Government of Jersey
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Deputy Louise Doublet
Chair – Health and Social Security Scrutiny Panel
By email

18th December 2025

Dear Chair

Re: Health and Social Security Scrutiny Panel – Speech in States Assembly on 12th December 2025 (P.92/2025 Debate)

Thank you for your letter dated 12th December 2025.

Firstly, I would like to apologise for any disappointment caused by my comments – that most certainly was not my intention. As mentioned, there are comments included in the Scrutiny Panel's Comments on the Proposed Budget 2026-2029 which I do not believe are accurate.

The misunderstandings that were created by the Panel's Comments were exacerbated by some Panel Members comments during the budget debate, as well as the debate on P.92/2025, which added to the confusion in this area. As a result of this, I felt the need to address this in my speech on P.92/2025. Whilst it would not have been helpful for me to go through those line by line on the floor of the Assembly, I did commit during the debate to following up on these with the Panel separately, and fully intended to do so. As I have said before, I am a firm believer in the importance of the work of Scrutiny. I similarly value the importance of maintaining good working relationships with the Panel.

Specifically, my concerns with the Panel's Comments relate to the following aspects:

On page 6, the Comment states that the actuaries did not provide the information that I said they would in my letter of 7th November 2025. This is not true. The actuaries provided the information, and I published it on 14th November 2025: (bold emphasis added)

> "The Minister responded on 7th November 2025 informing the Panel that building on their work so far, the actuaries will provide projections of the Social Security Fund's reserves for the same net migration scenarios, and for investment returns of Jersey earnings growth + 1%, + 2% and + 3%. This provides information on the sensitivity of the projections to different investment returns in the future and is in line with the Panel's proposed approach. The Minister further informed that this work was underway and was due to be published by 14th November 2025. **The Panel was disappointed to learn that this information was not provided in the correspondence of 14th November and has written further to the Minister asking for an update which it received on 20th November 2025.**"

The Panel's Comment moves on to the reasonableness of the investment return assumption. However, it does not refer to my letter to the Panel (7th November 2025) which states that I have asked the actuaries to consider the appropriateness of the investment return assumptions as part of the special review of the Social Security Fund: (quote from my letter - bold emphasis added)

> "I have mentioned to the Panel (and in the Budget document) that I have asked the actuaries to support a special one-off review of the Social Security Fund which will help the next Government to develop a long-term strategy in 2026. This review will include considering:
>
> - The original objective of increasing reserves set in the 1990s and the performance since
> - What its purpose should be in the future
> - Financial sustainability and fairness between generations
> - Outlook for the economy, public finances and demographics
> - Options for the future size of reserves, States grant, contribution rates etc.
>
> **Aon, the Social Security Reserve Fund's investment advisors, will provide their investment expertise and I will ask the actuary to consider the appropriateness of any investment return assumptions in this review.**"

Without referring to this in the Comment, the next part did not accurately capture my intent.

> "The Minister also informed the Panel that she would not be asking the actuaries to analyse or comment further, and the Panel should seek its own independent advice, should it want to at this stage."

I'm also disappointed with the Panel's overall finding on this proposal:

> "The Panel is unable to fully scrutinise the projections and does not believe the assumptions made by the Minister capture a full range of plausible scenarios."

I strongly disagree that the Panel were unable to fully scrutinise the projections. I believe in the Scrutiny process and wanted to support it and address the Panel's challenges. By the time the Budget debate took place:

- We had discussed this proposal in two Scrutiny hearings
- I sent three letters in follow up providing context, information and explanation
- The previous Social Security Fund actuarial review and past investment returns were in the public domain
- I published independent actuarial advice on the Budget proposal (and scenarios around a hypothetical permanent reduction in the States grant)
- I provided all the information the Panel asked for, except for the additional analysis by the actuaries, which I confirmed would be carried out as part of the special review.

I also disagree that the assumptions did not capture a full range of plausible scenarios. In the Panel's letter of 3rd November 2025, the Panel proposed that the actuaries provide a range of scenarios for investment returns of Jersey average earnings +1%, +2% and 3% and then states:

> "These variations would help provide a broader understanding of potential outcomes and ensure that the review captures a range of plausible future scenarios"

The Panel wrote to me on 19th November 2025 but did not raise a concern. When did the Panel change its mind about the range of these scenarios? The Panel's overall finding is not consistent with this.

I provided these scenarios because I thought they would be helpful, showing the sensitivity of the results for a 1% a year higher or lower investment return around the central assumption of average earnings +2%. It also compliments, and doesn't duplicate, existing analysis from the previous actuarial review, which had the same central investment return assumption with a range of 3% a year higher and lower.

Whilst I appreciate the time constraints involved in Scrutiny of the Budget, I am mindful that the above issues are aspects that would have been identified in the usual fact checking process as part of all Scrutiny reviews. I would therefore ask whether this is something the Panel could consider as part of any future Budget reviews, to ensure any published information is accurate.

Kind regards,

Deputy Lyndsay Feltham
Minister for Social Security