

# STATES OF JERSEY



## **PROPOSED BUDGET (GOVERNMENT PLAN) 2025-2028 (P.51/2024): TWENTY- FOURTH AMENDMENT (P.51/2024 AMD.(24)) – SECOND AMENDMENT**

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**Lodged au Greffe on 19th November 2024  
by the Council of Ministers  
Earliest date for debate: 26th November 2024**

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**STATES GREFFE**

PROPOSED BUDGET (GOVERNMENT PLAN) 2025-2028 (P.51/2024):  
TWENTY-FOURTH AMENDMENT (P.51/2024 AMD.(24)) –  
AMENDMENT

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**1 PAGE 2, PART 1 –**

After the words “subject also to restrictions on the provision of Agricultural Loans” delete the words “to exclude provision of such loans”.

**2 PAGE 2, PART 2 –**

After the words “subject to restrictions”, for the words “and exclude” substitute “on” and, after the words “the cultivation of cannabis in Jersey” insert the words “and ensure that any such loans represent no more than 10% of the total funding allocated to the Fund, and that no individual loan is greater than £250,000”.

COUNCIL OF MINISTERS

**Note:** After this amendment, the amendment would read as follows –

**1 PAGE 2, PARAGRAPH (e) –**

After the words “identified before 31st December 2025” insert the words –

“, subject also to restrictions on the provision of Agricultural Loans for any purposes relating to the cultivation of cannabis in Jersey.”.

**2 PAGE 4, PARAGRAPH (o) –**

After the words “as set out in the Appendix to the accompanying Report” insert the words –

“, except that that on page 75, after the bullet points, there should be inserted a new paragraph as follows –

“The utilisation of funds from the Agricultural Loans Fund will be subject to restrictions **on** the provision of such Loans for any purposes relating to the cultivation of cannabis in Jersey **and ensure that any such loans represent no more than 10% of the total funding allocated to the Fund, and that no individual loan is greater than £250,000”.**

**Note:** After this amendment, the proposition would read as follows –

**THE STATES are asked to decide whether they are of opinion –**

to receive the Government Plan 2025 – 2028 (entitled “Budget 2025-2028”) specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2025 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law.
- (b) to approve the proposed Changes to Approval for financing/borrowing for 2025, as shown in Appendix 2 – Summary Table 2 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approval amounts.
- (c) to approve the transfers from one States fund to another for 2025 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law.
- (d) to approve a transfer from the Consolidated Fund to the Stabilisation Fund in 2025 of up to £25 million, subject to a decision of the Minister for Treasury and Resources based on the availability of funds in the Consolidated Fund as at 31st December 2024 in excess of the estimates provided in this plan, or from budgeted underspends identified before 31st December 2025.
- (e) to approve a transfer from the Consolidated Fund to the Agricultural Loans Fund in 2025 of up to £2 million, subject to a decision of the Minister for Treasury and Resources based on availability of funds in the Consolidated Fund as at 31st December 2024 in excess of estimates provided in this plan, or from budgeted underspends identified before 31st December 2025, subject also to restrictions on the provision of Agricultural Loans to exclude provision for any purposes relating to the cultivation of cannabis in Jersey.
- (f) to approve each major project that is to be started or continued in 2025 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 – Summary Table 4 to the Report.
- (g) to approve the proposed amount to be appropriated from the Consolidated Fund for 2025, for each head of expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report.
- (h) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2025 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report.
- (i) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2025 for each head of expenditure in line with

Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report.

- (j) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2025 as set out in Appendix 2 – Summary Table 8 to the Report.
- (k) to approve an updated and consolidated policy of the Strategic Reserve Fund as follows:

“The Strategic Reserve Fund, established in accordance with the provisions of Article 4 of the Public Finances (Jersey) Law 2005, is a permanent reserve only to be used:

- i. in exceptional circumstances to insulate the Island’s economy from severe structural decline such as the sudden collapse of a major Island industry or from major natural disaster.
  - ii. if necessary, for the purposes of providing funding (up to £100 million) for the Bank Depositors Compensation Scheme established under the Banking Business (Depositors Compensation) (Jersey) Regulations 2009, including to meet the States contribution to the Scheme and/or to meet any temporary cash flow funding requirements of the Scheme.
  - iii. to support the development of future healthcare facilities and the borrowing costs for such work, in line with a financing strategy agreed by the Assembly;
  - iv. as a holding fund for any or all monies raised through external financing until required, and for any monies related to the repayment of debt raised through external financing used to offset the repayment of debt, as and when required; and
  - v. in accordance with Article 24 of the Public Finances (Jersey) Law 2019, where the Minister for Treasury and Resources is satisfied that there exists an immediate threat to the health or safety of any of the inhabitants of Jersey, to the stability of the economy in Jersey or to the environment, for which no other suitable funding is available.”
- (l) to approve the transfer to the Strategic Reserve of the amounts due as a result of the move from prior-year basis taxation after 31st December 2025, as and when these payments are received (estimated at £280 million).
  - (m) in relation to the new Government Headquarters (office), to approve;
    - i. the exercising of the option to acquire the new Government Headquarters (estimated at £91 million), by the Public of the Island, in line with the pre-agreed terms; and
    - ii. the acquisition of the new Government Headquarters as an investment of the Social Security (Reserve) Fund (including authorising the meeting of expenses incurred in connection with the acquisition); and
    - iii. the subsequent leasing of the new Government Headquarters by the Public of the Island from the Social Security (Reserve) Fund, with commercial terms to be agreed between the Minister for Infrastructure

