

Government of Jersey
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Deputy L. Feltham
Chair, Corporate Services Scrutiny Panel

VIA EMAIL

14 October 2026

Dear Chair,

Thank you for your letter of 5 October 2026 setting out the Panel’s approach to its review of Budget 2027–2030.

I welcome the Panel’s scrutiny of the Government’s expenditure plans, particularly the emphasis on delivery, efficiency and value for money. As I have made clear, restoring financial discipline and ensuring that public expenditure delivers demonstrable value for Islanders are central priorities of this Government. Budget 2027 represents an important first step in a longer term programme of expenditure restraint, improved productivity and structural reform which will be developed further through the 2028–2030 Budget.

I have provided responses to the Panel’s questions below

1. **Progress reporting on the projects and/or workstreams agreed by the States Assembly as part of the Budget 2026-29 including:**
- a) **Where these are continuing in 2027**
 - b) **Where these were expected to continue in 2027 but have been delayed or cancelled including the rationale for this**

Programme / Project	Description	Status	Rationale
Revenue Transformation (Phase 3)	Continuation of the Revenue Transformation programme to modernise Revenue Jersey services, systems and processes, supporting improved operational efficiency, customer experience and digital services. RTP3’s final deliverable is Independent Taxation including the capability for couples to joint file and	Moving towards completion and closure in 2027	Programme delivery continues to support agreed transformation outcomes and maintain progress against Revenue Jersey’s modernisation priorities.

	be awarded compensatory allowance where required.		
Revenue Transformation (Phase 4)	Further phase of the Revenue Transformation programme focused on – • AEOI updates required by OECD changes to automatic exchange of information; • RMS maintenance and licence costs; • provision for additional RMS tax system infrastructure changes arising from operational or regulatory requirements.	Continuing in 2027	Continuation is required to complete planned transformation activity and deliver the expected operational outcomes
Pillar 2 Implementation	Implementation and ongoing development of the systems, processes and operational capability required to administer Jersey's Pillar Two regime, including the live digital platform, registration, filing of MCIT returns, payment statements, technical guidance and taxpayer support.	Implementation under way and on track and on budget	Implementation is progressing as planned to support the effective administration of Jersey's Pillar Two regime
Interest Deductions for Landlords	Following an amendment to Government Plan 2024-2027, Revenue Jersey has carried out a public consultation in 2025 on the case for removing the ability to claim deductions for interest paid in respect of residential properties in Jersey that are rented out. Any Ministerial decision on the matter will take account of the feedback from the consultation, as well as the timing and cumulative impact on Jersey's	Decision not to progress was taken by the last CoM.	

	housing market of any potential change.		
Fuel Duty Replacement Policy	The income currently earned from road fuels duty will also be needed to support wider policy initiatives, such as the sustainable transport policy and the Carbon Neutral Roadmap, as well as contributing to the funding of other essential services. In time, alternatives will need to begin making up the funding lost from declining fuel duty. Alternative charges may include a form of vehicle ownership charge and a road user charge. Ministers decided to pause work in 2024 on the basis that the data showed that fuel duty receipts were in steady decline only. The position will remain under review.	Commence policy development work, with a focus on a vehicle ownership charge, in 2027.	
Review of International Service Entity (ISE) fees	The ISE regime is a simplified administrative framework that allows entities providing financial services mainly to overseas clients to pay an annual fee in place of standard GST. A simplified ISE form and updated guidance were introduced in 2025, and further work is underway to streamline the legislation and fee structure while maintaining overall revenue neutrality.	Continue into 2027 exploring further simplification to the operation of the regime	
Domestic Compliance	Revenue Jersey continues to develop its annual published compliance programme, in line with its published compliance strategy, and to improve its capabilities, for example in assessing and identifying tax risks. Building on existing results (additional revenues from its compliance activities), Revenue Jersey is projecting an additional collection from activities devoted to audit, enforcement, and other	Continuing in 2027	

	compliance work. Together, the additional collections are expected to contribute £31.5 million to general revenues in each year of the Budget.		
Longer-Term Planning	Long-term Financial Sustainability is a critical objective of government, and it is intended that further work is undertaken in 2026 to further improve financial forecasting over a longer time period, to help inform decision making. This will build on the longer-term capital plan, which provided the strategic underpinning for much of the Investing in Jersey programme through the Jersey Capital Investment Fund.	Implementation under way and on track	
Changes to the Public Finances (Jersey) Law	Changes to the Public Finances Law will be developed for debate in Q1 2026 to: a) Formally establish the Jersey Capital Investment Fund, which underpins our vision for Investing In Jersey b) Reinstate of multi-year expenditure budgeting, providing more certainty, increased financial discipline helping curb growth in the Public Sector, and enabling a greater focus on delivery in line with a medium-term plan.	JCIF established, work on multi-year budget legislation in progress	

