Government of Jersey
Union Street | St Helier | Jersey | JE2 3DN

Deputy Hilary Jeune
Chair, Environment, Housing and Infrastructure Panel

BY EMAIL

20 November 2025

Proposed Budget 2026-2029 Review

Dear Chair,

Thank you for your letter date the 13th November 2025 regarding the Proposed Budget 2026-2029. I have addressed the relevant areas below.

"As part of its review of the Proposed Budget 2026-2029 (the 'Budget Review'), the Panel is scrutinising the proposals for expenditure and savings in relation to their impact on your Department.

During the Budget Review Public Hearing held with you on 5th November 2025, you informed the Panel that: "…there is no doubt that next year is going to be challenging. The last few years we have been working hard to make sure that we stay inside budget, budget which is continually under pressure".

The Panel also observed Public Hearings undertaken by the Common Strategic Policy Review Panel (the 'CSP Review Panel'), with the Minister for Treasury and Resources and the Chief Minister on 6th November 2025. During those sessions, the Minister for Treasury and Resources noted that: "the Environment Department has had 118 per cent growth in recent years, which is 58 per cent in real terms" and that the Department had received "just over £5 million in 2020, £11.7 million in 2025 and this year there is a reduction"."

To assist the Panel's understanding, please can you provide:

1. **A breakdown of the funding allocated to your Department by year from 2020 to 2025.**

The table below shows the Budget Plan allocations awarded to Environment by division and type for the years 2020 to 2025. The reconciliation of movements in budget between years are also detailed by category of allocation:

		NATURAL ENV. £'000	REGULATION £'000	ODG* £'000	TOTAL ENV. £'000	REASONS FOR BUDGET MOVEMENTS £'000	
2020	Income	(710)	(7,435)	0	**(8,145)**		
	Staff	3,045	6,324	0	**9,369**		
	OpEx	1,133	2,077	0	**3,210**		
	NRE	**3,468**	**966**	**0**	**4,434**	**4,434**	
2021						0	Growth (net)
						0	Inflation
	Income	(721)	(7,533)	0	**(8,254)**	201	Pay award
	Staff	3,330	6,328	0	**9,658**	0	Service transfers (net)
	OpEx	1,608	1,623	0	**3,231**	0	Efficiencies
	NRE	**4,217**	**418**	**0**	**4,635**	**4,635**	
2022						2,523	Growth (net)
						0	Inflation
	Income	(773)	(6,669)	0	**(7,442)**	391	Pay award
	Staff	3,546	7,691	0	**11,237**	(56)	Service transfers (net)
	OpEx	1,323	1,647	0	**2,970**	(728)	Efficiencies
	NRE	**4,096**	**2,669**	**0**	**6,765**	**6,765**	
2023						2,625	Growth (net)
						163	Inflation
	Income	(744)	(6,967)	0	**(7,711)**	488	Pay award
	Staff	4,367	9,022	0	**13,389**	260	Service transfers (net)
	OpEx	2,811	1,765	0	**4,576**	(47)	Efficiencies
	NRE	**6,434**	**3,820**	**0**	**10,254**	**10,254**	
2024						(206)	Growth (net)
						0	Inflation
	Income	(814)	(5,047)	(490)	**(6,351)**	1,127	Pay award
	Staff	5,080	8,265	824	**14,169**	(104)	Service transfers (net)
	OpEx	2,197	755	129	**3,081**	(172)	Efficiencies
	NRE	**6,463**	**3,973**	**463**	**10,899**	**10,899**	
2025						289	Growth (net)
						0	Inflation
	Income	(829)	(5,347)	0	**(6,176)**	1,127	Pay award
	Staff	5,744	8,928	344	**15,016**	0	Service transfers (net)
	OpEx	2,130	608	185	**2,923**	(559)	Efficiencies
	NRE	**7,045**	**4,189**	**529**	**11,763**	**11,756**	

