Senator Lyndon Farnham
Chief Minister of Jersey

Deputy Lyndsay Feltham
Chair, Corporate Services Scrutiny Panel
By email

17th November 2026

Dear Chair,

Proposed Budget 2027-2030 Review – Impact of Proposed Cost of Living Measures on Households Follow Up

Thank you for your letter dated 6th November 2026.

Question 1: An estimate of the annual financial impact of the Proposed Budget 2027 2030 measures for each of the household groups listed above, taking account of both the proposed increases in tax thresholds, allowances and reliefs, and the impact of increases in duties, charges or other costs arising from the Budget.

The Panel notes that the household groups identified in the Jersey Opinions and Lifestyle Survey 2025 as experiencing financial difficulty were not all reflected in the table provided. To assist its consideration of this matter, the Panel would be grateful if the information could be provided in accordance with the households identified in the survey.

In particular, the Panel would welcome the data being presented in a way that enables direct comparison between otherwise equivalent household types in order to assess the relative impact on different family structures. For example:

• Single-parent households with a nursery-age child compared with two-parent households with a nursery-age child;

• Single-parent households with school-age children compared with two-parent households with school-age children; and

• Other comparable household groups where key variables are kept consistent.

The table provided in the previous response summarises the impact of Budget 2027 proposals for 5 different household types:

- Working-aged people living alone
- Couples with children
- Couples without Children
- Single parent
- Pensioner households

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The only household category included in Figure 1 of the Jersey Opinion and Lifestyle Survey 2025, for which impacts have not been measured, is for the category labelled as 'other'. This category is not a specific household type but will include households that do not fit within the other categories (e.g. multi-generational households).

The Jersey Opinion and Lifestyle Survey 2025 indicates that households living in non-qualified or social housing or a bedsit are more likely to find it difficult to cope financially. These households will benefit from increases in allowances and additional benefits – the extent of which depends on income levels, their number of children, and individual circumstances. Further, those in social housing and eligible for benefits will see their income support increase in line with inflation.

Budget 2027 provides a range of tax and benefit measures intended to provide support to Jersey households. This support is available to most households (i.e. increase in personal allowances) or targeted to specific household groups deemed more vulnerable to cost-of-living pressures (i.e. the community cost bonus for low-income households or additional free nursery hours for families with young children). The impact of Budget 2027 on a household depends on the household's individual circumstances – their earnings, number of earners and number and age of children. Some households (i.e. highest earners) will see a marginal benefit from the Budget 2027, whilst others (i.e. low income with multiple young children) could see their net annual income increase by over £3,000.

Taking all measures into account, Budget 2027 provides support targeted towards low-income households or middle-income households with young children. The table below illustrates this. Assuming a two-earner household (each earning £46,000), Budget 2027 provides:

- £156 increase in annual net income for each earner from the increase in the personal allowance.
- £26 increase in annual net income per child from the increase in child allowance.
- £900 increase in the parental grant for newborn children.
- £2,148 additional subsidy for childcare costs for 2-year-olds.

Table 1

	Couple, 1 child	**Couple, 1 child**	**Couple 1 child**	**Couple, 1 child**	**Couple, no children**
	Newborn	**2-year-old**	**Primary school**	**Secondary school**	**n/a**
Gross income	*£92,000*	*£92,000*	*£92,000*	*£92,000*	*£92,000*
Personal allowance	£312	£312	£312	£312	£312
Child allowance	£26	£26	£26	£26	
Nursery hours		£2,148			
Parental grant	£900				
Total extra support from Budget 2027	**£1,238**	**£2,486**	**£338**	**£338**	**£312**

Table 2 below further illustrates this analysis for single parent and couple households.

Each earner will receive a £156 annual increase in net income from the increase in personal allowance (£312 for a household with two earners). Single parents will benefit from an increase in their additional parental allowance by £39, whilst couple households will receive £26 as per the standard child allowance. Single parents on average (£46,000) or low income will also be eligible for the community cost bonus of £716.50 (£200 additional to £516.50 previously), a family support payment of £250, if they have school aged children, and free school meals, if they have secondary school children, and are eligible for the Jersey premium (worth approx. £855 per child).