2. An outline of any changes in policy direction or delivery for 2027 and the impact thereof

I intend maintaining a focus on responsible financial management, sustainable public finances and long-term planning, while placing greater emphasis on economic growth through delivery of the Time to Win recommendations.

The immediate priority has been delivery of the Proposed Budget 2027-2030, which reflects several important developments. These include progressing the establishment of the Jersey Capital Investment Fund to support long-term infrastructure investment and preparing a return to multi-year budgeting to provide greater certainty and improve strategic decision-making. 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. Looking ahead, enhancing fiscal resilience through reserve replenishment and sustainable public finances will be a key priority during my term of office.

The Budget also reinforces our commitment to proportionate governance, with a focus on efficiency, productivity, and value for money. The savings programme is a first step intended to address growth in recent years and to reduce complexity and administrative overheads while protecting frontline services and ensuring resources remain focused on priorities for Islanders.

As I recently outlined the Corporate Services Scrutiny Panel, I am particularly encouraged by the transformation programme within Revenue Jersey, which was recognised positively by the Comptroller and Auditor General. I have encouraged the department to continue pursuing digital initiatives that improve customer service, simplify processes and reduce reliance on paper-based administration.

3. An outline of any changes to staff posts and restructuring within your department and the anticipated resultant savings and impact on service delivery

A comprehensive review of organisational structure, staffing requirements and operating arrangements is being undertaken to identify opportunities to improve productivity, eliminate unnecessary duplication and reduce recurring expenditure. This work forms part of the Government's wider programme to restore financial discipline and ensure that public resources are directed towards the services and activities that deliver the greatest value for Islanders. The review will consider opportunities arising from vacancies, natural turnover, improved working practices, digitalisation, service redesign and where appropriate, organisational restructuring.

The objective is to deliver sustainable, recurring savings rather than rely on temporary expenditure reductions that do not address underlying costs. Chief Officers are responsible for developing and delivering the necessary measures within their departments, with progress monitored against agreed financial targets. Detailed decisions affecting individual posts will be taken following the completion of the relevant organisational reviews and any necessary consultation processes. The Government remains committed to protecting essential public services while ensuring that they are delivered as efficiently and effectively as possible.

Measures will be assessed not only against financial savings delivered but also against their impact on service performance. The objective is to achieve sustainable improvements in productivity and value for money, rather than simply transfer costs or reduce service capacity.

Much of this work will prepare for the delivery of savings during the period 2028 – 2030, and in the meantime the Department is focussing on measures delivered through re-

organisation, reviewing governance to ensure it is proportionate, improving our use of technology and strong vacancy management.

4. An update on the efficiencies and other savings for the Department for Treasury and Resources to be delivered in 2026 and how these were achieved

The Department for Treasury and Exchequer has delivered its recurring savings target of £1.55 million in full for 2026 across the directorates. These savings have been achieved through a combination of organisational reviews, vacancy management, and ensuring that costs are allocated appropriately in line with service delivery requirements.

Within Commercial Services, savings have been realised through starting to implement a new strategy and developing a target operating model, streamlining the service, reducing additional layers of governance and reduced staffing requirements. Revenue Jersey has contributed to the savings target through careful workforce management and vacancy control measures, ensuring operational priorities continue to be met while reducing workforce costs.

I trust this information assists the Panel in its review.

The Government recognises that restoring financial sustainability requires more than short term expenditure restraint. It requires lasting improvements in productivity, effective prioritisation of resources and structural changes that reduce recurring costs while protecting essential services. These principles will guide the implementation of Budget 2027 and the development of the Government's longer term financial plan for 2028–2030.

I look forward to continuing to engage constructively with the Panel as this work progresses.

Yours sincerely,



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