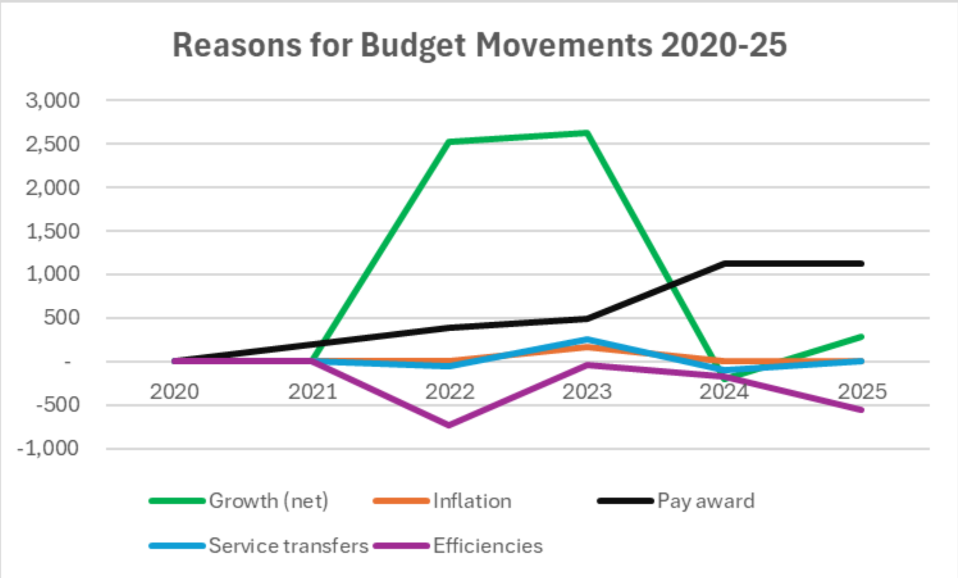
***ODG = Office of the Director General**

Notes on significant budget movements in above table:

- **2022** - The £2.5 million growth was for OI Regulatory Improvement (£1.5m) and CSP4 Housing and Food Licencing Schemes (£1.0m)
- **2023** – The £2.6 million growth mainly covered the following CSP5 initiatives:

- Future Fisheries & Marine Resources Management in relation to Brexit (£0.3m);
    - UK/EU TCA Biosecurity Border Controls related to Brexit (£2.2m)
- **2024** – Service transfer out of Driver and Vehicle Standards from within Regulation division to Department of Infrastructure and a transfer in of 50% of the Office of Director General's budget from Department of Infrastructure represented as a new division within Environment.

The chart below shows the main elements accounting for the movement in total budget for Environment between 2020 and 2025:



Whilst growth was a significant factor of budget increase up until 2023, these came with associated costs of fulfilling the CSP requirements and were not supplementation. A major factor of the additional costs were Brexit related. Since 2023, the Department has not had any growth for new schemes. However, the costs associated with the additional requirements have continued to increase.

Increases to staffing costs are mostly covered by the central pay award. The Department receives no award[1] for non-staff inflationary pressures. This is because it is expected to cover inflationary pressures through increases to its fees and charges. However, the Department has not been permitted to increase fees and charges beyond 2.5% which has left an inflationary gap pressure in recent years.

In addition to the inflationary pressures, Regulation has experienced a drop in revenue in relation to Planning fees. 2024 saw a budget shortfall of £1 million and 2025 is expected to see a further shortfall of £0.8 million against budget. This recent trend is caused by a downturn in the Island construction and is entirely outside the Department's control. However, it is required to meet these shortfalls by reducing costs in other areas.

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[1] Exception in 2023 where £163k was awarded.

2. **Context about the budgetary pressure faced by your Department during “the last few years”.**

Ongoing income shortfall. Planning income has reduced in the last couple of years mainly due to a downturn in large construction projects. In 2024 income was around £1 million short of budget. In 2025 it is forecast to be £0.8 million short of budget. This is expected to be similar in 2026. The shortfall in 2025 was managed by Regulation through recruitment freeze on vacancies.

Met pressure. A variety of non-departmentally generated reasons has seen the Met contract for delivering services to Ports of Jersey over the last few years not realising the revenue anticipated or required. It is still the case for 2026 that this is unable to be increased due to the existing contractual terms but these come to an end in 2026. Specific support of the Council of Ministers for the re-negotiations of appropriate terms will be required in the coming year. This shortfall in revenue and an increase in spending on modernisation of essential meteorological equipment sees an annual pressure on Met of around £300,000 and come 2027, with treasury and political support it is anticipated that this will be resolved.

Role savings. The current inability to recruit into vacant posts due to retirements, which is part due to the proposed savings targets impacts several service areas including the following;

1. Inability to fully administer the new Wildlife (Jersey) Law 2021
2. Reduced protection to biodiversity/habits through less input during the planning process
3. Reduced required reporting on MEA’s
4. The need to reduce biodiversity monitoring and reporting, being that the team will be reduced by half (to two part-time FTEs)
5. Regulatory services are significantly weakened by a reduction in qualified and experienced staff. This undermines Jersey’s ability to enforce a portfolio of environmental laws, meet treaty obligations, and maintain confidence in its governance.

