Minister for Treasury
and Resources

Government of JERSEY

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

Deputy Lyndsay Feltham
Chair, Corporate Services Scrutiny Panel

By email

13 November 2026

Dear Chair,

Thank you for your letter dated 5 November 2026. Please find below my responses.

Revenue Heads of Expenditure and Service Level Analysis

Summary Table 3 - Revenue Heads of Expenditure (GRF)			
2027 £'000	Income	Expenditure	Head of Expenditure
Financing Costs	(226)	18,042	17,816
Grants to States Funds	-	94,085	94,085
Treasury and Exchequer	(5,799)	53,601	47,802

1.0 The Treasury and Exchequer is projected to earn £5.799 million of income through operations in 2027. Please could you provide detail about the source of this income?

	£'000	
Finance Business Partners	29	Includes staff recharges to Insurance and Lottery funds
Corporate Costs	252	Includes recharges to Social Security fund for merchant card fees for online transactions.
Finance Hub	3,546	Includes recharges for the pensions team to the Employee Pensions Fund, recharging legal costs in respect of debt collection to the relevant departments, and recharges for lottery operations to the Channel Islands Lottery Fund.
Risk and Assurance	15	Includes Internal Audit recharges to departments / projects

Revenue Jersey	273	Includes recharges to Social Security Fund for postage costs and to Long Term Care Fund for roles to administer income
Strategic Finance	115	Includes management recharges to Common Investment Fund and other Funds
Treasury & Investments	1,569	Includes recharges to Common Investment Fund and all Treasury Funds for the Investment Team and recharges to Insurance Fund for the Insurance Team
Total	**5,799**	

2. Can you provide details on the projected expenditure through operations for 2027 in respect of the table above and a comparative analysis of expenditure for 2026?

	£'000 2026 Budget	£'000 2026 FY Forecast	£'000 2027 Budget
Financing Costs			
NHF Debt Management*	15,000	6,519	
Fort Regent*	650	268	
Overdraft	4,000	4,554	4,000
Past Service Pension Liabilities	13,973	13,987	14,042
TOTAL	**33,623**	**25,328**	**18,042**
Grants to States Funds			
Contribution to Social Security Fund	22,768	22,769	52,635
Contribution to LTC Fund	40,360	40,360	41,450
TOTAL	**63,128**	**63,128**	**94,085**
Treasury and Exchequer			
Finance Business Partners	3,242	3,248	3,330
Commercial Services	2,276	2,205	2,255
Corporate Costs**	1,921	2,522	1,053
Finance Hub	6,976	7,093	6,951
Risk and Assurance	1,936	1,822	1,925
Revenue Jersey	17,915	15,931	17,321
Strategic Finance	5,425	4,714	5,429
Treasury and Investments	15,329	15,162	15,337
TOTAL	**55,020**	**52,697**	**53,601**

*Capital finance costs for both the New Healthcare Facilities (NHF) Project and Fort Regent will be transferred to the Finance Costs (JCIF) head of expenditure with the Jersey Capital Investment Fund (JCIF) from 2027.

**Corporate Costs: Budget in 2027 includes the centrally held staff savings target allocation (£1.375m) and the non-staff inflation allocation (£0.584m), pending agreement on their distribution across service areas once specific savings are agreed and specific inflation pressures assessed.

3. Considering that the Panel has not yet had sight of the 2027 business plans for the Department for Treasury and Exchequer can you confirm that the 2027 departmental allocations can sufficiently deliver the key services and policy for the department (all sections) in line with Priority 11 of the CSP, which aims to deliver a leaner and less complex public sector with lower running costs? Please can you provide the rationale to support your response.

The 2027 departmental allocations are considered sufficient to support the delivery of Treasury and Exchequer services and policy objectives because they incorporate savings that align with CSP Priority 11, which seeks to deliver a more efficient and effective public sector with a permanent focus on value for money. Savings will be achieved through productivity improvements, workforce management measures such as redeployment and natural attrition, and the simplification of governance and control processes.

