STATES OF JERSEY

PROPOSED BUDGET 2025-2028 REVIEW (S.R.8/2024): JOINT RESPONSE OF THE CHIEF MINISTER AND THE MINISTER FOR TREASURY AND RESOURCES

Presented to the States on 9th January 2025
by the Chief Minister

STATES GREFFE

PROPOSED BUDGET 2025-2028 REVIEW (S.R.8/2025): JOINT RESPONSE OF THE CHIEF MINISTER AND THE MINISTER FOR TREASURY AND RESOURCES

Ministerial Response to:	S.R.8/2025
Ministerial Response required by:	9th January 2025
Review title:	Proposed Budget 2025-2028 Review
Scrutiny Panel:	Corporate Services Scrutiny Panel

INTRODUCTION

The Chief Minister and Minister for Treasury and Resources thank the Panel for their review and the 50 findings and 35 recommendations, all of which have been considered. As the Panel Chair comments in the foreword to the report, the 2025-2028 Budget is based on the priorities outlined in the Common Strategic Policy, as approved by the Assembly in 2024. This ensured appropriate funding for priorities that were designed to improve the lives of Islanders, responding to immediate challenges and ensuring the Island is well placed for the future.

Ministers were mindful not to add administrative complexity and cost to an already extensive budgeting process. They also believe that lodging of the Budget early was beneficial and enabled the provision of extensive information to Members and Panels as part of the review and in response to Scrutiny questions.

FINDINGS

	Findings	Comments
1	In the absence of supporting key information, the earlier lodging and debate timeline for the Budget 2025-2028 has not met its intended aims for providing Scrutiny and the States Assembly with the extended timeframe for reviewing the Budget.	The Budget 2025-2028 was lodged on 2nd August, which provided an extended period of 16-weeks for scrutiny, giving Panels more time to request information and hold hearings. This enabled Panels to ask extensive and detailed questions, which were answered by Ministers to support Panels in their work. Detailed supporting information was also provided to Panels, including but not limited to: • Budget Annex • Income Forecasting Group Report Business Cases relating to each of the 6 CSP revenue expenditure growth items, and new and revised capital projects, including the New Healthcare Facilities Project Phase 1.

	Findings	Comments
		Ministers will consider the lodging date for the Budget 2026-2029 further, in consultation with Panels.
2	Key supporting information including delivery progress updates for 2024, Ministerial priorities for delivery in 2025 and Departmental Business Plans for 2025, were not presented alongside the Budget 2025-2028 or provided to Scrutiny.	Individual Ministers responded in detail to written correspondence from the respective Scrutiny Panels, including updates on 2024 delivery and the 2025 Ministerial Legislative Programme. The Departmental Business Plans will be published as usual in January 2025.
3	The absence of in-year and annual progress reporting, or any alternative reporting mechanism for monitoring the delivery of the Budget workstream, presents a risk to the governance and the internal audit function.	The Council of Ministers and individual Ministers receive ongoing in-year updates including financial, performance and delivery information, appropriately managing governance risk. In addition, the Finance Law Delegation Report for the first half of the year was published on 16th August, including details of in-year decisions taken by the Minister under certain articles of the Public Finances (Jersey) Law 2019.
4	The dissolution of the Delivery Unit, in the absence of ensuring that its functions to support the monitoring, delivery and reporting of Ministerial priorities are carried out in an alternative manner, has negatively impacted the transparency and accountability of the Budget workstream.	Chief Officers are accountable to their individual Ministers for their departmental delivery and performance, and act accordingly. The change to the structure and the closure of the Delivery Unit was part of reducing overheads and focusing funding on the delivery of policy.
5	The Council of Ministers changed the title of the Government Plan to Budget to improve its accessibility and public engagement. The online versions of the Budget were also developed with a view for meeting the needs of those with disabilities.	The decision to change the name to the Budget was supported by feedback from children, young people as well as the public. For example, the School Council Network suggested that the Government Plan should be called the “Government’s money plan” or “budget”. In November 2024, the Network, consisting of around 150 students, were given feedback on how their suggestions on the Government Budget have been listened to and have helped to make a difference.
6	A video and youth-friendly version of the Budget was produced alongside the Budget, and youth engagement aligned with the Participation Standards for	The youth friendly Government Plan, created in co-production with the School Council Network, was updated to Budget to reflect the comments made by young people.

	Findings	Comments
	children and young people, delivered by the department for Children, Young People, Education and Skills.	At the School Council Network meeting, students shared their ideas on what the Government should spend money on. This feedback is publicly available in the Participation and Engagement Feedback Report on yoursay.je. In September 2024, all Department Chief Officers were tasked with responding to the feedback from children and young people, which was shared at the School Council Meeting on 19th November 2024.
7	There was no active Government communications plan for raising awareness of the Budget 2025-2028 with members of the public, outside of the Budget versions being published earlier and online. This was the result of a concerted effort by Government to be financially prudent regarding communications spend.	There was a clear plan for communicating the budget, including a full media briefing with the Chief Minister and Treasury Minister, and media interviews. The budget documents were published online and on Government social media channels and an announcement from the Chief Minister was issued once the budget had been approved by the States Assembly.
8	When formulating the Budget, the Island Outcomes Indicators, the Jersey Performance Framework and Community and Corporate Risk Registers were all considered by Government. However, despite previous work to refine and improve the indicators and core outcome measures, neither new nor enhanced performance measures have been introduced. It is not clear that work to support departments to improve service performance measures, for delivering more focus and precision when designing future Budgets, has led to any tangible improvements.	The Council of Ministers considered all of these inputs before deciding on its Common Strategic Policy and finalising its proposed Budget. Performance measures were considered by Ministers as part of the Common Strategic Policy and deemed sufficient.
9	The Future Jersey Vision was considered when developing the Common Strategic Policy and the Budget 2025-2028 to appropriately align the priorities to reflect the long-term ambitions. The Council of Ministers has endeavoured to demonstrate this through the 13	Noted.

