



Environment, Housing & Infrastructure Scrutiny Panel

Proposed Budget 2026-2029 Review Hearing

Witness: (The Minister for the Environment)

Wednesday, 5th November 2025

Panel:

Deputy H.L. Jeune of St. John, St. Lawrence and Trinity (Chair)

Deputy T.A. Coles of St. Helier South (Vice-Chair)

Deputy A.F. Curtis of St. Clement

Connétable D. Johnson of St. Mary

Deputy D.J. Warr of St. Helier South

Witnesses:

Deputy S.G. Luce of Grouville and St. Martin, Minister for the Environment

Mr. A. Scate, Chief Officer

Ms M. Moffat, Policy Principal

[10:30]

Deputy H.L. Jeune of St. John, St. Lawrence and Trinity (Chair):

Welcome to this public hearing of the Environment, Housing and Infrastructure Scrutiny Panel. Today is 5th November 2025 and this is our proposed Budget 2026 to 2029 review hearing with the Minister for the Environment. I would like to draw everyone's attention to the following. This hearing will be filmed and streamed live. The recording and transcript will be published afterwards on the States Assembly website. All electronic devices, including mobile phones, please could you switch to silent. I would like to ask any members of the public who have joined us in the room today to not interfere in the proceedings and as soon as the hearing is closed, please do leave quietly. Now for

introductions. My name is Deputy Hilary Jeune and I am the Chair of the Environment, Housing and Infrastructure Scrutiny Panel.

Deputy T.A. Coles of St. Helier South (Vice-Chair):

Deputy Tom Coles, Vice-Chair.

Deputy D.J. Warr of St. Helier South:

Deputy David Warr, Panel Member.

Deputy A.F. Curtis of St. Clement:

Deputy Alex Curtis, Panel Member.

Connétable D. Johnson of St. Mary:

Constable David Johnson, Panel Member.

The Minister for the Environment:

Deputy Steve Luce, I am Minister for the Environment.

Chief Officer:

Andy Scate, Chief Officer for Infrastructure and Environment.

Policy Principal:

Michelle Moffat, Policy Principal, Cabinet Office, working on The Carbon Neutral Roadmap.

Deputy H.L. Jeune:

Thank you. Thank you, Minister, and we kick off in your response to the panel's budget launch letter you stated that the proposed 2026 savings will severely undermine service delivery across the board. Which specific policy areas or functions will see reduced capacity as a result of the £750,000 staff related savings?

The Minister for the Environment:

Thank you, Chair. Yes, 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. We are a department which relies very heavily on fees and charges for a good chunk of our income and consequently we find ourselves under increasing pressure year on year, as I have said, and certain parts of the department, all the way across the department, are going to be affected by the further cut of £750,000 next year. I think it is fair to say that the effects will be felt, as I just said, across the whole department, regulation and environment. We are looking

to make those savings by losing vacancy posts and so where, in certain parts across the department, we have occasional vacancies and that it is really across the whole gamut, we are in a position now where we are having to take those vacancies and not replace staff into those jobs in order to make our targeted cuts. As I said, we are a department that relies very heavily on fees and charges, but as a Government we are determined to try our best to not make the cost of living any worse, so we have decided there will not be any increase over 2.5 per cent. As you know, we have introduced a consultancy and recruitment freeze as well. So, when you put all those factors together, things are very challenging and without doubt the effects are across the whole department. But I will just say this, which is in the Environment Department in particular, we have much smaller teams of maybe 2 or 3, where the manager, if you like, the knowledge, the really highly qualified people are part of a very small team. If you reduce that team by one, it has a massive effect. So, we will, I am sure, be challenged in the Natural Environment sector, where we will be having to have a really hard look at what we do and how we do it. Certainly, I am conscious that, when it comes to fees and charges, we are a Government and a department that do not charge for many of the services that we provide. In the U.K. (United Kingdom) you would pay for those services. But again, it is a challenge for me to try to push through with new charges in the light of the fact that we are in an era where we are trying not to add those additional charges to the general public. So, there is lots to balance.

Deputy H.L. Jeune:

Thank you, Minister. I think some of those areas we will go into in a little bit more detail.

Deputy D.J. Warr:

Yes, I just want a quick question, Minister, and that is around private sector involvement in some of this area. Do you do a of a triage, basically, of what you are doing, and is there a possibility this could be done by the private sector as opposed to public sector?

The Minister for the Environment:

Well, it was remiss of me, Deputy, to miss out one of the really crucial parts of Natural Environment is the amount of work that we get done by the third sector, by volunteers. I cannot underestimate how grateful we are in the department for the work done by volunteers. You can take Asian Hornets, for example, where we have a team of 30, 40, 50 people out there looking for them, tracking them, putting out the traps to see where they are, and actively helping us. But then we have that across the whole gamut where people are on the seashore doing surveys, out in the countryside doing so. We have a huge range. I would not be surprised if it is somewhere nearly 500 people who help the Natural Environment team to do their work. So, that is hugely important. I do not know that I could even think about asking them to do more because their input is so great already. I know they respond really well to challenges. They are so helpful. But they also feel the pinch when we become, as a department, short of funds, because they feel the effects of that as well.

Chief Officer:

I think it is important to say, if you look across the services within the environment portfolio, we are the statutory agencies for many things and we regulate the private sector. So, in some of the areas of work we undertake, obviously, we regulate the private sector rather than expecting the private sector to do that work. So, if I look at the Regulation Directorate, we are a regulator for many, many laws. The same could be said in our natural environment areas, where we are the statutory authority for plant, seas, pests, animal welfare, those sort of functions. So, where we can partner up, but most of our partnerships, as the Minister said, are with the third sector and volunteers rather than with the private sector, because we are statutory authorities.

The Minister for the Environment:

I think it is important to stress that, if you look at examples elsewhere out of the Island, where private sector have taken over Government roles, and let us look at building control, for example, in the U.K., that is a private sector job, if you like, and it has not necessarily gone well. We need to guard about where we might use the private sector to do jobs which are currently undertaken by Government officers.