The approach is intended to reduce organisational complexity, remove unnecessary administrative activity, and release capacity to focus on priority outcomes. A significant emphasis will be placed on reducing governance, business support and intermediary functions, while allowing flexibility to identify alternative savings measures where these better meet operational needs.

The allocations therefore assume a transition to a leaner operating model that delivers sustainable, structural savings while maintaining the Department's ability to fulfil its statutory responsibilities and key service commitments.

4. Should funding pressures be faced by the Department for Treasury and Resources, what tasks or services could be discontinued or automated in line with achieving the intended outcomes of Priority 11 of the CSP?

At this stage, no specific decisions have been taken regarding the discontinuation of individual services or functions. However, to support funding pressures, the Department would seek to respond in a manner consistent with Priority 11 of the Common Strategic Policy by prioritising efficiency, simplification and automation before considering any reduction in core service delivery.

5. Is the Treasury and Exchequer experiencing resourcing or staffing challenges, how might these affect service and project delivery and what steps are being taken to alleviate any pressures identified?

To fulfil its function, the department employs a number of professionals including specialists, whose services are in great demand both in Jersey and internationally. Recruitment can be

challenging, but the department uses a number of recruitment techniques to ensure that high quality candidates are sourced.

The department is committed to reprioritising its work to fit within the available resource and expects to continue to deliver its key objectives.

6. Could you provide, in a table format, the number of staff employed and open vacancies as of 30th September 2026 for:

a) Finance Business Partners
b) Commercial Services
c) Corporate Costs
d) Finance Hub
e) Risk and Assurance
f) Revenue Jersey
g) Strategic Finance
h) Treasury and Investment

Treasury and Exchequer	FTE	Headcount	Vacancies*
Finance Business Partners	42.13	43	1
Commercial Services	19.80	20	0
Corporate Costs	0.00	0	0
Finance Hub	68.72	71	1
Risk and Assurance	13.68	14	0
Revenue Jersey	167.34	171	9
Strategic Finance	38.54	39	0
Treasury and Investment	15.73	16	0
Total	**365.94**	**374**	**11**

* Vacancies refer to roles which are currently going through the recruitment process.

7. Please could you provide a more detailed breakdown of the following expenditure, as detailed in the statement of comprehensive net expenditure for the Treasury and Exchequer:

a) Staff Costs

b) Other Operating Expenses

c) Impairments

d) Finance Costs

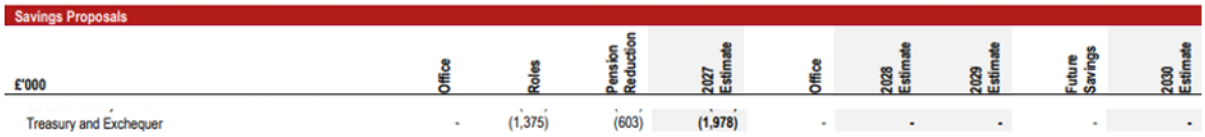
£'000	Staff Costs	Other Operating Expenditure	Impairments	Finance Costs	Total
Finance Business Partners	3,318	12			3,330
Commercial Services	2,055	200			2,255
Corporate Costs*	(1,067)	507		1,613	1,053
Finance Hub**	4,598	2,348	5		6,951
Risk and Assurance	1,546	379			1,925
Revenue Jersey	16,430	891			17,321
Strategic Finance	4,794	635			5,429
Treasury and Investments***	1,800	13,537			15,337
Total	**33,474**	**18,509**	**5**	**1,613**	**53,601**

*Corporate Costs Staff Costs includes the centrally held staff savings target allocation (£1.375m) and the non-staff inflation allocation (£0.584m), pending agreement on their distribution across service areas.