	Findings	Comments
	Common Strategic Policy priorities.	
10	Departmental Business Plans will include Ministerial Priorities. The Business Plan must align with the delivery of the Common Strategic Policy priorities. In developing the Business Plan departments must demonstrate this alignment for the workstream to be identified as a priority in the Business Plan.	Noted.
11	While a clear policy direction is established by prioritising the Common Strategic Policy priorities, there are significant challenges and risks inherent in balancing these priorities with Ministerial goals and ongoing business as usual workstreams. The degree of risk analysis and risk mitigation undertaken for competing priorities, whilst reprioritising workstreams to deliver the 13 Common Strategic Policy priorities, is unclear.	It is the responsibility of Chief Officers on behalf of their Ministers to deliver the Common Strategic Policy priorities, whilst continuing to prioritise mitigations against the most significant risks and delivery of business-as-usual activity.
12	Effective cross departmental collaboration will be essential for delivering the Common Strategic Policy priorities within the budget allocations and timeframes. Whilst progress for delivering against the Common Strategic Policy will be monitored quarterly at the Council of Ministers and Executive Leadership Teams, the process is unclear for how this will be actively facilitated and monitored across departments.	The Council of Ministers discusses cross-cutting matters, including the delivery of the Common Strategic Policy, and individual Ministers are in ongoing dialogue to ensure delivery. The delivery of the Common Strategic Policy and meeting budget allocations are also clear objectives set for each Chief Officer, which subsequently appear in objective setting for their teams. This runs throughout the organisation and terms are regularly held to account in management discussions, with officials accounting to the responsible Minister.
13	The reprioritisation process aims to concentrate resources on delivering the Common Strategic Policy priorities, even if it requires delaying other initiatives. Although the process for reprioritisation incorporated workshops, the use of risk registers to identify tier one risks,	Ministers and their officials continually balance the need to invest in new initiatives to address the issues faced by Islanders with actions to mitigate known issues and risks.

	Findings	Comments
	and budget feasibility, there appears to be limited formal risk analysis conducted on each decision. Instead, Ministers and senior officials relied on political discretion and practical constraints, such as staffing and resource capacity, when accessing the viability and impact of prioritising certain projects. The reprioritisation process underscores a focus on immediate, essential services and practical outcomes, but with an apparent trade-off in comprehensive risk documentation.	
14	The reprioritisation within the Capital Programme aligns with the previous recommendation of the Fiscal Policy Panel to reduce the Capital Programme to a more realistic level.	Noted.
15	Although frontline services are prioritised and exempt from the recruitment freeze, the wider impact of the restructure on back-office functions and policy teams, suggest the recruitment freeze could affect the smooth functioning of essential services. The redundancy programme risks the loss of institutional knowledge, Government's capacity to deliver key services, and could negatively impact upon staff morale.	Ministers are mindful of the balance that needs to be achieved as this is carried out. It is important to ensure that Ministers have capacity in their departmental management teams and policy functions to deliver their work programme. There has been a focus on redeployment rather than redundancies, enabling the Government to retain institutional knowledge, skills, and experience. Where staff changes take place there are often opportunities for services to redesign, to improve delivery for the public. Becoming more agile and flexible in how we deliver services can be positive for staff morale. The recruitment freeze has enabled the recruitment and talent attraction teams to refocus on recruiting into essential frontline services.
16	A significant contradiction was identified between the Government's stated priorities for monitoring and planning, and the decision to reduce funding for Statistics Jersey in 2025. Reducing vital data outputs will limit informed decision-making both within Government and the community and will negatively affect	The issues identified here were examined in the Budget debate and subsequent vote on Amendment 3.

	Findings	Comments
	the ongoing monitoring of the Jersey Performance Framework and delivery against the Outcome Indicators and the Future Jersey Vision.	
17	It is unclear whether a standardised mechanism for tracking Key Performance Indicators is consistently adopted across departments. Any lack in consistency in monitoring and addressing discrepancies in performance, risks effective and coordinated accountability.	Key Performance Indicators are regularly reviewed by managers, Chief Officers, Executive Leadership Team and the Council of Ministers. Ministers would like to ensure these mechanisms are understood by Panels and would be content to offer appropriate briefings.
18	It is difficult to identify what has changed in practice to embed Sustainable Wellbeing from the outset when developing the Budget since the enactment of the Public Finances (Jersey) Law 2019. The Law requires that Sustainable Wellbeing including economic, social, environmental and cultural be accounted for in the proposals of the Government Plan (Budget). However, how the success or otherwise of any actions taken for Sustainable Wellbeing are tracked and measured is not clear.	The Comptroller and Auditor General's report 'Jersey Performance Framework' published in October 2024 (R.163/2024) sets out the approach to Sustainable Wellbeing since 2019. Developments include the clear linking of sustainable wellbeing with the Future Jersey vision and establishing the Jersey Performance Framework (Island Outcome Indicators and Service Performance Measures).
19	While Jersey has not yet adopted Gender Responsive Budgeting the Government has made efforts to consider gender and other protected characteristics through the Discrimination (Jersey) Law 2013, and inclusive policy development when developing Budget proposals. The Chief Minister expressed openness to exploring Gender Responsive Budgeting, acknowledging that the concept could be debated in the States Assembly in the current term. However, challenges such as insufficient data were highlighted, and it was noted that further data collection would be necessary to support its implementation.	Noted.