(on behalf of the Public) and Minister for Social Security and the Minister for Treasury and Resources (both on behalf of the Fund); and

- (n) in relation to the new Government Headquarters, to authorise H.M. Attorney General, the Greffier of the States, the Ministers for Infrastructure, Social Security and Treasury and Resources, and the Public of the Island, to enter into such arrangements, including financing, and pass any contracts as are necessary to put into effect paragraph (m).

- (o) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2025-2028, as set out in the Appendix to the accompanying Report, except that that on page 75, after the bullet points, there should be inserted a new paragraph as follows –

“The utilisation of funds from the Agricultural Loans Fund will be subject to restrictions on the provision of such Loans for any purposes relating to the cultivation of cannabis in Jersey and ensure that any such loans represent no more than 10% of the total funding allocated to the Fund, and that no individual loan is greater than £250,000”.

## REPORT

Applications for Agricultural Loans are managed under the [Agriculture \(Loans\) \(Jersey\) Regulations 1974](#) which permit businesses or individuals engaged wholly or mainly in work of an agricultural nature in Jersey to apply for a loan from the Agricultural Loans Fund (the 'Fund').

The production of medicinal cannabis is a horticultural activity which satisfies the definition of being an agricultural enterprise, which would enable those engaged in this activity to seek finance from the Fund.

There are currently no live applications from medicinal cannabis producers under the Agricultural Loans Fund or under consideration by the Agricultural Loans and Guarantees Advisory Board. Nonetheless, the Council of Ministers feel it would be inappropriate to exclude a specific type of agricultural enterprise from accessing the Fund, particularly when the Regulations already prescribe the businesses which are eligible for loans.

All businesses and individuals seeking access to the Fund are required to complete a comprehensive application process providing details of proposed projects which are referred to the Agricultural Loans and Guarantees Advisory Board, who in turn make a recommendation to the Minister for Sustainable Economic Development (MSED) for the award of loans from the Fund, using the criteria specified under Article 7(5) of the Regulations:

### **7 Procedure on applications**

- (5) *In deciding on the recommendation to be made to the Minister with regard to an application, the Board, in addition to considering the information in pursuance of paragraph (3) and any additional information furnished in pursuance of paragraph (4), shall have regard to all the circumstances of the case and, without prejudice to the generality of the foregoing provisions of this paragraph, such circumstances shall include –*
- (a) *where the purpose of the loan is to assist or enable an applicant who does not already occupy and farm agricultural land to purchase agricultural land to be occupied and farmed by the applicant, whether the land in respect of which the application is made is capable of yielding a sufficient livelihood to an occupier skilled in husbandry;*
  - (b) *whether the carrying out of the purpose for which the application is made is likely to contribute to the more efficient and economic farming of the agricultural land occupied and farmed by the applicant;*
  - (c) *the cost of carrying out the purpose in respect of which the application has been made in relation to the benefit to be derived therefrom;*

- (d) *the skill and experience in husbandry of the applicant or, in the case of an application by an agricultural company, of the beneficial owners of the company;*
- (e) *the financial assets of the applicant whether arising from the farming of the agricultural land in his or her occupation or otherwise;*
- (f) *the financial liabilities, whether present or contingent, of the applicant.*

Following the Loans Board recommendation, the Minister for Sustainable Economic Development is then able to determine the award of Agricultural Loans (Article 7(7) of the Regulations). For borrowings from the Fund in excess of £150,000, the Treasury Minister must also approve the award of any Agricultural Loan.

Given the oversight of the delivery of Agricultural Loans by both Ministers, based on the evidence and recommendations of the Loan Board, it is felt that the decisions around the allocation of resources from the Fund are adequately managed under the current process without the need to restrict access to the Fund from any particular agricultural sector.

The members of the Agricultural Loans Board (which includes the Chief Economic Advisor to the Government of Jersey) and the Minister for Sustainable Economic Development and the Treasury Minister can ensure that the correct strategic investment decisions are made for the use of the Agricultural Loans Fund without the need for the proposed policy restrictions.

### **Financial and staffing implications**

There are no new financial or manpower implications arising from this decision as neither this amendment nor the amendment affect the amount of funding available for agricultural loans.

### **Children's Rights Impact Assessment**

A Children's Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.