**Finance Hub includes Shared Services and Pensions team, with the main element of the other operating expense budget being £1.997m within Pensions Administration team, with costs fully recharged to the Fund, mainly for specialist resources and software upgrades to the Pensions systems. £319,000 being within Shared Services for software premiums (Blackline, ICAR Civicia), with the impairments line covering any bad debts write offs required.

***Treasury & Investment includes the individual areas of: Investments, Shareholder Relations and Insurance with the main element of the other operating expense budget being £13.364m for Insurance Premiums.

Savings Proposals



Savings Proposals									
£'000	Office	Roles	Pension Reduction	2027 Estimate	Office	2028 Estimate	2029 Estimate	Future Savings	2030 Estimate
Treasury and Exchequer	-	(1,375)	(603)	(1,978)	-	-	-	-	-

8. In respect of Table 50 above for the savings proposals related to the Treasury and Exchequer, can you provide further detail on how the roles savings will be achieved, from what sections within the department and the impact thereof on service and project delivery for 2027?

Savings proposals have been developed with the objective of simplifying governance and administrative activity across Government, including through reducing duplication, redesigning processes and making greater use of digital technology and automation.

The Accountable Officer is working with their senior leadership team to determine how these savings will be delivered. This includes taking opportunities arising through staff turnover and vacancies to review whether roles need to be replaced on the same basis, whether work can be organised differently, or whether capacity can be redirected to higher priority activity.

9. We note in correspondence received from the Minister for Treasury and Resources on 14th October 2026 Government's intention to review the organisational structure, staffing requirements and operating arrangements to deliver sustainable, recurring savings (particularly in preparation for delivering savings during the period 2028-2030). How will any attributable risks to project and service delivery be appropriately assessed and managed to alleviate challenges such as the one identified below:

[The Panel notes that it was confirmed by the Minister for Health and Social Services and reported on 20th October 2026 that delivery of the Connecting Health programme, although within the 2026 budget, has been delayed by recruitment restrictions, staffing shortages and insufficient capacity within government's central IT department.]

Any risks arising from organisational reviews, workforce changes or efficiency programmes will be assessed through established business planning, governance and risk management processes. This will include consideration of the potential impact on service delivery, strategic programmes, workforce capacity, specialist skills and statutory responsibilities.

The Department will seek to ensure that proposed savings are supported by robust impact assessments, appropriate workforce planning and clear mitigation measures. Changes will be prioritised and phased where necessary to maintain critical services and the delivery of priority projects.

The objective is to achieve sustainable efficiencies through improved ways of working, simplification of processes and organisational redesign, while retaining the capability and resilience required to deliver key services and strategic outcomes.

Projects

Information Technology							
Project Total	£'000	Spon Dept	Supp Dept	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate
11,210	Pillar 2 Implementation	T&E	T&E	3,000	550	550	-
10,168	Revenue Transformation Programme (Phase 4)	T&E	T&E	3,069	-	-	-

10. For the Projects shown in the table above, please can you provide the following detail:

a) The breakdown of spend for the 2027 allocation and its impact.

This table may be helpful in answering both questions 10a) and e) below.

	2027	**2028**	**2029**
Original business case	£3.400m	£0.350m	£0.350m
Rebalanced	£3.000m	£0.550m	£0.550m
Current 2027 forecast	£3.427m	£0.550m	£0.550m

The Pillar 2 Implementation budget has been subject to two relatively small amendments since the original business case was drawn up.

- **Step 1, rebalancing -** £400k was rebalanced from 2027 to 2028 and 2029. This covers software licensing and maintenance costs that turned out higher than the business case assumed.
- **Step 2, reforecast -** After a review of the delivery roadmap, some work planned for 2026 will now happen in 2027. The £427k 2026 underspend moves with that work, which brings the 2027 forecast to £3.427m.

The total cost of the programme over its lifetime is unchanged from the business case.