3. **Detail of how you have consulted with the Council of Ministers regarding these budgetary pressures.**

My officers and I have engaged extensively with the Council of Ministers through a series of formal and informal consultations to address the budgetary pressures facing the Environment Department. This included dedicated sessions during the Budget Review process, circulation of financial impact and cost recovery proposals, and targeted discussions on priority areas.

“Furthermore, during the Budget Review Public Hearing with the Panel on 5th November, you stated that: “89 pieces of legislation will need to be modified” and that “That work is not costed or funded” in relation to the UK-EU ‘reset’.

However, during the CSP Review Panel Public Hearing, the Chief Minister indicated that: “I am not aware that we are not able to deliver any of our regulatory functions due to budgetary constraints, and it is up to each Minister to decide with their budgets how they allocate it within their department”.”

4. Please can you provide your views about the extent to which the legislative amendments following a UK-EU ‘reset’ are achievable, in light of the £750,000 savings proposed for your Department next year?

The Minister in the budget scrutiny hearing of spoke about the scope of the current legislative review of approximately 89 pieces of EU legislation where we are being asked whether Jersey retained equivalence of legislation. To clarify this point; For reset purposes our domestic legislation must align with EU legislation on SPS matters and we also need to operationally align with current EU policies. We must therefore review what legislation needs to be updated to fall in line with outputs generated by European legislation. An initial legislation scoping exercise covering fisheries, plant health, food and animal welfare / veterinary legislation has been undertaken at the request of DEFRA with whom officers are in regular discussions on the wider SPS and UK/EU reset issue. So far, the review list covers 89 pieces of European legislation and the Jersey legislation most closely aligned to it. This review determines how much work there will be to do to amend island laws and other ordinance to ensure dynamic alignment can occur. This work is currently being undertaken by existing staff alongside law officers and until the UK / EU negotiations evolve over the coming months it is difficult to estimate what extra resources might be required to ensure Jersey’s interests are properly represented as part of the UK negotiating mandate. We know, however, that the workload across the areas of legislation noted above will increase significantly.

Having recently lost, and not replaced officers with specialist knowledge, the department is now seeing our inability to respond to UK government colleagues on consultations on Multilateral Environmental Agreements, something in which, up till now we have ensured our Island voice has been heard. These same officers were instrumental in the upholding of our Wildlife legislation so if we continue not to replace them we will be unable to determine the extent to which, scientifically and legally, legislation has been breached making the passing on of the enforcement responsibility to Regulation officers that much more difficult. Lack of this type of resource will also limit the department’s ability to comment on incoming Trade agreement consultations thereby putting Jersey / UK / European relations and trade at risk. Closer to home Natural Environment will be unable to adequately, if at all, comment on the biodiversity and ecological elements of planning applications as a consultee.

Finally, during the Budget Review Public Hearing with the Panel on 5th November, you stated that “we do not have any contingency within our budget”, with reference

also made by you and your Chief Officer to a number of risk registers, including corporate, environmental, and community risk registers.

To assist the Panel's understanding, please provide:

5. Details of the criteria and methodology used by your department when assessing and prioritising risks within these risk registers.

The department's risks registers are reported on quarterly to the Senior Leadership team and there are specific risk meetings held regularly. Reports highlight risks that require in depth review; risk controls and actions are assessed to determine if they are effective. Deep dives are also conducted and reported on to the central risk management team. When required, the SLT will request for risks to be escalated to the Corporate Risk register. Operationally officers are encouraged when risk assessing consider whether business priorities need to be escalated to the relevant register. One of the challenges is ensuring that there is oversight of all the risks to ensure risks are assessed in the same way and this is achieved through regular reporting and the SLT reviews. In the past year, the Corporate Risk team has provided comprehensive training for all officers to enhance their knowledge and understanding of risk management.

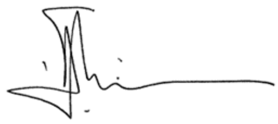
Few risks remain static and it is important to know and understand what is happening. This is achieved through regularly monitoring progress and formally reviewing risks in order to gain assurance that progress is being made towards controlling risks and the effectiveness of controls and monitoring changes to the risk profile brought about by circumstances and business priorities.

The department recognises that an effective risk management process requires a continuous process of identification, assessment, management and monitoring of all risks that could adversely affect the current and future services provided to Islanders.

6. Information on whether any risks identified across these registers have been heightened as a result of the absence of contingency funding.

Lack of resource and single point dependency is a commonly felt risk across all operational areas at I&E. Each identified risk is impacted by a reduced and reducing budget, the lack of contingency exacerbates this.

Yours sincerely



Deputy Steve Luce
Minister for the Environment