.

Work is already underway to review the apprenticeship scheme. Earlier this year consultation activity took place that explored current challenges and gathered stakeholder views on workable solutions. A report outlining the next steps will be published in early 2026 and policy development will follow during the year.

While the intention to increase apprenticeship grants and explore a new funding model is acknowledged, there is concern regarding reliance on the Better Business Support Package (BBSP) as the source of funding for 2026. This allocation is a one-year measure, whereas apprenticeship programmes typically span multiple years.

This creates a material risk for both apprentices and training providers:

- **Uncertainty for Apprentices**
  Individuals considering an apprenticeship need clarity on the level of financial support available for the entire duration of their course. A temporary uplift without guaranteed continuity may encourage people to start programmes under the assumption that funding will remain at the higher level, only to face reductions in subsequent years. This could lead to financial hardship, increased dropout rates, and negative implications for employability where completion of qualifications is a condition of their employment.

- **Instability for Training Providers**
  Providers require certainty to set fees and plan delivery over the full course period. If fees are increased to reflect the higher grant level and funding subsequently falls, providers may face revenue shortfalls where apprentices withdraw from the course. This instability risks disruption to training provision and could undermine confidence in the apprenticeship system.

- **Broader Systemic Risks**
  While there may be political will to maintain improved funding, this is not guaranteed. Future budgets may not support the same level of investment, particularly given competing fiscal pressures. Additionally, costs are influenced by factors beyond inflation, such as changes in course content, assessment practices, and regulatory requirements, meaning that a short-term adjustment does not address the need for a sustainable, long-term funding model.

- **Impact on Decision-Making**
  A temporary measure without certainty for subsequent years does not provide the clarity required for informed decisions by apprentices, employers, and providers. Introducing a short-term uplift risks creating expectations that cannot be met and may cause disruption across the system.

While addressing the erosion of grant value is important, implementing a one-year increase funded from the BBSP without a guaranteed multi-year commitment introduces significant risks of instability, disruption, and unintended consequences for apprentices and providers. A more sustainable solution should be prioritised over short-term measures.

Part 2: Move to an AME style model

The Minister for Treasury and Resources will consider whether using an Annually Managed Expenditure (AME) style model is appropriate in 2026, and make changes to the PFM if required.

As noted in the report to the amendment, the States does not currently use “AME”, as all approvals are currently approved on an annual basis.

However, in compiling each budget, social benefit forecasts are updated for the appropriate inflationary uplifts (in line with established policies) and forecast volume changed. Social Benefits are generally payable to any individual who meets the qualifying criteria under law, and only limited action to influence the costs is possible.

Underspends on social benefits cannot be repurposed without permission, and overspends are generally managed through central contingency.

A similar mechanism could be adopted for Apprenticeship grants, but as these are payments to training providers, including Highlands College, rather than individuals, this would need to be considered carefully. There is no automatic entitlement to payment. It may therefore be that in setting a budget for this area, it is more appropriate for each government to consider the level of funding against other priorities of the day, allowing them to consider relative costs and benefits and help ensure taxpayers money is spent in a way the maximising impact.