The development work scheduled for 2027 forecast is made up of:

- Global Information Return (GIR) and Income Inclusion Rule (IIR): £0.750m
- Secure messaging for tax agents and users: £0.705m
- Further development of the MCIT return and case management: £0.700m
- Supporting infrastructure and delivery: £1.272m
- **Total: £3.427m**

For the Revenue Transformation Programme Phase 4 (RTP4), £2.45m is for Licensing and Maintenance of the Revenue Management System. The remaining £624k is for the upgrading of the security of the data on the system.

b) Any concerns or challenges anticipated to deliver on the project objectives as outlined for 2027.

For both projects, Management has ensured that there was a strong system of governance in place, with monthly Programme Management Board meetings. Programme and project management has been very closely monitored with weekly technical and finance meetings with the relevant specialists. The Programmes were part of a recent review of Revenue Jersey by the C&AG, in which no significant concerns were raised about either Programme.

For both programmes, the 2027 forecast has been broken down into release packages. The close review of the forecast vs previous months spend reduces the risks of delivery and forecast appropriateness.

While no unforeseen challenges have arisen to date, there is always the possibility of such challenges arising in the future in projects of this nature. Nevertheless, Management are content that it is a remote possibility given the strong project governance and programme management in place and that, in the unlikely event of a challenge arising, it is well placed to manage the issue.

c) Whether you are confident that the total project spend will be sufficient to meet the intended aims.

Based on the experience of the work to date, we have a detailed understanding of the process and therefore have a high degree of confidence that the monies allocated to the project will be sufficient.

For Pillar 2, weekly meetings with internal stakeholders and suppliers, alongside the Finance Business Partner, aligned with monthly Programme Governance meetings, provide the required monitoring and internal assurance processes to reduce programme risks.

For RTP4 the costs of upgrading the security have increased markedly from the original figures as the cyber security environment has evolved. Careful management of the existing budget has meant no additional funds have been sought but cyber security is continually evolving, and further changes cannot be discounted.

d) Any mitigation measures in place for 2027 for potential risks.

For Pillar Two, the programme governance includes the weekly and monthly risk monitoring and management. This governance aligns with ongoing meetings with a member of the Corporate Portfolio Management Office (CPMO), with CPMO membership as part of the Programme Board meetings. Risks associated with scope and budget are also monitored across the weekly Programme working group meetings.

For RTP4 the same process applies.

e) For the Pillar 2 Implementation project can you detail the change to estimates for 2027 (previously £3.4 million), 2028 (previously £350K) and 2029 (previously £350K) compared to the amounts estimated for those years in the Budget 2026-29. The Panel notes that the project total remains unchanged.

The table in a) above sets out the changes. In summary:

- **2028 and 2029:** each rose from £350k to £550k. Licensing and maintenance costs were higher than first estimated, and £400k has been rebalanced from 2027 to cover this.
- **2027:** fell to £3m after the above rebalancing. However, some planned 2026 work has moved into 2027 and the 2027 cost is now forecast at £3.427m. The underspend from 2026 underspend has been moved to 2027 to reflect the realignment of work.

The introduction of Pillar Two required the build of an entirely new IT platform, as nothing suitable existed on the market. Some changes to the original cost schedule were expected. However, the overall projected cost remains unchanged. Ongoing costs will be reviewed again once the system is complete.

11. The Panel notes in correspondence from the Minister for Treasury and Resources dated 14th October 2026 it was confirmed that Windfall Pillar Two revenues received in 2026 will be used to support the funding of the Overdale Acute Hospital project, reducing the draw on the Strategic Reserve and strengthening Jersey's overall fiscal position. Please can you provide further information on the following:

a) The process followed to determine the best use for the 'Windfall' Pillar Two receipts considering that the receipts are substantially higher than was previously envisaged (£160 million).

Excess Pillar Two receipts have previously been envisaged but the uncertainties make it extremely difficult to forecast these revenues to a reasonable degree of accuracy. The utilisation of the £160 million minimum forecast was agreed with consider for the recommendations of the Fiscal Policy Panel. The overwhelming majority, £145 million, has been used to meet costs associated with the New Healthcare Facilities Programme and £15 million has been provided in capital reserve in the Jersey Capital Investment Fund. The use of windfall Pillar Two receipts to strengthen the Island's balance sheet and help to meet the cost of the New Healthcare Facilities Programme was pre-established Government policy and the Council of Ministers agreed to continue that approach.