	Findings	Comments
20	The economic outlook for Jersey in the near term presents a mixed picture, with growth primarily driven by the financial sector and weaker performance in other sectors. While global inflation has decreased, domestic inflationary pressures, particularly in housing and the cost of living, remain a concern. Real earnings have been negatively impacted by high inflation and low productivity. To sustain long-term growth and support an aging population, improving productivity and diversifying the economy beyond the financial sector will be crucial.	Noted. The Future Economy Programme was established in 2023 to address the challenges Jersey faces (demographic challenges and productivity) and to deliver sustainable economic growth.
21	Significant concerns regarding Jersey's public finances, particularly the increasing public expenditure focused on operational costs rather than capital investments, has been highlighted by the Fiscal Policy Panel. This trend is expected to lead to operating deficits in 2025 and 2026, with only a small surplus projected for 2027. The rising expenditure in a low-growth economy poses risks of higher inflation and increased imports, which could undermine real income growth. Additionally, the unsustainable growth in healthcare expenditure, representing 76% of the growth in spending over 2025- 2028, raises concerns about the potential for difficult trade-offs between funding healthcare and other Government priorities and Jersey's declining net asset value as a percentage of Gross Domestic Product (GDP) further signals a reduction in the Island's financial resilience.	The Minister for Treasury and Resources has responded to the FPP report, in particular the recommendations.
22	The Government endeavoured to engage widely with key stakeholders for the Budget proposals. The process however faced criticism from some	In relation to revenue measures, Revenue Jersey invites input from a wide range of stakeholders every year (in early Spring), long before any decisions have been made as to what will be

	Findings	Comments
	stakeholders who felt that the consultation was more directed to informing them of decisions rather than genuinely gathering feedback, and there were concerns that some views were not sufficiently incorporated. Despite the shortened timeline for preparing the Budget 2025-2028, which aimed for an earlier launch, the Treasury and Exchequer maintained that consultation was conducted in sufficient time.	included in the final Budget proposals. Not all views can be incorporated but changes to early proposals were made following stakeholder input. For some technical measures, a second round of engagement takes place on the effectiveness of the draft legislation where that is appropriate.
23	Some monitoring of the impacts of excise duty freezes and the resulting effect on inflation, particularly using the Economics Unit to model the inflationary impact of duty changes, has been undertaken by the Treasury and Exchequer. There is recognition that the long-term effects of these fiscal measures, particularly on businesses and Islanders, may take time to fully manifest. While the immediate mathematical impact of excise duty freezes on the retail price index (RPI) is assessed, there appears to be a lack of comprehensive ongoing monitoring of broader economic impacts across all revenue-raising measures on businesses, consumers and overall economic growth.	The Government will continue to monitor the proportion of GVA represented by taxation in total. The proportion remains low relative to most OECD countries which fosters economic growth. Generally speaking, where uprating of excise duties is not above RPI inflation, then the Government is simply maintaining the real value of the duties and the wider economic impacts should not vary. Where above-inflation increases are made to affect consumption (particularly in respect of tobacco and fuel), there is sufficient evidence impact.
24	The proposed 3.6% uprating of Jersey's main tax allowances for 2025 is part of a broader package of measures aimed at alleviating cost-of-living pressures, including the freeze on alcohol and fuel duties and the introduction of a living wage. Jersey's tax allowances are comparatively high, particularly when compared to neighbouring jurisdictions such as Guernsey and the United Kingdom. A broader understanding of how to reduce cost of living pressures is required.	Jersey's high tax allowances keep money in islanders' pockets and are a significant lever in improving affordability of goods and services for households. Increases to benefits and pensions are made annually in line with statutory commitments to ensure the value of these payments is not eroded. The cost of living in Jersey is influenced by global inflationary pressures beyond the Island's control. There is good evidence that these pressures are gradually subsiding. Inflation continues to fall and is forecast to remain below 2% until 2027. In

	Findings	Comments
		addition, the Bank of England has twice reduced the base rate in recent months. Continuing to maintain a balanced budget ensures that the public service does not contribute to inflationary pressures.
25	The decision to freeze alcohol duties for 2025 is aimed at alleviating cost of living pressures and supporting the struggling hospitality sector, and reflects a complex balancing act between economic, social and fiscal priorities. While the freeze is seen as beneficial for consumers and the hospitality industry, it also represents lost revenue for the Government and does not address the broader public health concerns associated with alcohol consumption. More comprehensive solutions are needed to address the rising costs and the cultural shift required around alcohol consumption to resolve the ongoing economic challenges facing the sector. It is noted that the duty freeze may be temporary, with potential increases to align with inflation once cost of living pressures ease.	Public Health policy officers continue to study additional programmes to address social and health concerns related to Jersey's high per capita consumption of alcohol. The duty freeze is temporary. Indexation is scheduled to be re-introduced for 2026 rates and over the remainder of the outlook, reflected in projected revenues. Further discussion with CSSP would be welcome about the taxation of alcohol and achieving the right balance between economic, social and fiscal priorities.
26	The proposed increase in tobacco duties in 2025 is aligned with the Government's public health objectives to reduce smoking rates and alleviate the burden on the healthcare system. However, while tobacco consumption, particularly among young adults, has decreased significantly in response to these increases, concerns remain regarding the shift to more affordable channels and the rise of vaping as an alternative. With the assumption that consumption is increasingly sourced from lower cost imports, revenues would not increase with duty increases. These factors suggest that the impact of tobacco duties on	As a matter of policy, tobacco duties are increased by June RPI plus 5%. This is a continuation of the escalator agreed as part of the 2017-2022 Tobacco Strategy. Tobacco duties will continue to rise in line with this escalator due to known impact that tax rises have on smoking reduction.