Deputy H.L. Jeune:

I think then, coming back on that, some of these areas I think we should just kind of get into, but you have talked very clearly about the fact that, in your department, it is mainly about people and doing this work, and then also having a third sector around to support those and needing that, because the work, it cannot be done just from the department and staff alone, but you are saying that the main reduction or the main savings will be done by staff. But you also noted recently that you had just rebuilt the staff to a functional level, because we have been talking in our quarterly hearings about the fact that we have seen that the department has not been able to fulfil what it has wanted to do, especially the priorities you wanted to do, Minister, when you came into office, because of that, short of staff, because that was not up to a functional level. Will we now see that functional level reducing again, because of those reduction in staff? Will it go back to being in a kind of crisis mode, I suppose?

The Minister for the Environment:

Well, I would not call it crisis mode, but every post that we lose out of the department reduces our ability to do the amount of work we have done in previous years. So it must be said that reduced numbers does not make it easier to do all the work that we might wish to do, and that is where we will end up having to prioritise. The particular work you are referring to was work that which was done in the policy team, which is Cabinet Office. But note that they also face the same challenges where we have officers fully employed with lots of stuff to do, and every time a new debate goes

through the Assembly, which has an effect on policy, that is additional work. We then have to reprioritise because if something goes back to the top of the list, there will be something at the bottom of the list that falls off. So the only thing I would say in addition to that is, and to be fair to all sides, as a result of the C.S.P. (Common Strategic Policy) work, we were given additional staff to undertake some of the work to do with affordable housing and the other bits, carbon emissions and stuff like that. So we were granted a little bit of additional leeway in those 2 areas to get some staff for a short period of time to help us through that.

Deputy H.L. Jeune:

But that is because it was focused on C.S.P. rather than the ...

The Minister for the Environment:

Yes, absolutely. It was a C.S.P. priority and therefore we were allowed a bit more operational leeway in those sections only.

Deputy H.L. Jeune:

Minister, many of the areas that you were talking about, about regulation and about implementation, you have talked before about the need to work on things like Brexit alignment and things. Those, of course, it is difficult because they are not necessarily wish-lists or nice-to-have, they are essential, but they may not necessarily be something that a Government can put in a C.S.P. because they are not necessarily strategic priorities, they are essential work. How does that balance happen when there are those political drivers of strategic priorities and those that have to happen because of that regulation, implementation or policy development or implementation because of Brexit? How does that balance work?

The Minister for the Environment:

Those type of things put us under increasingly great pressure. You mentioned Brexit, but the one that certainly needs to be highlighted is the U.K.-E.U. (European Union) reset negotiations, which are about to start. I think I am correct in looking at my numbers here, 89 pieces of legislation will need to be modified if we are going to get involved with the U.K. and the phytosanitary work that needs to be done. We have a massive amount of work if we are going to bring our laws up to speed to engage and become part of the part of the reset. That work is not costed or funded or we have not started on that because we do not know, we are not at that part of the negotiation where we know exactly what we have got to do yet. But what we do know is, if we are going to get properly involved, there is a very, very big piece of work, not just for my department, where we will undoubtedly need some specialist help, because that is things that my officers would not be capable of. It will also have a major effect on the law drafting team, because these are all laws which would

need to be changed or written, modified, and it is all really currently unknown. We know it is coming, but the amount of work involved in it is at the moment unknown.

Deputy H.L. Jeune:

Would this be in this budget or is this set to be seen in future budgets? As in, has this been communicated to the Council of Ministers about this piece of work? Because we are feeling that you are seeing these savings, we are hearing from you the tightness of the budget, yet these kind of aspects like this, and the work that needs to be done, it will have a huge impact. Will the impacts be under this budget or is that seen as a future budget, and will that be accepted by the Council of Ministers as not a nice-to-have, but as a necessity?

The Minister for the Environment:

Okay, well, the first thing to say is I look to Andy, but I am pretty sure that there will be an impact on next year. I mean, I cannot see how we would not have to start this work in earnest next year. As I said, it is not funded. But I while I have not brought it to the Council of Ministers as an official item on the agenda, certainly I have highlighted to the Council of Ministers in conversations during meetings, but sort of more off the cuff, if you like, rather than officially, that the amount of work we will have to do in this area could be immense, as and when it starts to materialise exactly what needs to be done. I mean, we are still in negotiations with the U.K. over it, they are yet to properly start their reset negotiations with the E.U., but there is no doubt that we have a lot of work to do. The officers have highlighted it to the Chief Executive and we are all aware that it is coming. So it is not an unknown unknown, it is a known unknown.

Chief Officer:

The first call upon resources will be our existing resources. So the first part of trying to balance that equation will be to look at our existing resources within the department and reprioritising them away from some areas of work into this area of work. If it becomes a hotter area of work, and we have to respond in short order, then we will have to do that as a jurisdiction. That will mean that other areas of our work will be deprioritised accordingly. So that will be our first call, and we will try to balance it that way. If we cannot balance it that way, then we will need to have a wider conversation around Government as to where resources in Government are sitting. But it is an unknown area of impact on our business that we certainly know is happening. There are other unknowns that we have to deal with, uncertainties I would call them, certainly around income levels, unplanned events, such as weather events, does affect the Environment function as well. Then other things we have to respond to, such as disease outbreak, both statutory pest disease or animal health, plant health, or indeed even public health, because the Environmental Health and Regulation teams do respond in that as well. So I guess it just typifies the uncertain context we live within.

[10:45]

The Minister for the Environment:

I think Andy makes a really good point. I mean, I was going to use the word contingency. We do not have any contingency within our budget and, if we did, I would have raided it by now to try to help us out of the challenges elsewhere. But Andy is quite right, we do not have contingency. For example, Storm Ciarán was a massive impact on the department. We had a lot of work we had to do. We received no additional funding for that. We were expected to cope with that inside our existing money and other things like that. Another pandemic, for example, would be something that the team would be expected to cope with and in the immediate weeks and months of a pandemic, let us hope we never see one, but if we did have another one, all the work has to be undertaken by qualified people before we come up with a plan to see how we might cope further down the line. But certainly for the first few months, there is a massive impact on Government from that sort of event. But I do not want particularly to use that.

Deputy D.J. Warr:

I just wanted to really say, you are saying there is all this potential change. Is there a concrete example that you could point to and say, here is an example of where the legislation needs to change in line with the reset? Is there something you could say to the general public out there, this is what we mean when we talk about changing legislation.