Jersey's financial reserves, while strong, are well below the levels recommended by the Fiscal Policy Panel. In line with the Panel's recommendations and as part of the Common Strategic Policy commitment to Maintain Financial Stability, I intend to bring forward a plan to replenish the Stabilisation Fund and grow the Strategic Reserve to a long-term minimum target 30% of GVA in Budget 2028.

The use of Pillar Two receipts to help fund the New Healthcare Facilities Programme in Budget 2027 makes a start on strengthening our reserve position by reducing the transfers that would otherwise need to be made from the Strategic Reserve. I intend to take further steps in Budget

2028 to similarly improve the Island's financial resilience should further windfall income be available.

The Fiscal Policy Panel's 2026 Annual Report concludes "*Investing upside Pillar Two revenues into the Strategic Reserve to offset hospital funding weakening the reserve is a fiscally responsible decision. The FPP recommends allocating any additional upside revenues to reserves to further strengthen resilience, given that the Strategic Reserve remains below its target level and the Stabilisation Fund is depleted."*

b) Whether any other areas of use were considered by the Council of Ministers but subsequently discarded, and the rationale for those decisions.

No other uses were considered as both the Council of Ministers, and I judged that the approach adopted self-evidently represented the most responsible use of such windfall receipts.

c) The total for Pillar Two revenues received up to 30th October 2026.

Up to 30 October 2026, payments totalling £176.5 million have been received by the Government in relation to the Multinational Corporate Income Tax (MCIT). These represent Payments on Account of MCIT by Pillar Two taxpayers. The MCIT law requires a taxpayer to make a Payment on Account of 50% of the taxpayer's reasonable estimate of the full liability for the accounting period.

Budget 2027-30 included an estimated "windfall" figure for MCIT receipts that was based on approximately twice the actual payments on account received up to 31 August 2026 (£347m). This windfall amount was adjusted for the estimated previous liability of Pillar Two groups under the 0/10/20 regime and also for the amount of the base case liability already included in the Budget.

	Amount £M
Estimated full-year MCIT receipts (payments on account received to date x 2)	347
Less: estimated revenue previously arising under the 0%, 10% and 20% regimes	(143)
Less: MCIT base case	(44)
Estimated minimum additional revenue (windfall)	**£160M**

d) Clarification on the Pillar Two revenues to be received in 2027 and how the base case forecast (recurring revenue) is factored into this total and shown in the Budget 2027 30.

The Budget takes a prudent approach to Pillar Two receipts. It includes a base case of £44 million, which is included within the corporate income tax forecast. The base case represents recurring revenue that the Government considers it can reasonably rely on over the medium term.

The Budget also recognises at least £160 million of anticipated additional Pillar Two revenue for accounting periods of in-scope groups beginning in 2025.This is treated as windfall revenue because the scale and durability of receipts above the base case remain highly uncertain.

Unlike other Jersey's business taxes, Pillar Two revenue is received on a rolling basis and the final amount of Pillar Two revenues for the first year of Pillar Two implementation will not be known until late 2027:

- Pillar Two payments are based on the accounting period of the groups in scope and groups have different fiscal years.
- Groups make an estimated 50% payment on account five months after the end of their accounting period and pay the balance when filing their return twelve months after the end of that period.
- Receipts during 2027 will therefore include final payments relating to the first year of implementation, as well as payments on account relating to later accounting periods.

e) If Windfall Pillar Two incomes are insufficient to support both the healthcare financing strategy and the intended growth of the Strategic Reserve Fund, what alternative funding options have been identified to replenish the Strategic Reserve Fund to the level recommended by the Fiscal Policy Panel?