	Findings	Comments
	consumption patterns and public health outcomes require ongoing evaluation to ensure the policy achieves its intended goals.	
27	While the freeze on fuel duties in 2023 and 2024, and its continuation into 2025, has been seen as a necessary measure to alleviate cost of living pressures for Islanders, especially for small businesses and individuals reliant on vehicles, it also presents challenges for Jersey's long-term climate goals. There is a need for a balanced approach that addresses both the immediate cost of living concerns and the future funding of climate initiatives which remains a critical issue for future fiscal planning.	Ministers agree that a balanced approach is necessary taking into account both short and longer term considerations. Policy discussions and consultations on the appropriate balance will be undertaken during the drafting of the next Budget for 2026.
28	The preceding Government Plan 2024-2027 proposed a reduction of 9 pence per litre on Hydrotreated Vegetable Oil (HVO) biofuels to support the transition to greener transportation. This reduction, to encourage the use of renewable diesel, was forecast to cost the Exchequer approximately £85,000. The gross decrease in income for 2024 was expected to be £60,000 rather than the £85,000 forecasted, the difference correlating to the increase in consumption. The increase in consumption would increase the amount hypothecated to the Climate Emergency Fund (CEF) by approximately £2,100 with the total cost to the Exchequer to be estimated to be £57,900 for 2024. The forecast consumption for 2025 remained unchanged at £85,000.	Current data on sales of HVO in 2024 exceeds the initial forecast estimates used in the Government Plan 2024. This will increase the income foregone, through the reduced rate of duty. Whilst HVO consumption has increased above expectations, this is expected to be offset by reduced sales of road diesel. The overall impact to the Exchequer in 2024 will be reviewed once the full years' worth of data is final.
29	Data suggests a long-term trend that vehicle registrations are declining year-on-year for the middle to higher Vehicle Emissions Duties (VED) bands and increasing in the lowest VED bands. This suggests a	The Electric Vehicle Purchase Incentive (EVPI) was launched in August 2023 as part of policy TR1 of the Carbon Neutral Roadmap (CNR). The initial TR1 budget of £5,734,000 proposed in the CNR for 2022-2025 was reduced to £4,334,000 following adoption of Deputy

	Findings	Comments
	consumer preference towards lower emission vehicles. Data also shows that the introduction of the Electric Vehicle Purchase Incentive may have influenced the significant increase in purchases of electric vehicles. Stakeholders have raised concern about the absence of continued Government support for electric vehicle subsidies in the Budget 2025-2028 to continue to incentivise and accelerate the shift to electric vehicles. In addition, that vehicle size and mass, which contribute to embodied carbon emissions, are not adequately addressed in the current VED policy. Further concern is raised that the VED increases may lead to unintended economic consequences, such as incentivising the retention of less efficient vehicles by consumers and small business owners who get 'priced out' of being able to purchase a new vehicle, or negatively affecting young people entering motorsports who purchase high- emission vehicles for infrequent recreational use.	Ward's amendment in favour of Active Travel. Funding allocated for the EVPI was initially expected to run to the end of 2025 but was fully utilised by 13 December 2024 due to high demand. The EVPI supported the purchase of 1,210 electric vehicles, of which approximately 80% were second hand. There are no plans to reallocate funding from other areas of the CNR to further incentivise electric vehicles in this term of Government. Supporting Islanders to reduce vehicle journeys by adopting active and sustainable modes of travel is also a funded CNR priority. Development of CNR policy options for the period 2026 to 2030 is currently underway. The Budget 2025-2028 proposals to increase VED bands from January 2025 were developed in consultation with industry stakeholders to focus on the highest emitting vehicle groups. The VED escalator principle is intended to encourage consumers to consider choosing lower-emissions vehicles Vehicle size and mass are factors noted for consideration in developing a future fuel duty replacement policy.
30	The 60-day threshold for short-term visitors has been well received, however, establishing the take-up and benefit is proving challenging and options to monitor the relief are being explored by Revenue Jersey. The Reg- Tech Super Deduction and unilateral relief will be monitored through company and personal income tax returns, respectively. Additional measures to remove frictions in the tax system and administrative processes to support mobile workers and their employers is a priority workstream for 2025.	Consultations for additional measures to reduce frictions in the tax system and administrative processes for globally mobile workers have begun and will continue in 2025. Because short-term visitors on Island for fewer than 60 days are not required to notify Revenue Jersey, monitoring take-up of this option will be difficult; however, Revenue Jersey is hearing case studies of favourable reception and outcomes and will be seeking more evidence of results.
31	Stakeholders are supportive of the Excise Duty Relief for Craft Spirits Producers highlighting the economic	The Government continues to review duty reliefs for small producers and will consult with wine industry stakeholders, as well as those

	Findings	Comments
	benefits, potential consumer interest and the growth opportunities for small Jersey businesses. Suggestions have been made to consider extending the relief to other local industries with consideration for wine producers and for industrial, medicinal and scientific purposes. (This finding reflects the original budget proposal).	using alcohol for manufacturing and scientific purposes, as part of the Budget 2026 process. Excise Duty (Relief and Drawback) (Jersey) Order 2000 already provides duty relief for spirits used for non-beverage purposes.
32	Meaningful consultation on the Fuel Replacement Policy is being sought by key stakeholders at every stage of the policy development process to ensure ample opportunities for those impacted by the change to provide input. Replacing fuel duties with an alternative revenue-raising measure is generally accepted as a sensible evolution to balance fiscal needs and road maintenance requirements.	The latest analysis of fuel duty receipts does not show a notable decline in revenue. Ministers will continue to monitor the position in 2025 and beyond. The Government is committed to consulting on the development of fuel-duty replacement options when the time comes.
33	It is Government's clear ambition to introduce a tax on vaping products to address the related public health concerns, particularly for young people. The role of vaping in helping smokers to transition away from tobacco was raised by stakeholders, and the need to appropriately balance the tax threshold to avoid discouraging smokers from switching to vaping, which is seen as a reduced- risk alternative. In addition, stakeholders agreed that consideration should be given to how the tax revenue could be used to fund education, prevention and cessation programmes related to both smoking and vaping.	The Government will continue to develop vaping tax policy during 2025. The level of revenue from vaping remains unknown (especially in light of the recently agreed ban on disposable vapes) and therefore cannot be set aside as a funding source for other projects.
34	Work is continuing to develop Government's understanding of how the 'Tap Relief' mechanism might operate in Jersey and to appropriately scope the relief to meet the needs of Jersey and local hospitality businesses. Implementation of any relief will not take place before 2026.	Legislation for 'tap relief' has been drafted. Additional work on compliance and enforcement to prepare for its introduction in 2026 will be paused, pending further discussions with stakeholders, who no longer wish it to proceed. Ministers remain of the view that tap relief is a simple solution that could be introduced immediately to create an on/off-