The Minister for the Environment:

I could not, off the top of my head, give you a single practical example. But I think the general public and everybody would realise that the important thing about the reset is that we would need both laws on both sides of the equation to equate. In many cases, I suspect the E.U. will be wanting us to have equivalent or equivalence and that is where the challenge will come. Every law will have to be sifted through to make sure it comes up to the standards required.

Chief Officer:

Generally, laws for us specifically governing movement of animal products, food, trade, movement through the ports that we regulate.

Deputy D.J. Warr:

These are the areas you are talking about, which will be a reset?

Chief Officer:

Yes, they are some very specific areas.

Deputy D.J. Warr:

It is all to do with trade, right.

Deputy H.L. Jeune:

And there is statutory obligations and so many of those issues. So it will be, once they are put in place, they also need to be implemented as well and many of those have to be done in the department too.

The Minister for the Environment:

Yes, absolutely. Quite a lot of the work that my team do has got a lot of statutory obligations inside it. We also have a number, I cannot remember any of them specifically off the top of my head, but a number of conventions and stuff that we are expected to report into. Certainly, for the last few years, we have coped with that. But we can see further down the line, there will be challenges on creating the data and the results to feed into these environmental obligations.

Deputy H.L. Jeune:

I suppose we are just getting to the crux of how, with these cuts, how will Jersey try to minimise reputational risk or operational environmental risk by not being able to, when, Andy, you talked about having to put stuff down the list, because if the unknown known or the unknown is going to come, it means that there will be those choices to make. But if there are elements of the department that are under statutory obligations, how will those decisions be made within those wider things of reputational risks, operational and environmental risks?

The Minister for the Environment:

As a department, the officers will sit down, and they will sit down with me, and we will try to look at what we absolutely have to do. I think the word "obligation" springs to mind and the things you absolutely have to do, you have to do. Then you look at the list of stuff that does not necessarily have to be done. This is where it really starts, if you like, to affect the perception from the public point of view is that when you start to spend less time out in the countryside, making things look good and making sure they are right and correct and footpaths are cut and things like that, those are the sort of areas, the sort of non-statutory areas, but even in footpaths we are obliged to make sure that they are, as you would expect, we have a level that we have to get to, to make sure they are safe for the public to use. But it will always be a challenge to try to get everything to balance.

Deputy D.J. Warr:

Can I just come back to the point about this idea with the E.U., this reset? I am guessing this is going to have an inflationary impact on trade in Jersey, this will be about economic competitiveness as well. Is that going to be an issue?

The Minister for the Environment:

Not necessarily my sector. Can I just say, I do not know that it will have an inflationary effect, because the idea would be that we return to something we were used to pre-Brexit, which was much easier trade with Europe, and that I would hope would cut down on red tape and ease trade between us and the Continent.

Deputy H.L. Jeune:

My final question on this area is how you administer, and with this concern that the department having to save, but there is no growth at all in the department. But now, even there has to be more cuts. And there is also this growing calls for regulation. But at the same time, we have got greater calls for more environmental protection, or, for example, from nut labelling, P.F.A.S. (per- and polyfluoroalkyl substances) contamination controls and the landscape preservation. So how does the department balance those as well, when you have the calls from potentially many and even within the Government to reduce regulation, but at the same time, on the other hand, we have the calls also for that there needs to be regulation for health and environmental protection.

The Minister for the Environment:

We do it with absolute great difficulty, I think is the answer there. You cite food regulation and that is a good example. I have said to a number of States Members recently that every time a new law goes through the States Assembly that requires regulation, nobody particularly considers the effect on the Regulatory Department of having to do that work, or the fact of people who find themselves regulated because of that law change. But we know, talking about food safety, I am going to be coming to the Assembly very soon, before the election, with the new Food Safety Regulations. Now, that will mean that we are in a much better position to look at the way kitchens are used, the way that labelling is done. But there will be an effect, there is a cost to Government of doing that work. Now, we know it is essential, we know we have to do it, it is really, really important that it is done. But there will be a cost and we will look at the amount of charges we put on to those licences. Again, there is a conversation to have making sure that we are not overly adding to the cost of living for residents of the Island.

Deputy H.L. Jeune:

I suppose that is what you were meaning when you said you are going to bring in potentially new charges rather than increasing current charges.

The Minister for the Environment:

Well, I mean, new charges are very, very difficult to get approved. Let us be clear, I have got a number of areas where I feel that people should potentially be paying for services they are receiving.

But at the moment, that is a real challenge for me to get that through, because the Government, and this Government that I am part of, are trying hard not to add to the cost of living for Islanders. So we have a number of areas that we would like to charge for, we have a number of areas where we would like to charge more for. But at the moment, we are very much sticking to 2.5 per cent where we can. If I want to do more than that, I have got a large number of hurdles to get over before I am allowed to increase further than that.

Deputy A.F. Curtis:

I am just interested to follow up on the Chair's question on the section about the challenge. You said it is a very difficult challenge balancing competing demands, and one of them being calls for less regulation, against a backdrop of you being the regulator or the Regulation Department. In identifying how to prioritise, are you looking at areas that your existing team and Regulation Department will regulate less, or regulate differently in 2026 and 2027, to compensate for areas where you need to regulate more?

The Minister for the Environment:

The first thing to say is that I always face challenges to try to reduce regulation, and I do not want to be part of a Government which regulates everything out of existence so very much. But while none of us want regulation, we do not want regulation until we do want it, and then when we do want it, we really, really want it to be able to work, because it is all very well having a non-regulated society, but when things break down, you really wish you had it. So we do at every turn try to make sure we are reducing red tape, reducing duplication, and for example, the food law that we are just talking about will involve officers going in to regulate kitchens and cafés and what have you. But we are looking for ways to try to have that single visit to cover a multitude of different regulatory things. Also, when it comes to applying for that food licence, to see whether there is a way we could apply for the food and, where you have an establishment that sells food and alcohol, do that at the same time. It is difficult to do that as it is, we are trying to think up ways where we can reduce the amount of paperwork involved with regulation.

Deputy A.F. Curtis:

So is it fair to say that those are efficiencies in regulation, rather than changing the level of regulation, perhaps, in those areas?

The Minister for the Environment:

I think that is probably fair to say. I would love to reduce regulation. The question is where and what part of Island life do you want to regulate less? Because it is fine to regulate it less until something goes wrong and then you suddenly realise we should not have reduced it.