There is already a strategy in place to grow the Strategic Reserve by retaining investment returns within the Fund, transferring Prior Year Basis receipts and using any windfall revenues to strengthen its position over time. That will continue.

It is anticipated that some further windfall Pillar Two receipts will be received, but the level of those revenues and their persistence is impossible to forecast at this stage given growing geopolitical uncertainty and the probability that businesses will restructure and relocate globally.

Irrespective of the level of windfall Pillar Two receipts, Government should be generating surpluses that can be used to help grow our reserves over time. It must also establish policies that promote economic growth, which will both improve living standards and drive the higher revenues needed to increase future surpluses.

Budget Proposals

Vape Product Tax

12. Taxing of vape products was a new measure introduced in 2026 through the previous budget 2026-29, what analysis has been undertaken by Revenue Jersey to date on this measure and have any implementation challenges been identified [e.g. customs systems, resourcing and enforcement challenges]?

Insufficient time has elapsed to undertake post-implementation analysis or draw policy evaluation conclusions. A full year's data will be available in summer 2027 and the Minister will seek feedback from Jersey Customs & Immigration Service (JCIS) on the operation of the new duty, after that becomes available. Revenue Jersey remain in regular contact with JCIS who have confirmed there have been no significant challenges with implementation.

Fuel Duty

13. Was a temporary cut in fuel duty for 2026 considered by the Council of Ministers and, if so, what was the rationale for not proposing this considering the cost of living pressures being felt by Islanders in 2026?

The temporary cut in fuel duty was lodged as a proposition on 17 June 2026 by Deputy Stephenson, in advance of the Council of Ministers being formed. It was subsequently withdrawn by the proposer ahead of the targeted measures to address the cost-of-living pressures announced in the Budget.

At the point in which the Council of Ministers was formed, they considered several cost-of-living supportive measures; including P.60/2026. The preference was to proceed with a fuel duty freeze for 2027 which would provide relief over the year rather than just three months and would have a fiscal cost of £670,000 rather than £900,000, compared with increasing in line with RPI.

The rationale in not supporting a temporary reduction in fuel duty is that it would not be the most effective or fiscally responsible means of providing support.

The practical benefit of the proposed temporary fuel duty cut would be a 10p per litre reduction in fuel duty for households for the final quarter of 2026 at a fiscal cost of £900,000. This would equate to only a marginal estimated £1.30 per week for a typical household for the final quarter of 2026. Further, the measure would not be targeted and only benefit households to the extent of their fuel consumption. Instead, Budget 2027 proposes specific measures to support cost of living for the most financially vulnerable households or those facing the highest cost pressures like childcare.

Tax Warehouses for Investment Assets

14. Please can you outline what this proposal entails, and the consultation process undertaken to ascertain the proposal as appropriate for inclusion in the Proposed Budget 2027 – 2030?

The Minister provided information about this in his response to WQ 211/2026. Tax "warehousing" of high-value investment assets such as gold bullion could make use of existing vault capacity in the island. It should be noted that the phrase "tax warehousing" is a term of art in customs legislation relating to a regime in which goods may be held in tax and duty suspense.

This measure arises from industry representations made during the annual Budget process and would be an extension to existing warehousing arrangements in Jersey and a potential area for growth. Customs warehouses are a feature of other like-minded jurisdictions and offering them enables Jersey to expand our range of investment services. Several financial services stakeholders and industry representatives (including both potential service providers and consumers of the service) were engaged during the development of the policy.

The draft Finance (Budget 2027) Law provides enabling legislation, but the detail will be developed by JCIS (drawing on existing warehousing regimes) who will engage interested businesses.

15. Can you explain what the proposal would mean for ordinary Islanders and any impact on consumers?
The measure will support the competitiveness of Jersey's financial services offering, potentially benefiting Islanders through increased economic activity, employment opportunities, and associated service fees; however, as the number of firms that have expressed an interest in providing this service is small, the impact is also likely to be small. Consumers of Jersey's financial services products, both locally and abroad, may benefit from a broader range of investment products, particularly those linked to physical precious metals and bullion.