	Findings	Comments
		licence price differential. A complete overhaul of the excise duty regime to provide for different duty rates between on- and off- licence sales regardless of whether it is served in bottles or from taps will be studied in 2025 but is a considerable undertaking that may ultimately prove unworkable.
35	The Fiscal Policy Panel within its Annual Report for 2024 sought a formal commitment that any monies in excess of the forecasted base case amounts for Pillar Two receipts would be allocated to rebuild the Stabilisation Fund and Strategic Reserve balances. A formal commitment has not been made.	The Budget sets out clear proposals on how Pillar Two receipts will be used.
36	All the future tax measures in the Budget 2025-2028 are policy under development and are unlikely to be implemented before 2026.	All proposals to be implemented in 2025 were contained in the 2025 Finance Law. Any new tax measures for implementation in 2026 will be presented in the next Budget and accompanying Finance Law in autumn 2025.
37	A further Classification of Functions of Government report was not published at the time of publishing this report.	Statistics Jersey published the Classifications of Functions of Government report for 2023 on 27th September 2024, the report is available on the Statistics Jersey website: Public Spending Statistics.pdf
38	Under Article 10 of the Public Finances (Jersey) Law, the Council of Ministers must include budget submissions from non-ministerial bodies in the Government Plan. These were submitted and discussed at Council of Ministers workshops during the development of the Budget, alongside business cases received for additional budget requests.	Noted.
39	As part of the reprioritisation process to target funding to deliver against the Common Strategic Policy priorities, an open bidding process for Revenue Expenditure Growth funding was only considered where	In developing the Budget 2025-2028 there was no open bidding process for revenue expenditure growth funding. Costings were considered as part of the development of the CSP to ensure objectives were affordable. Where additional funding was

	Findings	Comments
	necessary to meet the Common Strategic Policy objectives.	identified, policy leads developed business cases for inclusion in the Budget.
40	There is no additional provision for the Capital Risk and Inflation Reserve in 2025 as opposed to the Government Plan 2024-2027. There is currently £9 million in the Capital Risk and Inflation Reserve in 2024, and it is intended that amounts not required in 2024 will be carried forward to 2025. Capital pressures arising in the year will be met through reprioritisation within the wider programme where possible.	Noted.
41	The Value for Money Programme is no longer being utilised in its previous form. The Council of Ministers has instigated a change in the emphasis in the delivery of savings towards practical and deliverable initiatives that will curb public expenditure, with a strong focus remaining on delivering the savings previously approved for 2024. The Thematic Reviews have informed the actions taken in year (2024) and in those set out in the Budget 2025-2028. The overarching theme is to address right-sizing Government, which has been informed by the reduction in growth budgets, new initiatives, Capital Programme deliverability, use of consultants and contractors, vacancy management, focus on removing extraneous activity and Health and Community Services workstreams.	Noted.
42	The savings proposals for 2025 were primarily identified through an analysis of departmental structures, focusing on reducing reliance on consultants and streamlining back-office functions, rather than cutting frontline services. Prioritising savings in areas with a higher concentration of senior roles aims to	Noted.

	Findings	Comments
	reduce civil service costs without affecting core public service.	
43	Reducing back-office capacity significantly risks technical expertise, which is crucial for supporting evidence-based decision-making and effective policy implementation. The potential consequences of this were not fully addressed, so a risk remains over the balance between prioritising spending for frontline services and ensuring sufficient resources in support functions are maintained so as to not undermine essential service delivery.	The Budget proposes to deliver £15 million in role savings, to be met largely through delayering management and removing vacant posts. This represents approximately 2% of the overall staff costs budget. Role savings are weighted towards departments with a proportionately higher number of civil servants at grades 11+. Chief Officers are tasked with delivery to manage risks and ensure minimal service impact, through the MoSCoW prioritisation method, workforce planning and management oversight of their departments.
44	£4 million of future savings is in the Budget without clarification of how this will be achieved. The Fiscal Policy Panel reiterates previous advice and cautions against relying on future unspecified savings.	The Government Plan 2024-2027 included unallocated savings of £20 million, with £10 million in 2025 and £10 million in 2026. The Budget for 2025-2028, reduces unallocated future savings to £4 million.
45	The Budget 2025-2028 refers to the department currently known as Modernisation and Digital (M&D) as Technology and Digital Services (TDS). Reprioritisation of spending within Technology and Digital Services for technology projects is aimed at focusing resources on delivering foundational projects before commencing new projects, which is how savings have been identified in this department. It is not clear to what extent different departments' digital priorities have been considered.	Modernisation and Digital (M&D) has been renamed as Digital Services. Other than Cyber 2.0 programme, IT Infrastructure upgrade and maintenance projects, digital Services is mainly a provider of technology resources and skills to Departments. This means most of the digital projects across the Government are planned, prioritised and scoped by Departments themselves.
46	The level of cross cutting oversight of Technology and Digital Services in relation to projects across Government departments is uncertain, as an architectural blueprint or digital strategy for Government was not yet available.	Through various roles in Digital Services there is significant oversight and involvement across the large number of cross cutting projects. These roles provide direction, support and representation across Departmental change projects that require IT skills and where directly impacting Digital Services. Most projects also include an architectural blueprint, or high-level systems design. The overall Digital Strategy is under development and is intended to be ready