Chief Officer:

That is a difficult equation. We are often in the balance of, we consult on reducing regulation, and obviously to reduce regulation per se, you need to reduce some statutes and repeal laws. If you do not repeal laws, there is a question about what you regulate within those laws. As much as we get calls for deregulation, we also get calls from other sectors of the economy and society to regulate more. So it is a constant balance. I guess an example live at the moment is just a consultation around the planning system that is live. Clearly, the Island can have a planning system, whatever the planning system it wants, really, it can regulate what it wants in that system. But again, it is a difficult balance. We get many, many users of the system want more regulation, and many users want less regulation. So we try to tread a simple balance between the 2.

The Minister for the Environment:

Permitted development is good. Andy raises planning, but permitted development is a classic example where people want to be able to do more without making an application. It is very easy to put things on the general development order that they can do without an application. But you must always think about the consequences for the neighbour on both sides of the person who has put a large extension to the back of their home, and it is always really difficult to find ways to reduce regulation, especially in that area.

The Connétable of St. Mary:

Just feeding off Deputy Curtis's comment, there is a distinction made between increasing fees and perhaps increasing penalties and the present system, which is fairer and possibly looking at the introduction of civil penalties rather than criminal where I sense criminal penalties are not often taken up because it is a criminal nature.

The Minister for the Environment:

Yes, this is not really a budget issue. But if you want to talk about criminal and civil, yes, we have a very classic example at the moment in statutory nuisance where we do not have a civil and it will be a good idea for the next Minister particularly to start thinking about civil rather than criminal, because getting over that bar is much easier for people to do. Talking about fees and charges and penalties, certainly in the department, I have asked a couple of times, I am trying to think, there is the fixed penalty notices that apply to parking, could be applied to other offences, and it may be that at some point in the future, not now because we are not talking about it, but it may be in the future that might be a way of trying to do things.

Chief Officer:

The majority of the work we are doing as well is to get compliance happening rather than to punish. So if we see actions taking place that we regulate, generally the biggest outcome we seek is to get that compliance happening rather than to seek punishment. There are some cases that ...

The Minister for the Environment:

From a budget perspective, it might be just worth saying that, of course, the income derived from a penalty notice or a fine would not necessarily come back to the department. So it might not necessarily help our budget, it might help the Treasurer, but it might not necessarily come back to us.

Deputy A.F. Curtis:

One area that the last budget allocated funding was £100,000 to the West of Island Planning Framework. So we want to talk briefly about where some of the allocations from last year and where they look next year and where they will exist. So I know we talked about this in our quarterly hearing. We would like to dive a little more into the budgetary elements of the allocations from last year's budget. So the first question would be, given the budget allocated £100,000 to the West of Island Planning Framework development. First, we know that is not included in this year's budget, the budget 2026. Could you advise where the money from this year has been spent, if it has been spent, and why it does not appear in the 2026 budget?

[11:00]

The Minister for the Environment:

I do not know the specific answer to the 2026 budget, but I can assure you that monies allocated were spent. But I come back to the difficulty about prioritisation and certainly the West of Island was on the list and it was their work that we are going to do. It recently got added to by the Proposition about Quennevais and the Parade and the Precinct and added to that. But then you start coming back to the last States Assembly where we voted on the one parking space per unit in St. Helier. And I go back to my planning policy team and they go: "Well, this is just another piece of work. Okay, Minister, where in the list are you dropping? Is this going to the top of the list? In which case, west of Island will once again be dropping down." It is just an ongoing challenge to prioritise things and to decide in which order we do them. I have tried to get the list together to make sure we get these pieces of work done before the election. But more recently, I have been saying to officers: "Right. Here is a list that is going to get started in purdah that the next Minister can pick up on. We are now working on the purdah list, if you like, because the list between now and the election is absolutely chock-a-block and how we will get through it, I do not know. Before long I will be setting work for the next Minister to do because I will be out of the purdah, I will be into August, September, October. We have a massive amount of work that we just have to roll over.

Chief Officer:

The analogy is it is like the top 10 in the music hit parade. We might have a new number one, which effectively means the previous number one goes down to a number 2. We are constantly juggling the list of priorities as to what guidance comes out of the pipeline first. If a new priority comes in, that may well take precedence over something else, and the list gets jogged down a bit.

Deputy A.F. Curtis:

My question was going to be: "What is a budgetary impact of decisions like the last State Assembly decision on revision to the supplementary planning guidance on parking?" You are suggesting it is about priority. I guess the question is: "How will you prioritise, or will you seek budget changes, or staffing changes, to facilitate the delivery of your workload?"

The Minister for the Environment:

One thing that has happened in the planning policy team recently, is that we have finally got up to the numbers, and it is interesting you say that, but we are back up to the numbers that we should have been at for quite a while. So, we do have a bit more capacity in the team now. Some of this work will start to happen. But west of Island particularly is one of those that we would normally be engaging a consultant from the U.K., a specialist in this type of work, to come over and help and do the initial work and then feed into us. But that needs to be done. I am under no illusions that the west of Island planning framework is one of those important pieces of work that needs to feed into the next Island plan debate. It has got to be. It is not one that we can continually push down the list. I personally think it is, apart from the Island plan, it is a really important piece of work because Quennevais is an important area, the west of the Island is important. We need to know how we are using, or how we are proposing to use Quennevais, St. Peter, St. Ouen's Village, and the countryside as well. We have got the airport. We have got ...

Deputy A.F. Curtis:

Given there have been allocations given, you are keen to ensure work is done. Are you confident that you can submit the case in essence on any of these to go past the consulting exemptions and bring in the required expertise? Given it was a States Assembly decision.

The Minister for the Environment:

I would not say I am confident. The only way to really deliver on budget reductions and staff reductions, post reductions is to be tough. We put in a consultancy freeze, and I could come up with half a dozen areas where I could quite easily justify to myself that I need consultants to help me with a really important work. But those applications go to the Chief Executive and the Chief Minister, and it may be that from a government perspective, there is other more important things.

Chief Officer:

Generally, in making those decisions, if we have got C.S.P. backing, so to speak, we have funds to do the work, and it is a high risk ...

Deputy A.F. Curtis:

Or Assembly backing? If the Assembly back funds, I am just curious ...