16. Can you outline the impact on revenues and where revenues are reduced as a result, how the shortfall will be made up?
This measure is revenue neutral against the financial plan. GST received currently on sales of physical bullion is negligible, as any significant investors in the space undertake it in jurisdictions which do not apply VAT/GST to such transactions (such as UK, EU, or Guernsey) or through alternative financial products and structures that do not incur GST. Therefore, any duty-suspended transactions will be on newly generated economic activity. Further, any high-value goods eligible for tax warehousing (for example, gold bullion) will have GST applied if they are removed from the scheme to the home market.

17. What impact will this proposal have on other Government departments' (including the Department for Justice and Home Affairs and Customs and Immigration) including in relation to operational and resourcing capacity and how was this determined?
Some additional resource will be required in JCIS and the draft legislation provides for fees to be charged to recoup such costs. JCIS will be providing a business case as the detailed proposals develop.

18. What risks have been identified as a result of its implementation and what steps will be taken to mitigate these risks?
The principal risks with existing and future warehousing regimes relate to unlawful diversion of goods to home use without payment of Import GST and any other applicable taxes and duties. The Agent of the Impots (the head of JCIS) specifies and administers the necessary security and other protocols needed to manage such risks, as is the case elsewhere.

<u>Reduction in International Services Entities (ISE) Fees</u>

19. Can you outline what the proposal would mean for ordinary Islanders and any impact on consumers?
The proposal improves the competitiveness of Jersey's financial services offering and therefore benefits Islanders through the prospect of protected or increased economic activity and employment opportunities.

20. A £200,000 reduction in revenue is estimated, where will the shortfall be made up?
The Budget is balanced overall – no specific counter-balancing measure needed to be identified.

Time to Win Measures

21. Can you outline what the Time to Win Measures would mean for ordinary Islanders and consumers?

Finance and related professional services is Jersey's largest economic sector, providing 2 in 5 jobs and £6 in every £10 of tax revenue. It is, therefore, crucial for Jersey's economy and public services that the competitiveness of this sector is maintained and continues to grow.

Taxation

22. Can you detail how the overall tax burden is shared across the population and where the pinch points fall, and whether Treasury would consider a review into Jersey's taxation?

While we do produce some analysis every year of how tax measures affect different household types, the last major piece of detailed analysis of this type (R.30/2017) was published by me in March 2017. I am prepared to consider refreshing that review to inform future debate. We will continue to focus resources on assisting low- and middle-income families with appropriate support.

Financial Matters Under Development

Long-term Planning

23. Can you provide an outline of the work undertaken in 2026 to progress this workstream and the planned work for 2027?

Work undertaken during 2026 has focused on strengthening longer-term financial planning to support more sustainable decision-making and a greater focus on the long-term outlook for public finances.

This has included the development of healthcare expenditure modelling to improve the understanding of the Island's long-term healthcare funding requirements, incorporating demographics trends and demand-led pressures. The outputs from this work have informed Budget decision-making and supported the allocation of additional funding within the Proposed Budget 2027-2030 to maintain health and care services in 2027.

Significant progress was made during 2026 in establishing the framework for longer-term capital planning. Changes to the Public Finances (Jersey) Law 2019 were lodged and approved by the States Assembly in March 2026 to establish the Jersey Capital Investment Fund (JCIF), providing a mechanism to protect and prioritise capital investment funding over the longer term. The

Proposed Budget 2027-2030 includes the establishment of the Fund and proposed allocations from it from 2027 onwards.

Work has continued on the Long-Term Capital Plan to inform future Budget decisions, including underpinning condition survey work across the Government estate to strengthen the evidence base relating to asset condition, maintenance liabilities and future investment requirements. Treasury has worked closely with the Education Department to improve understanding of the long-term implications of demographic change, including declining pupil numbers, and the impact of the developing Inclusion Strategy on future service and estate requirements.