Table 2

	Single parent, 1 child	**Couple, 1 child**	**Single parent, 2 children**	**Couple, 2 children**	**Single parent, 2 children**	**Couple, 2 children**
	1 newborn	**1 newborn**	**2-year-old and newborn**	**2-year-old and newborn**	**2 secondary school students**	**2 secondary school students**
Gross income	*£46,000*	*£92,000*	*£46,000*	*£92,000*	*£46,000*	*£92,000*
Personal allowance	£156	£312	£156	£312	£156	£312
Child	£65	£26	£91	£52	£91	£52

allowance						
Community Cost Bonus	£200		£200		£200	
Nursery hours			£2,148	£2,148		
Parental grant	£900	£900				
Family support payment					£250	
Free school meals (if eligible for Jersey premium)					£1,710	
Total extra support from Budget 2027	**£1,321**	**£1,238**	**£2,595**	**£2,512**	**£2,407**	**£364**

Question 2: An assessment of whether the proposed measures are expected to increase or reduce financial pressures on households that have been identified as being at greater risk of financial hardship.

The Panel would like further information in respect of its request for an assessment of whether the proposed measures are expected to increase or reduce financial pressures on households identified as being at greater risk of financial hardship has been fully addressed. The Panel would therefore be grateful for a fuller answer to this question.

As proposed, Budget 2027 is not intended to increase financial pressures for any household and provides targeted support for low-and middle-income households.

As indicated in the Jersey Opinion and Lifestyle Survey 2025, single parents are a group most likely to report finding it difficult financially. As shown in Table 2, above, Budget 2027 provides these families with targeted support.

The Survey also indicated that households of lone working age people or those in non-qualified or social housing were also most likely to find it difficult to cope financially. These household types will benefit from increases in personal allowances and may be eligible for community cost bonus. If these households are eligible for income support, their benefits will increase accordingly with inflation, ensuring their financial support is maintained in real terms. Similarly, if they live in social housing, their rental costs will be protected by an 80% cap against market price.

Question 3: Where possible, an indication of which measures are expected to have the greatest positive or negative effect on each household group.

The Panel requested an indication of which measures are expected to have the greatest positive or negative effect on each household group. Whilst the response identifies a number of measures that are expected to provide support to certain households, it does not provide information on whether any elements of the Proposed Budget 2027-2030 are expected to have a negative impact on particular household groups. The Panel would therefore be grateful for:

- **An indication of which measures are expected to have the greatest positive effect on each household group;**
- **An indication of which measures are expected to have the greatest negative effect on each household group, if any;**
- **The estimated scale of both positive and negative impacts; and**
- **Any assessment that has been undertaken of the cumulative impact of the Budget proposals on each household group.**

Please refer to the tables in response to question 1 which demonstrates the specific measures that have the greatest positive effect on each household type, both individually and cumulatively. The impact of measures remains dependent on the individual circumstances of households.

Budget 2027 is expected to have an overall positive effect on households. Most households will benefit from the package of measures, particularly lower and middle-income households and those with children. Those at the top of the income distribution (approximately £90,000 per earner) and without children are generally expected to receive marginal financial benefit.

Question 4: A plain-English summary of the Proposed Budget 2027–2030, setting out the anticipated impact of the proposals on typical Jersey households. The Panel notes that its request for a plain-English summary of the Proposed Budget 2027 2030, setting out the anticipated impact of the proposals on typical Jersey households, has not been fully addressed.

While the Panel acknowledges that this request was met in part through the information provided, it considers that the response does not address the underlying purpose of the request. The Panel's request followed evidence received from the Jersey Consumer Council in its submission to the review, which stated: " We would add that the Budget documents, and the Financial Annex in particular, are difficult for a lay reader to follow.

We would encourage the Panel to ask the Government to publish a plain-English summary showing what the proposals mean for typical households.

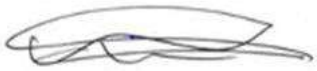
Budget in brief (Proposed Budget in-brief 2027 to 2030.pdf) is intended to provide an accessible summary for the lay reader. This approach has been used since at least 2024.

The Government also publishes a youth-friendly Budget (Youth Friendly Government Money Plan).

If the Panel requires any further clarification on the anticipated impacts of Budget 2027 on Jersey households, officials would be pleased to provide a private briefing.

Yours sincerely,





Senator Lyndon Farnham
Chief Minister

Senator Alan Maclean
Minister for Treasury & Resources