Chief Officer:

Yes. States Assembly decision is an important part of that equation. So, that will rank higher in a consultancy question rather than something that does not have that backing.

Deputy A.F. Curtis:

Lastly, do you have any funding to spend outside of your department, and capacity within policy for work on the next Bridging Island Plan, and in particular, any areas that you might be bringing following changes to the law that you are consulting on at the moment, for example, partial revisions? Are you confident the work will be in 2026?

The Minister for the Environment:

The very short answer to: "Do I have any funding for the next Island Plan?" No. Let us be clear, this is not passing the buck or kicking the can, but the next Island Plan is a decision for the next government. I would very much hope that the new Minister, whoever that is, one of the first things they will do is to go to the Council of Ministers and say: "We should be doing a new Island Plan. I want permission to kick this work off." But if we go for a similar type of plan approach to the one we have currently, that is £1 million worth of work, I would think, and that will need to be funded. That cannot be funded from within the department's budget. It is too extraordinary an item on the balance sheet to be funded inhouse. But one of the questions we are asking in the consultation, as you know, Deputy, is around what type of plan people think we should have. Should we carry on with our plan-led approach, should we look to other jurisdictions where they do things differently? We could look for 2 different types of ... sorry, the 2-plan approach where you have a very much more general overarching plan, which is only changed very occasionally and I ...

Deputy H.L. Jeune:

We will focus on that in the next quarterly hearing ahead of bringing that to the Assembly. But for that final question, is the budget enough, or is it protected enough, or is the posts of the people who will be doing the work protected enough to be able to finalise some of those big ticket items on the Bridging Island Plan, the actions that are still kind of out there that need to be done, ahead of any launch of any whatever future Island Plan looks like, is there enough allocation and people, and

even if somebody left would there be new allocation to ensure that money to be able to get the posts filled to be able to do that work for the Island Plan? Is it high up ...

The Minister for the Environment:

I am confident that we have enough officers of enough quality to do the work inhouse that we would need to do.

Deputy A.F. Curtis:

You will be able to refill those posts?

The Minister for the Environment:

However ... it is a big however, and it is the but word, but we need to mix that up with all the other things that will come down the line, all the other propositions that will be approved in the States Assembly, all the other pieces of work that we need to do. A lot of it is unknown at the moment, but certainly we have a team capable of doing the work, whether we will have enough time in their already full timetable, I do not know.

Deputy H.L. Jeune:

Our big question here, before I move on to more on the Climate Neutral Roadmap, is in weighing up all these risks, and we are hearing a lot about it is the unknown. There is a budget that is a limited budget, means that mainly staff, as they leave, potentially those posts will not get filled again. We are not able to buy in extra support to be able to cover all the elements that sit under your portfolio, Minister. The question is, how do you take those decisions, what is at the top of the of the charts, what is at the top of the list, how does that happen? How do you assess the risk to Jersey from an environmental risk, operational risk, reputational risk, economic risk, the sustainability risk, as a whole? How are those done when there needs to be put at the top of the list?

The Minister for the Environment:

I go back to the answer I gave previously. I sit down with officers, and we talk about everything in the round, and we usually come up with a sort of a hit list of what has to be done and what we will have to defer for now until another time where we have more money or resource. Then dependent on the seriousness of that question, I would go to the Council of Ministers and say: "This is my proposals." They may disagree with me and say, No. We would like this done more." I can argue my case. I may be told: "No. We would prefer this to happen." We just talk about it and work together and work our way through. But I think the point I am making is, we can see the dark clouds on the horizon are starting to roll in at the moment. We have a lot of obligatory work, statutory work, pieces of work we need to do before the Island Plan. Regulation that we are having to start doing because of changes which come through the Assembly. Everywhere we look at the moment, we

have challenges. As I say, we are now, from a budget perspective, at a point where in order to make the savings that we as a government have decided to make, we are having to look at vacancies because that is where we have to go next. We cannot find any more money down the back of the sofa, so to speak. We are coping, but it is mighty tough.

Chief Officer:

I would say, with the Minister, we meet weekly. There is a constant dialogue as to: "What is on the list this week? Has something taken greater priority than something else?" In terms of a simple risk equation: "Are we seeing issues that are affecting the Island's ability to trade? Are we seeing the Islanders' health? Are we seeing untoward impacts happening in the Island we have to respond to?" Those things absolutely would be higher priority to other education work or research work or guidance work, which may well be more nice to have. It is literally a constant dilemma.

The Minister for the Environment:

In the environment section, for example, let us just think about that for a minute. Climate change is doing what it says, it is changing the climate. We have a greater threat now for invasive species, particularly invasive insects, if you like, and just bluetongue or lumpy skin disease in cattle, and so much more likely now. For the first time, we did a programme of vaccinations for bluetongue last year, which cost us money. But the industry working with the department and myself came to the conclusion that we thought the threat from bluetongue was serious enough to the Island herd that we needed to do something about it, so we had taken that decision. Plants and animals are under great threat from climate change.

Deputy H.L. Jeune:

I think we can move on, on that area, because Minister ...

Deputy D.J. Warr:

How much revenue currently flows into the Climate Emergency Fund from environmental taxation compared to the levels originally forecast at its launch?

The Minister for the Environment:

I have Michelle here fortunately, who has all the numbers, but we ...

Deputy D.J. Warr:

So, what accounts for the shortfall is I am going to give you a little pre-empt on these ones, and how will the department address this gap to ensure the Carbon Neutral Roadmap delivery remains on track?