	Findings	Comments
		for publishing by June 2025.
47	While several departments have aspirational goals to improve customer service and digital service delivery for Islanders, the prioritisation and reprofiling of technology projects have delayed the intended timelines for these enhancements.	There was an excessively high number of digital and technological projects in train or requested. Not all of these could realistically be delivered, therefore the list had to be prioritised reducing the number from 333 to an achievable 102, which includes the top ranked projects of each department. The decision making was led by Departments which were cognisant of their frontline priorities and needs. Digital Service supported this work, but did not lead it.
48	In light of balancing day to day spend with financial sustainability for the short (up to 4 years), medium (5 to 12 years) and long term (beyond 12 years), the Treasury and Exchequer are undertaking two projects. These include a capital plan project, which focuses on spend for assets in the medium to long term window (5- 25 years), and a project for longer term financial planning, which considers both capital and revenue expenditure and longer-term impact of borrowing and reserves. This work provides tools to assist in developing future budget processes with a longer-term focus.	Noted. These projects will continue to be part of Treasury's departmental business plan in 2025.
49	The Budget sets out the revised policy for the Strategic Reserve. This aligns with a previous recommendation of the Fiscal Policy Panel to ensure that the objectives of all the States Funds are clear and that policies are adjusted in line with the objectives.	Noted.
50	The Government has not observed the recommendations made by the Fiscal Policy Panel (FPP) in previous years to commit to rebuild the reserves' balances through prioritising transfers to the Stabilisation Fund and Strategic Reserve. The FPP has emphasised that a stronger commitment is needed to replenish both the Stabilisation Fund and Strategic Reserve. The FPP	The Budget 2025-2028 includes the transfer of prior-year basis taxation debt (circa £280 million) into the Strategic Reserve. This will provide cash receipts into the Strategic Reserve over the next 40+ years.

	Findings	Comments
	recommends that the value of the Strategic Reserve should be equal to between 30-60% of Gross Value Added (GVA), however, will only be equal to 17% of GVA in 2028. Although the Budget includes measures to increase the value of the reserves, it falls short of the advised targets.	

RECOMMENDATIONS

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
1	The Council of Ministers must ensure for all future Budgets that supporting key information is published and provided to Scrutiny as a single document at the time of the lodging of the Budget. Information must include delivery progress updates for the preceding year as well as Ministerial priorities and Departmental Business Plans to coincide with the Budget year under review.		Reject	Appropriate information was provided as part of the Budget, and Ministers provided considerable additional information as part of the Panel's review. Minister will give further consideration to this point before the preparation of the next Budget.	Complete
2	The Council of Ministers must ensure that a mechanism is established to provide periodic reporting on delivery progress for the Budget. Reports must be published both in-year and annually for all future Budgets to provide the required		Partly Accept	Existing reporting mechanisms are considered adequate but Ministers are nevertheless content to give further consideration to this matter.	Complete

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	transparency, governance and accountability for project delivery within the approved timelines and allocations of funds.				
3	The Council of Ministers should develop a communications plan to actively engage members of the public and raise awareness of the Budget process.		Accept	There is a plan for communicating the Budget, and this will be revisited as part of the 2026- 2029 Budget.	Complete
4	The Council of Ministers should encourage Ministers to complete Children's Rights Impact Assessments (CRIAs) when developing the Budget as appropriate. The Council of Ministers should produce a detailed list to identify the CRIAs that were completed in relation to the Budget, which should be accessible alongside all future Budgets.		Accept	Where the provisions of the draft Budget engage the rights of children, the CRIAs will be produced and published accordingly, as they were for the Budget 2025-2028. All CRIAs will be published on the States Assembly website alongside the main proposition.	Complete
5	By the end of Q1 2025, the Council of Ministers must establish a structured risk assessment and mitigation framework specifically for monitoring competing priorities within the Common Strategic Policy. This should include consideration for the criteria for identifying and categorising risks associated with each		Reject	The Common Strategic Policy set out 13 actions, which Ministers and their Chief Officers are focused on delivering within established accountability and risk management mechanisms. In noting that, Ministers will remain mindful and concur with the Panel's sentiments, notably that risk management is crucial, that clear lines of accountability are necessary and that thinking needs to be long term in nature.	Complete

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	Common Strategic Policy priority, with a mechanism to periodically measure progress and risk levels to ensure adjustments can be made promptly where risks are identified or threaten long term goals. Responsibility for monitoring and reporting must be assigned to designated leads within the departments to ensure accountability across the departments. Quarterly reports must be produced to highlight specific risk mitigation strategies and be provided to Scrutiny.				
6	Cross-departmental collaboration must be targeted with consideration for shared planning tools and regular interdepartmental meetings focused on managing and mitigating risks identified within the Common Strategic Policy priorities. This should be implemented by the end of Q2 2025.		Reject	As outlined above, existing accountability and risk management mechanisms are considered adequate, and this includes considerable collaboration between Ministers and their officials across portfolios and departments.	Complete
7	To ensure that the reprioritisation process for delivering the Common Strategic Policy is transparent, efficient and minimises risk to essential		Reject	As outlined above, existing accountability and risk management mechanisms are considered adequate. Again, Ministers take note of the Panel’s concerns and accept that when making decisions to prioritise, the consequences	Complete

