

# STATES OF JERSEY



## **PROPOSED BUDGET (GOVERNMENT PLAN) 2025-2028 (P.51/2024): TWENTIETH AMENDMENT (P.51/2024 AMD.(20)) – COMMENTS**

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**Presented to the States on 22nd November 2024  
by the Council of Ministers**

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**STATES GREFFE**

## COMMENTS

This amendment proposes to reduce savings targets without identifying alternative savings proposals, instead seeking to fund a reduction in savings from the contingency budget held in the Central Reserve. This goes directly against advice from the Fiscal Policy Panel.

The Budget included savings to allow funding to be prioritised to the delivery of the Common Strategic Policy agreed by the Assembly, without resorting to unsustainable increases in public sector spending. These savings and efficiencies are also vital for the wider economy to ensure that the private sector can be optimised with less crowding out from the public sector.

Arm's Length Organisations provide an important role in supporting the Island's business community and operate in close cooperation with the rest of Government.

The savings allocated to ALOs recognise that the need for efficiency is not only a matter for direct government spend but extends to the taxpayers' money entrusted to our partner organisations. Delivery of these savings on a recurring basis is vital to ensure we balance the books and to ensure that taxpayers receive value for money services.

This amendment proposes removing part of these savings, with the funding being taken from the Central Reserve. Such a reduction in the budgeted provision held in the Central Reserve of £286k will reduce Government's ability to respond to unforeseen events, not only in 2025, but in each of the future years of the plan. This places further pressure on public finances and does not represent a prudent stance to financial management.

The General Reserve held within the Central Reserve head of expenditure (table 16, page 49), includes only £5 million to cover unforeseen expenditure in year (in addition £2m is ringfenced for benefits funding). In previous years Government has relied on this allocation for contingency funding being supplemented by significant sums carried forward from unspent budgets. Due to overspends in Health budgets and other pressures this is unlikely to be possible for 2025. Removing budget allocations from this contingency reserve is therefore likely to hamper the Government's ability to respond to financial pressures in year.

Accordingly, the Council of Ministers urge Members to reject this Amendment.