

7 November 2024

By email only: p.lamy@gov.je

Deputy Montfort Tadier

Chair, Economic and International Affairs Scrutiny Panel

Dear Deputy Tadier

Proposed Budget 2025–2028 Review

Thank you for your letter dated 6 November on the above topic. Given the request for a response by Friday, I have kept my responses to the questions brief. However, as always, I would be happy to provide further context if that would be helpful. I am on business travel until 18 November but will be picking up emails (albeit in a different time zone) and my Deputy CEO, Amy Bryant, is also available in Jersey.

Your understanding of the amount of this reduction and if this will be recurring? For 2025, we have been advised of a reduction of £429,000 in the annual grant from Government. We are not party to government plans as they affect Jersey Finance post 2025.

What consultation was undertaken with Jersey Finance when arriving at this figure? No consultation was undertaken with Jersey Finance to arrive at this figure. We communicate our business plan and budget position to Ministers and Officers through regular meetings, representation at our quarterly board meetings and also through the more formal half-yearly partnership meeting. Although we were not consulted on the figure, we were made aware through the various meetings that a reduction was likely.

What will the consequences be for Jersey Finance? We have been preparing for such a scenario for some time given the challenges as we have understood them. As such, being subject to a reduction in funding has not come as a total surprise, albeit disappointing given the positive impact Jersey Finance has in supporting the Island's leading industry. We are already building, and as needed adjusting, our plans for 2025 to manage this effectively.

Our commitment to promoting Jersey as an International Finance Centre (IFC) and ensuring the future competitiveness of the industry across our key markets remains steadfast. We will continue to prioritise cost efficiencies and best value for money as we always do.



While budget constraints always present some risks to activities, we are doing everything in our power to mitigate any impact and our careful planning and focus on the most essential initiatives will help us navigate this period. The efforts of Jersey Finance are critical to the important work we do for Jersey's finance industry, which in turn plays a crucial role in supporting the broader economy and our island community.

Are you confident there will be no impact on the effectiveness of the organisation or the wider economy in future as a result of the cut in funding? If the reduction in grant is limited to one year, we are confident in our team's ability to plan carefully and manage our resources to as best as possible mitigate the downside risks. This is not to say that it will not have some impact which is impossible to quantify at this stage.

Separately the Panel has undertaken some discussion as to the annual basis on which grants are approved and delivered, and we would value any comment you may wish to make as to impact on your budgeting. Traditionally, Jersey Finance would prepare a detailed four-year plan with costings based on certain assumptions. This was then discussed and agreed with government and included in the government's four-year budget. Our understanding is that the government budget planning has changed. The ideal outcome for our business would be to agree the four-year plan and high-level budget to allow proper strategic investment with certainty of income streams. This could be reviewed annually based on market changes and opportunities.

I confirm that we would have no objection to this letter being publicly available.

Yours sincerely

A handwritten signature in black ink, appearing to read "Joe Moynihan", is positioned above the printed name and title.

Joe Moynihan
Chief Executive Officer