As set out in the Proposed Budget 2027-2030, work has begun on the legislative work required to support the introduction of a multi-year budgeting framework through further amendments to the Public Finances (Jersey) Law 2019. These changes will enable longer-term planning, promote a stronger focus on the delivery of agreed outcomes, and strengthen the alignment between strategic priorities, spending decisions and sustainable funding arrangements.

For 2027, the planned programme of work includes:

- Continuing the development of proposals and governance to establish a multi-year budgeting framework for the next Budget.
- Further developing long-term financial modelling, including analysis of healthcare demand, demographic change and the implications of an ageing population for future expenditure and funding requirements.
- Using the outcomes of estate condition surveys and updated capital planning work to further refine the Long-Term Capital Programme and inform future Budget decisions.
- Continuing collaborative work with the Education Department to ensure demographic projections, school estate requirements and the Inclusion Strategy are reflected in long-term financial and capital planning.
- Continuing to embed the Jersey Capital Investment Fund within the Government's capital planning arrangements to support a more strategic and sustainable approach to funding infrastructure investment.

Changes to the Public Finances Law

24. Can you provide an outline of all the changes to be brought forward to strengthen Jersey's fiscal framework and support a strategic approach to financial planning, in addition to the proposals for multi-year budgeting.

Other than the proposals for a multi-year budgeting framework and associated changes, there are currently no further amendments planned to the Public Finances (Jersey) Law 2019.

However, work will continue to strengthen Jersey's fiscal framework through the implementation and embedding of measures already approved and through the development of supporting financial planning arrangements.

This includes further work on the implementation of the Jersey Capital Investment Fund (JCIF), which was approved by the States Assembly in 2026. During 2027, work will continue to embed the Fund within Government's financial planning processes, including proposals to transfer maintenance budgets into the Fund as part of the next Budget. This will support a more strategic approach to managing the Government's estate and infrastructure assets, improve visibility of long-term investment requirements and help ensure that funding is available to address maintenance backlogs and future capital needs.

The Treasury and Exchequer Department will also continue work to develop a framework for the allocation of future fiscal surpluses and exceptional revenues. The intention is to establish clearer principles for balancing the use of such resources between strengthening Reserves, supporting long-term capital investment and reducing borrowing. This will help support fiscal sustainability and provide greater consistency and transparency in future financial decision-making.

Alongside proposals for multi-year budgeting, these developments are intended to strengthen Jersey's fiscal framework by supporting a more strategic, longer-term approach to financial planning, asset management and fiscal sustainability.

Administrative Tax Measures

25. The Budget proposes a list of administrative and technical measures to be included in the Draft Finance (2027 Budget) (Jersey) Law (Appendix 4). Can you provide the rationale for deciding to include those listed for 2027 and further detail on their impact?

Each year, a number of changes are made to the various Revenue Laws for a variety reasons. They fall into the following categories

Consequential changes

- Relating to late filing and civil penalties, and the compensatory allowance because of the introduction of joint filing in 2027;
- The amendment to the GST Law as a result of the introduction of a new Health and Social Care Professionals Register Law;
- The changes to the Article 135A references because of the adoption of the new Control of Housing and Work Regulations; and
- The MCIT amendments as a result of US and OECD developments.

Administrative easements

- Increasing the threshold for share ownership, reducing the tax reporting burden for some companies;
- Removing the 90-day lead-in time for GST group registration.

Consistency

- It was noted that the Comptroller did not have discretion to reduce or remit EPTT, whereas that power has been in place in the Stamp Duty and Land Transactions Tax Laws.

These smaller changes may arise from different sources, including Revenue Jersey officers, other Government departments, external stakeholders such as the tax adviser and wider business community. The annual exercise falls into the work to continuously improve our Revenue Laws to make them simpler to understand and easier to administer.

Yours sincerely



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Minister for Treasury and Resources

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