Policy Principal:

You will have seen in the budget documentation that there is the projection for 2026 to 2029 with regard to the income that is expected. To note, that includes the proposed increases to V.E.D. (Vehicle Emissions Duty) from January. That is composed of 9 pence per litre on fuel duty on all fuels except H.V.O. (Hydrotreated Vegetable Oil), and then the proportion that we have above the R.P.I. (Retail Price Index), recent increases above R.P.I. on the non-commercial vehicles that are subject to V.E.D. There has been a trend of decline over time, and that is largely due to the falling fuel duty receipts, and we know that is going to happen as a consequence of our policies, both to support the transition to electric vehicles and the increased use of active travel and sustainable transport modes. There is an overall societal trend that we are going to see falling receipts, and we know that is been looked at by the economy team to see ... at the moment their projection was that there would be no steep sort of cliff edge at any point in the next couple of years, but it is being maintained as an area that needs to be under a watching brief with respect to fuel duty replacement policy, which is a piece of work that has been rolled over to the next year. We can see in terms of the forecast that we have got for the next budget period that we are going to recover some of the loss against fuel and fuel duty through additionality in V.E.D., but it is still a trend that will decline over time. We are very clear that that is not going to cover the overall amount of money that will be needed for our net zero transition. We are now looking at a year-on-year basis for the funding that we know will come in, and next year with respect to the second delivery period, which will be from 2027 to 2030, the next 4-year period, that we will put forward a net-zero financing strategy to support the delivery of the policy developments and implementation that will happen in that period. We are not going to look at a fully costed model that takes you all the way to 2050. There are some levels of technology that it will be rather foolish for us to try and predict at this point. We are going to take that in tranches, so the Assembly can expect to see the policies for that 4-year period and how we intend to pay for them, and where that is over and above this forecast, we will need additional measures, whether they are through pulling government levers or through accessing commercial or private funding, that is the things we will bring to the Assembly.

Deputy D.J. Warr:

A bit of the question really was: "What alternatives are supplementing the funding?" Can you give any concrete examples you would like to say to top this up and make sure that those are in the report?

[11:15]

Policy Principal:

There is nothing confirmed at this point that I would be able to brief you on. We are obviously aware that there are actions that are being taken through largely our finance industry, and also there are

other corporates they will be going on their own net zero journey. They are taking actions that the government does not need to fund, but that is contributing to the reduction in our emissions. We are very conscious that there are some really excellent activities going on across the business sector already.

The Minister for the Environment:

I might just add, Deputy, certainly looking ahead, and in the immediate past, I have been using carrots to encourage people in the climate change world, and I have indicated at some time in the future we will have to start combining carrots and sticks. But in the short term, I would very much want to continue with the carrot approach. But to do that, I need income, I need income coming into the fund. As Michelle just said, it is decreasing for a number of reasons. The first one is, as she said, we are burning less liquid carbon fuel on Island year-on-year. Engines are becoming more efficient, and more people are moving to electric vehicles. It is almost self-defeating. We would like a little bit more per litre. That is always a challenge, because obviously as a government we do not want to put the price of fuel up any more than we really have to. Fortunately, I have managed to persuade colleagues that adding over and above the 2 ... in fact, in some cases, large percentages to the emissions duty in the higher rates where we have large fuel-consuming vehicles, larger vehicles, we have been adding to the V.E.D. in those sections considerably for a number of years. We will probably, if we can, continue to do that.

Deputy D.J. Warr:

I have got a bunch of questions here, but you are pretty much answering a whole load of the questions which I have got lined up here. My question really is, ultimately, is this something which the private sector is going to help deliver on this 2050 target? Is this something which businesses themselves, because of what their activities are becoming more green, are they going to facilitate this significantly? It is not going to be government who is going to need to keep putting up taxes, or putting up this, or putting up that?

The Minister for the Environment:

I am sure they will help, but I will go to Michelle in a second. We are living in a world of corporate responsibility and certainly the larger corporates absolutely get that and they are doing their bit. They realise in practical terms the cost or the carbon emissions from heating their premises where they have large offices or what have you. They are looking at that, they are looking at investing in sustainable energy, green energy, green initiatives if you like, and the sustainable finance awards that we have had for the last couple of years. There are some really good ideas coming out of the financial services sector about the environment.

Deputy D.J. Warr:

I am just kind of saying it is not always about government doing stuff, it is about the private sector too.

The Minister for the Environment:

I think people are getting their responsibilities across the whole board.

Deputy H.L. Jeune:

Focusing on the budget, and just going back to the Vehicle Emissions Duty, obviously it was the Panel successfully amended last year's budget to increase those percentages. Do you, Minister, just hearing in general, you said: "The last few years", but do you believe that this year's increase as well goes far enough to influence that behaviour? So, of course it is about polluter pays and it is about influencing behaviour, the Vehicle Emissions Duty. Do you think that this current proposal for this year's budget goes far enough?

The Minister for the Environment:

If I was extreme, I would say it never goes far enough, but one has got to be realistic, and the percentage increases we are putting on these large vehicles year-on-year are double digit. There is no doubt in my mind that is having an effect on some people and the vehicles they purchase. It is also clear that in some instances with these high-end, expensive, large fuel-consuming vehicles, it does not appear to make any difference to the number that we are selling. We may have to look elsewhere, but what am I trying to say? A few extra thousand pounds does not seem to make much difference to some purchasing in some sectors of the car market.

Deputy H.L. Jeune:

No. Do you think that maybe there is room there to maybe increase at that top end, to maybe make even more increases, knowing that we just talked about the fact that for the fuel duty per cent, which of course we are talking there is that need of the polluter pays, but also to have supporting this transition and to be fair, whether then that one side the fuel duty may be not going up as fast, but maybe as a response for those very big vehicles and luxury vehicles, maybe they need a bit more of an increase?

The Minister for the Environment:

The other side to this is we do need to remember this is all about saving carbon, this is all about the environment, and if we think by doing what we are doing we are going to stop large vehicles coming in, of course we are wrong because a lot of these large vehicles you can now buy an electric version of, so of course there is no V.E.D. to be paid on a very large vehicle, which is an electric one.

Deputy H.L. Jeune:

We are talking about the polluter pays principle, including a just transition, it is important.

The Minister for the Environment:

We have got to continue to look at that. Yes, absolutely. As the alternatives become available, there is no reason for us not to do that, because the whole idea is that we do not want to put things out of people's reach so that they say: "Well, I cannot buy this, and there is no alternative for me to go to." There is no doubt by the time we get to 2030, every car manufacturer will be offering a complete range of vehicles that are fully electric, because that is the way they are going, and that is going to help us with our task. The downside of that, of course, is the money we get into our V.E.D. will reduce dramatically because the number of vehicles coming in will be much lower.

Deputy T.A. Coles:

Continuing on with the polluter pays, there is a proposal within the budget entitled: "Carbon tax or charges on private aircraft". Are you satisfied that the charges introduced by Ports of Jersey meets the intent of the polluter pays?