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	services, the Council of Ministers should establish a risk assessment within the reprioritisation process. This should include a risk review protocol to develop clear assessment and documentation of the risks associated with delaying and deprioritising projects to establish the impact on essential services, the community and the Government's strategic objectives. This should be established by Q3 2025.			for other work streams, requests or services need to be taken into consideration.	
8	A report detailing which projects have been deferred, cancelled or reprioritised, along with the rationale, cost-benefit analysis and risk mitigation strategies employed, should be published to enhance transparency and understanding of the trade-offs made to deliver the Common Strategic Policy priorities. The first report should be published by Q3 2025 with a future report to coincide with the lodging of all future budgets.		Partly Accept	Departments will continue to track progress in delivering their Business Plans. The format of reporting will balance the costs and bureaucracy to ensure good value is delivered without distracting resource from the delivery of Government priorities. In addition, for 2026 it is planned to include additional detail on changes to project budgets as an appendix to the Budget.	
9	Prior to any further structural changes or staffing reductions, the Council of Ministers must ensure that a		Partly Accept	Organisational development frameworks are used when reviewing service delivery and any organisational change and the impact of change.	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	comprehensive Impact Assessment is conducted to consider the effects on service delivery, capacity, morale and the long-term resilience of departments. The assessment should include specific measures for mitigating risks associated with the loss of institutional knowledge, particularly at senior levels.			This includes the mitigation of risk as well as staff morale.	
10	The Council of Ministers must ensure that measures are in place to protect critical back-office and policy functions which recognise their critical role in enabling effective service delivery on the front line. A flexible approach should be taken to ensure that expertise and capacity in these areas are preserved, particularly where expertise is vital to the delivery of Government priorities, such as health policy development.		Partly Accept	The Council of Ministers recognises the importance of critical back-office and policy functions. The delivery of good quality policy is crucial in enabling Ministers to respond to the challenges the Island faces, especially long- term challenges such as demographic change and the consequences for our health services. At the same time, Ministers will continue to manage costs, especially in back-office processes, and prioritise the most necessary work.	Complete
11	As the restructuring process progresses, the Council of Ministers should continually monitor its impact, particularly on service delivery and staff retention. Where gaps in capacity are identified, a clear process must be in place to address this,		Accept	Staff attrition has reduced from 8.3% to 6.9%. The BeHeard survey has seen positive increases, including in ‘wellbeing.’ The redeployment policy and procedures have been updated to ensure that anyone on redeployment is able to have the first opportunity for these roles if they meet the criteria. This ensures knowledge is retained.	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	including through the reallocation of resources, redeployment or recruitment where required, to ensure that the Government is able to deliver on its priorities effectively.			Essential front-line services remain the priority, and resources have been focussed on recruiting into these roles.	
12	Succession planning processes should be strengthened, particularly at senior levels, to ensure that departments retain the necessary skills and institutional knowledge. Consideration should be given to mentorship programmes, internal training opportunities and clear career progression pathways to ensure that key functions are maintained without compromising service quality.		Accept	A Succession Planning guide and toolkit has been created. Colleagues from People Services will continue to work directly with Chief Officers to help identify and grow talent to fill leadership and business critical positions for the future. The Executive Leadership Programme introduced in 2024 and continuing into 2025 will support this work by identifying colleagues with the potential to step into these posts as both short-term and long-term successors. We will ensure proactive development through job moves and or secondments around the different departments to provide greater development opportunities across Government. We will also provide coaching opportunities to further develop these colleagues.	
13	The Council of Ministers must invest in enhancing data collection mechanisms to ensure data continuity for performance monitoring, and should prioritise the maintenance of high quality, timely data collection that feeds directly into key decision- making processes and supports evidence-based policy. As strategic investment in		Partly Accept	There has already been significant investment and improvement in the collection and presentation of data, including four additional Statistics Jersey posts to develop and publish statistics such as population and migration, and all economy gender pay gap based on administrative data already held by the Government. Statistics Jersey has grown in headcount from 16 FTE in 2021 to 19 FTE in 2025. Decisions on the content and frequency of statistical output are carefully considered as the data is used by a	Complete

