WQ.86/2026

WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY R.S. KOVACS OF ST. SAVIOUR
QUESTION SUBMITTED ON MONDAY 23rd MARCH 2026
ANSWER TO BE TABLED ON MONDAY 30th MARCH 2026

Question

"Will the Minister provide an update on the Strategic Reserve Fund to include, but not be limited to, the following –

(a) the investment income received each year from establishment to date;
(b) details of any withdrawals since inception to date, to include the dates, amounts, and purposes of the withdrawals; and
(c) details of any funds that have been allocated to the new health facility, and if any such funds have been assigned, specify who authorised each transfer, on what date and the sums involved?"

Answer

The Strategic Reserve was established in 1986 as a "long-term buffer" against downturns in the Island's Economy. Over the 40 years it has existed, the States has paid in £256 million, and taken out £316 million – with the balance of the fund derived from accumulated investment returns.

Performance of the Strategic Reserve is reported in the Annual Accounts. The Treasury department does not hold copies of the Annual Accounts from before 2000. Figures have been compiled from other held information for earlier years, and these have not been validated against the published accounts. The Accounting Standards used by the States have also changed over the period, but total return on assets has been used. 2025 figures are currently being audited, and are not included.

Withdrawals from the Strategic Reserve are approved in line with the Public Finances Law – typically approved through the relevant Budget or Government Plan[1]. These are available online from 2004.

In their "Advice for the 2020-23 Government Plan", the Fiscal Policy Panel first recommended that the Strategic Reserve should be greater than 30% of GDP. With the objective to grow the fund no withdrawals have been made since that advice was issued, other than for the development of the new Hospital and the reinstatement of the States Grant in 2024 (an amendment to Government Plan 2024-2027). Recent spend on the Hospital has been funded by borrowing, with proceeds transferred into the Strategic Reserve and then drawn down. As a result, there is no net withdrawal from the fund for these amounts.

It remains the Government's policy that we should look to grow the Strategic Reserve until it is of sufficient size, in line with this advice.

[1] In 2021 P.80/2021 amended an approved Government Plan to include additional transfers

A summary of movements in the fund balance since inception is shown in the table below.

Year	Opening Balance	Transfers In	Transfers Out	Investment Income	Closing Balance
1986	-	10.1	-	-	10.1
1987	10.1	10.0	-	0.6	20.7
1988	20.7	40.0	-	4.1	64.8
1989	64.8	30.0	-	8.0	102.8
1990	102.8	20.0	-	14.2	137.0
1991	137.0	10.0	-	15.6	162.6
1992	162.6	-	-	15.3	177.9
1993	177.9	17.1	-	16.5	211.5
1994	211.5	-	(5.0)	23.1	229.6
1995	229.6	-	(7.0)	15.5	238.1
1996	238.1	-	(15.0)	25.9	249.0
1997	249.0	-	(5.0)	28.3	272.3
1998	272.3	-	(17.5)	37.3	292.1
1999	292.1	3.0	(10.5)	22.9	307.5
2000	307.5	4.0	-	23.2	334.7
2001	334.7	23.0	-	10.2	367.9
2002	367.9	-	-	14.3	382.2
2003	382.2	-	-	14.8	397.0
2004	397.0	-	-	21.2	418.2
2005	418.2	-	-	37.9	456.1
2006	456.1	-	-	21.1	477.2
2007	477.2	10.0	-	22.9	510.1
2008	510.1	-	-	(2.5)	507.6
2009	507.6	-	-	42.3	549.9
2010	549.9	-	-	36.9	586.8
2011	586.8	-	-	7.5	594.3
2012	594.3	-	-	56.9	651.2
2013	651.2	-	-	91.9	743.1
2014	743.1	-	(10.2)	53.6	786.5
2015	786.5	-	(36.7)	21.6	771.4
2016	771.4	-	(56.7)	104.9	819.6
2017	819.6	-	(50.3)	70.8	840.1
2018	840.1	-	(8.1)	(25.0)	807.0
2019	807.0	-	-	106.5	913.5
2020	913.5	-	(6.1)	69.0	976.4
2021	976.4	21.0	(23.0)	86.4	1,060.8
2022	1,060.8	14.0	(14.5)	(68.4)	991.9
2023	991.9	43.6	(42.8)	98.8	1,091.5
2024	1,091.5	20.6	(45.6)	116.4	1,182.9
Total		**276.4**	**(354.0)**	**1,260.5**	

Transfers out of the fund are set out below.

Year	Reason for Transfer	Transfer £m
1994	Capital Fund	5.0
1995	Capital Fund	7.0
1996	Capital Fund	5.0
1996	Tourism Investment Fund	10.0
1997	Capital Fund	5.0
1998	Capital Fund	10.0
1998	Tourism Investment Fund	2.5
1998	ICT Fund	5.0
1999	ICT Fund	5.0
1999	Tourism Investment Fund	5.5
2014	Future Hospital	10.2
2015	Independent Care Enquiry	10.0
2015	Hospital Replacement Project	22.7
2015	Redundancies	4.0
2016	Capital Programme	25.7
2016	Redundancies	16.0
2016	Economic and Productivity Growth Provision	5.0
2016	Consolidated Fund Working Balance	5.0
2016	Independent Care Enquiry	4.0
2016	Les Quennevais School	1.0
2017	Les Quennevais School	39.0
2017	Capital Programme	16.3
2017	Economic and Productivity Growth Provision (Repayment)	(5.0)
2018	Hospital Project	8.1
2020	Hospital Construction Fund	6.1
2021	Financing Costs	2.0
2022	Hospital Financing Costs	0.5
2023	Hospital Financing Costs	3.4
2024	Hospital Financing Costs	5.1
2024	Reinstate States Grant to Social Security Fund	20.0

The following transfers relating to the development of healthcare facilities, were funded through borrowing. Proceeds are transferred into the Strategic Reserve and then drawn down. As a result, there is no net withdrawal from the fund for these amounts.

Year	Reason for Transfer	Transfer £m
2021	Our Hospital	21.0
2022	Capital Repayment (Our Hospital)	11.3
2022	Hospital Project Costs	2.7
2023	Capital Repayment (Our Hospital)	1.0
2023	Hospital Project Costs	38.3
2024	Capital Repayment (Our Hospital)	0.3
2024	Hospital Project Costs	20.2