The Minister for the Environment:

I am happy with the position we find ourselves in with Ports. We did a lot of work on looking at that in-house and we found that was going to become quite labour intensive, take a lot of work. We were not quite sure how we would implement it. It was going to certainly need some law drafting input and all sorts of things, and we ended up talking to Ports and saying: "Look, there is a very simple way of doing this. You can just increase your charges for this type of aircraft." We were satisfied that Ports came up with a proposal which guaranteed that income would be put to decarbonising Ports. Certainly, as Minister, I am fully on board with that. If Ports of Jersey can go away and promote themselves as a neutral carbon, or whatever they are, the more we can help them, the better. We have some oversight over the money that they get in from that additional charging, and they will be showing us and guaranteeing to us that money is going into saving carbon within Ports. We took the view whether Ports are saving carbon over here or we are saving carbon over here, the important thing is saving carbon. So, we were happy to go with what seemed like a very straightforward answer to what could have been quite a complicated question.

Policy Principal:

It would have taken a lot longer for government to implement that if we had gone through something that required legislation. We know that Ports started increasing their charges in May of this year, and I understand that they had already collected £180,000 through that increase. That will be fully ring-fenced for their own decarbonisation roadmap. That has allowed them to find a really good and sustainable mechanism through their own customers that they can pursue their goals of being both green airport and harbours. That is going to be very positive for them, and it also means we may

not get some funding requests that might come across for certain elements of their transition because they have now got that mechanism.

Deputy T.A. Coles:

Has there been any discussion around marine fuel or marine charges in the same breath, because obviously we see ...

The Minister for the Environment:

Certainly, marine fuel is something which gets mentioned in regular intervals. I have had an email about marine fuel only this week. We talk about it, and I think the reason we have not gone there yet is that we are trying to concentrate on the big numbers, and the big numbers are in road transport and housing. But marine fuel is something we need to look at. I cannot remember the percentage numbers, but it is not a big number in the big scheme of things, which is why we have not really targeted it.

Deputy T.A. Coles:

What oversight or assurance mechanisms are in place to verify that funds raised through this charge are being used as intended and are delivering measurable emissions reductions in line with the Carbon Neutral Roadmap?

The Minister for the Environment:

I will hand over to Michelle, but all the money goes into the emergency fund, and the schemes which the C.E.F. (Climate Emergency Fund) funds are very specific.

Policy Principal:

Can I ask if the question is relating to the Ports of Jersey charge?

Deputy T.A. Coles:

I think it can be a bit of both, really, because it is an Island-wide and environmental-wide issue, so if there are mechanisms that you have for Ports ...

The Minister for the Environment:

Certainly, with Ports, as I said before, we have good communication, but we also have oversight on what they are doing.

Policy Principal:

They have committed to reports. Their annual reports will come out. They have published their decarbonisation roadmap. That is a publicly available document. We would expect to see good and robust reporting about the changes that they have been able to make through that time series.

Deputy T.A. Coles:

Then for this, the Carbon Neutral Roadmap?

Policy Principal:

We report on the delivery of the Carbon Neutral Roadmap on an annual basis. The most recent report was published in the summer. You will also be aware that the first independent Climate Council for the Island was recently convened. They came to the Island, those who are off-island, and had their initial briefing meetings at the beginning of October. They are due to report back to the Assembly via the Minister by the end of quarter one. I am aware the Chair and Minister have met with them. They will be reporting on the Island's progress with respect to how we have implemented the Carbon Neutral Roadmap and also our progress towards the emissions reduction targets under the Paris Agreement. We have got external scrutiny, we have got your own facet of scrutiny, and we have got the reports that government is publishing with respect to the progress made and how the funds are spent.

Deputy H.L. Jeune:

Will they be also commenting on income generation or the financing strategies, I suppose, from both these issues from funds raised?

Policy Principal:

I would be surprised if they did not.

The Minister for the Environment:

I will not dwell on it, but I know, Chair, that you have met them as well, but can I say I was hugely impressed with the quality of the people who responded to the invitation to come on the Climate Council. We have got a real top team. I am looking forward to what they have got to say.

Deputy H.L. Jeune:

I asked that question mainly because this being a budget meeting, knowing that the futures will have some comments related to how to fund the Carbon Neutral Roadmap and issues in the future is important.

The Minister for the Environment:

I am very much hopeful the Climate Council will not find anything in the way we use the funds, because we have strict governance rules about what can be spent from the emergency fund. A senior reporting officer has the responsibility.

Deputy H.L. Jeune:

No. I meant the future. How to fund it.

Deputy T.A. Coles:

I will take my last question here, which is, Minister, in the proposed budget, there is £250,000 for progressing the policy development on the offshore wind. Can you give more of an explanation for what these funds are going to be spent on?

The Minister for the Environment:

Yes and no. That unfortunately is an error in the accounts. It was pointed out to the Treasury team at the time, but we all understand that they were under immense pressure in the final days for publication and for some reason it did not get taken out. So, that money will be corrected. The correction will be published, so that money will not be there, but I will be making a statement to the Assembly and publishing something before the end of the month on wind, at which point I will explain why and how that is going to happen.

The Connétable of St. Mary:

One quick question from me on the environmental wellbeing pack. The Panel notes that the climate emergency has been removed as an environmental wellbeing risk within the sustainable wellbeing section of the budget. This prompts the obvious question as to whether the government's risk appetite or escalation process for climate-related issues has changed.

The Minister for the Environment:

We have a number of risk registers, as I understand it. Obviously, there is a corporate risk register, which talks about the government's ability to respond to events. There is an environmental risk register, which will highlight the things like bluetongue, foot and mouth disease, environmental disasters, and the risk of those happening. Then there is a community risk register, which sums up everything or is it just ...

Chief Officer:

We have a community risk in issues facing the Island as a whole, and we then have more corporate risk and departmental risk registers, which affect us as a business in our own right. One relates to the other, but our greatest risk is how we can respond to events that we see in the community.

The Connétable of St. Mary:

Just focusing on the term: “Climate emergency risk”, are you saying that is encompassed within the community risk?

Chief Officer:

Certainly in the community risk. The risk has not gone away, and we are seeing increasing risks related to the climate, whether it be weather, disease, pests, so on and so forth, cooling, heating, all of those risks are apparent in society. There is always a debate to be had in government on the degree that we think those risks are occurring now or will occur in the future, but the risks are not going away.

Deputy H.L. Jeune:

I think the main question is, why is it out of the budget documentation? We have the well-being Island outcome indicators and then we have the well-being community economic and environmental well-being focus area. In the last budget, climate emergency was very much there as part of one of the risks. Now under environment, we only have one, which is lack of capacity for waste disposal and management. Within the budget, that is the only risk that has been highlighted. The question from the Connétable is: “Why climate emergency has dropped off?”

[11:30]

The Minister for the Environment:

I would probably need to go away and have a chat with officers about it, but my initial reaction would be that it will be one of those things under contingency that we are not allowing for in the budget. If something did happen, it would be an extraordinary item, and one would need to go back to the treasurer and say: “This is happening. We need some money, and we will need to find it from outside.”

Chief Officer:

There is a debate to be had on using existing resources to manage our work around climate as within existing priorities and then using climate emergency funds for those additional areas that we have highlighted through that work, but certainly no further funds or new funds for climate risk.

The Minister for the Environment:

I will just get back to the word: “risk” and percentages and ratios, and what is the likelihood of something happening. We have decided that unless there is an absolute imminent risk in whatever we are talking about, we are not going to budget for it.

The Connétable of St. Mary:

The question basically is, does the emission or the change mean that the climate emergency no longer has the priority it had, and you are effectively saying something is not right.

The Minister for the Environment:

I would say that from the perspective of the risk register, it is certainly still an absolute top priority for us. What we are saying in the risk register is that we think the imminent possibility of something environmentally happening is not that great, not that high, that we need to put it in, given of course that we have got a huge number of challenges and priorities to put in. It does not mean to say there is not a risk, but I think it is got to get to a level before it goes in there.

Chief Officer:

We have got climate referred to in the C.S.P. Certainly, if we have got a State's decision on this, we have got it in the C.S.P. There is an assumption that we are using existing resources to progress work in this area, but certainly responses to climate risk will have to be dealt with as they occur from a budget perspective.

Deputy A.F. Curtis:

It is just quite interesting for the Panel to look at the purpose of the budget, including risks as part of economic, environmental, community wellbeing, and not including this one, and to take examples, an economic wellbeing risk area is future economic growth not meeting the needs of Ireland government revenues and living standards. That seems to be kind of one of those long-term risks, just like the climate emergency. The budget is there to describe the mitigations, and it feels like the last year's mitigations for climate emergency, that of shoreline management, addressing funding into the Carbon Neutral Roadmap, have not changed. So, I think the question from the Panel is: "What is different this year, and ultimately should this exist within the budget 2026 like last year?"

Policy Principal:

If I might point you to page 45 of the budget, there is some narrative which explains that the identification of the specific funded interventions for certain risks are where they have been outside of risk appetite for the Council of Ministers. It is not to say that other risks do not exist, but there is specific funding allocation around specific risks, such as this area with respect to waste disposal and management, where it was felt that something additional was needed. I can only comment to that.

The Minister for the Environment:

Specifically to the budget, if we have a certain amount of money available, how much of that do we want to allocate to a risk that we think might not happen in 2026? It is all a perception. We could

say: "This is imminent. We are almost definitely sure it is going to happen, and it is a big risk. We need some funding for it." Given the challenges that we have across the piece at the moment, would it be prudent to say we want to allocate some of those desperately needed funds for something we are not quite sure is going to happen?

Deputy H.L. Jeune:

I suppose it is coming back to Deputy Curtis's point about what was said last year, which is talking about within the climate emergency, obviously there is mitigation and then there is adaptation. One of the things was adaptation, it is about the Shoreline Management Plan alleviating coastal flooding. We heard from the Minister of Infrastructure on Monday about the fact that there cannot be the amount of funding for the Shoreline Management Plan is beyond the way the budget is set and there is much more money needed than that. He highlighted that a future government may put that as a lower priority to fund the beginning of the Shoreline Management Plan. I suppose our question as Scrutiny is, especially in a changing environment next year where the government potentially could change, whether that needs to again be highlighted as a risk into the future about needing the budget that is assigned for Shoreline Management Plan, whether it is within the funding or not, or the business as usual needs to be funded because this is a big risk because it is climate emergencies happening. We will be seeing increases in flooding.

The Minister for the Environment:

It is difficult for me to disagree with what you are saying there. It probably needs to be looked at. All I would say is that any long-term plan, and you use Shoreline Management is certainly one, and meeting our aspirations for carbon is another. When you come with a 20 or 30-year plan, it is just so easy to just say: "We will start next year. We will start next year. We will start next year." Because the vision is so deep. I think you are absolutely right. If you have got a 30-year plan, you have got to be chunking it up and say: "We will do that." You have got to start allowing for the expenditure. I mean, how are we going to fund the Shoreline?

Chief Officer:

It is very hard. It is the balance that all government plans have to face in terms of investing into immediate reactive costs now, or reactive issues that we have now, versus investing in proactive work to avoid future reactive costs. That is effectively where we are with the climate debate. We know that our costs around climate impacts will increase. They may not increase immediately next year or the year after that, but they are certainly increasing with the trends we are seeing. There is always a balance to strike to it, and how much do we invest in that proactive work to avoid that reactive cost in 20 years' time when we have reactive issues right now?

The Minister for the Environment:

In the current climate, and I do not want to aim this at Andy particularly at all, but we have a massive plan to upgrade our sewer network. It is going to be very expensive. It is going to be very challenging.

Deputy H.L. Jeune:

That is here. So, it is okay, Minister.

The Minister for the Environment:

Sorry?

Deputy H.L. Jeune:

It is mentioned in there.

The Minister for the Environment:

All I am saying is, we might have looked at it 10 years ago and said: "We have got all this work to do. We need to start chunking it up into annual, or 2-year, and do a bit every year." The Infrastructure Department have been just replacing and maintaining rather than upgrading, where we know we have got a sewerage system which is decades old, designed for 70,000 people.

Deputy H.L. Jeune:

Thank you, Minister, and thank you for that, but we have been 5 minutes over and thank you very much for giving us that extra time. I would like to thank Minister, officers, Panel, and officers supporting this Scrutiny Panel.

Chief Officer:

Thank you.

[11:37]