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	data collection and analysis improves efficiency and reduces the need for reactive decision-making based on incomplete or outdated information, the Council of Ministers must effectively balance any decision to reduce statistical outputs against long term benefits of informed policy development.			number of different departments and islanders.	
14	The Council of Ministers should take appropriate steps to clarify and strengthen the mechanisms and metrics in place for the assessing, monitoring and reporting of Key Performance Indicators to ensure consistency across departments. Clear processes should be in place for managing any identified discrepancies in departmental Key Performance Indicators, with specific measures and actions for supporting departments in improving performance.		Partly Accept	Departmental Annual Reports set out the Key Performance Indicators to be used for the year in question. The monitoring and reporting of these are the responsibility of the relevant Chief Officer or Accountable Officer to comply with and improve. The Chief Executive Officer holds the Chief Officers to account through line management responsibilities, and there is political oversight throughout from individual Ministers and the Council of Ministers as a whole.	Complete
15	The Council of Ministers should consider how transparency in monitoring departmental spending can be enhanced so that public service performance and spending are		Partly Accept	Departmental spending is reported on in the Annual Report and Accounts (ARA). Following a C&AG recommendation from 2024, the Treasury has set out a minimum standard of financial information to be included in departmental annual reports that support the ARA.	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	transparently evaluated, governed and communicated to the public.				
16	The Council of Ministers must be mindful that the Public Finances (Jersey) Law 2019 should demonstrate changes in practice and must ensure ongoing Ministerial engagement and take proactive measures to ensure Sustainable Wellbeing is meaningfully integrated, rather than retroactively in all future Budgets. Consideration should be given for establishing a process to embed Sustainable Wellbeing in core decision-making at all stages of the budgetary decisions. The Council of Ministers should also strengthen monitoring and reporting of Sustainable Wellbeing embedded in the Budget to assess the impact. This should include establishing a clear and measurable mechanism to identify how Sustainable Wellbeing is tied to the Budget's proposals with indicators that are specific, measurable and linked to the long-term outcomes. This should be actioned for all future Budgets.		Reject	The Budget and the Common Strategic Policy both demonstrate a clear link to sustainable wellbeing. The Common Strategic Policy sets out how each of the Council of Ministers' priorities contribute to the long-term outcomes for our Island. The Budget provides funding for these priorities. In addition to this and in response to the recent report from the Comptroller and Auditor General, ministerial submission templates are being revised to include more explicit consideration of the three sustainable wellbeing themes (community, economy and environment) as part of the policy development process. Any additional processes are unnecessary and would divert resources away from delivering on Ministers' priorities.	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
17	The Council of Ministers should consider taking meaningful steps towards exploring, developing and implementing Gender Responsive Budgeting in Jersey to ensure that public resources are distributed equitably and that the needs of all Islanders, including vulnerable groups, are met. The Council of Ministers should report back to Scrutiny and the States Assembly on the trajectory for progressing this workstream by Q2 2025.		Reject	It is important to consider the effect of policies on all protected characteristics, as defined under the Discrimination (Jersey) Law 2013. Sex is one of those protected characteristics and therefore it is actively considered during the safe space of policy development. From 2023, this has been a requirement within the Ministerial Submission Template, which has included an added supplementary advice paper to help guide policy makers to convey the issues and risks appropriately. Therefore, the effect on the different sexes is already considered when developing policies which ultimately constitute the proposed Budget, as well as the totality of the effect of the proposed Budget.	Complete
18	The Council of Ministers should consider how it can improve the consultation process for revenue raising and relief measures to ensure that it is truly participatory to demonstrate that feedback is genuinely taken into account, giving stakeholders ample opportunity to influence policy decisions.		Reject	A specific consultation framework for tax policy does exist and is available on the Government website. In addition to specific consultation on individual tax policy development proposals, a general invitation to stakeholders to make Budget Representations is issued annually in the Spring to inform the Treasury's development of the annual Budget.	
19	The Council of Ministers should establish a more robust framework for monitoring the longer-term effects of revenue raising measures, including excise duties, on businesses, consumers, and the economy. Ways of		Reject	The Government is not convinced that further analysis over and above what is already done would materially improve decision-making, especially where uprating of duties is limited to RPI-inflation simply retaining the real value of the duties. We will continue to undertake benchmarking against other jurisdictions to ensure our approaches to taxation remain appropriate.	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	monitoring how specific revenue measures affect different sectors, particularly vulnerable groups, in a more granular and systematic manner should be considered.				
20	The Council of Ministers should invest in improving data collection and economic forecasting tools to better understand the broader and longer-term implications of fiscal measures, including improving the granularity of data in key areas like inflationary pressures, employment trends and sectoral impacts. The Council of Minister should consider expanding the scope of economic modelling to include more detailed assessments of how revenue measures may interact with broader economic and social factors, such as household income levels, business growth and sector-specific productivity.		Partly accept	Work is under way to further improve the quality of data and the understanding of the impacts of fiscal decisions, where necessary.	
21	The Council of Ministers should review the long-term social, economic and fiscal impacts of freezing alcohol duties, including the potential health and public sector		Accept	Public Health officers are developing strategies to reduce Jersey's high alcohol consumption. A 10-year Substance Use Strategy and an action plan are under way, identifying 13 evidence- based policy options and a decision-making tool. Many options fall under the Licensing Assembly's remit, limiting	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	costs associated with alcohol consumption. This review should consider alternative measures to support both the hospitality sector and public health, such as targeted subsidies or incentives for responsible drinking practices, alongside fiscal policies that help alleviate cost-of-living pressures. Additionally, the Government should continue to actively engage with the hospitality sector, public health experts and economic analysts, to assess the effectiveness of the duty freeze and explore sustainable solutions for both industry support and reducing the social costs of alcohol for future Budgets.			government action. Public Health has raised these issues with the Economy Department as part of consultation on proposed amendments to the Licensing (Jersey) Law 1974. The Government plans to increase modelling efforts and continue to consult stakeholders during the development of Budget 2026.	
22	The Council of Ministers must closely monitor the effectiveness of the tobacco duty increases in achieving both public health and fiscal objectives. Specifically, the long-term impacts of the increased tobacco duties on smoking prevalence, including the potential unintended consequences such as increased reliance on duty-free channels and rising consumption of		Reject	The Population Health Prevention Strategy sets out one of its strategic aims to reduce harms and inequalities in health caused by tobacco and nicotine products. The Tobacco Strategy 2017-2022 agreed an appropriate minimum above inflation price/tax escalator for the period of the strategy. Since that time, a sustained year-on-year tax escalator of 5% above RPI on cigarettes has been consistently applied, with the underpinning policy intent of helping reduce affordability and uptake. The evidence for this fiscal approach is strong. Higher tobacco taxes reduce smoking and smoking-related disease	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	vaping products must be evaluated. Alternative revenue-raising measures as smoking rates decline should be explored, ensuring a balanced approach that continues to support public health while maintaining fiscal sustainability. Key stakeholders and public health experts should be engaged with when developing policy to ensure it meets both public health and revenue goals in a sustainable manner.			and early death as people cut down, stop smoking, or never start because of the high cost. As effective tobacco taxes lead to lower smoking rates this contributes to the reduction of governments' expenditures for the health care costs associated with preventable illness caused by tobacco consumption. (WHO, 2021). The Tobacco Strategy 2017-2022, set out to review related issues to lower cost tobacco through duty free. The Government of Jersey is a signatory to the Framework Convention of Tobacco Control (FCTC), after being assessed as having the necessary policies and mechanisms to ensure that its population is protected from the harms of tobacco. Any engagement with key stakeholders regarding new revenue measures will be conducted in accordance with the Government's obligations under this framework.	
23	The Council of Ministers must actively progress consideration for introducing a comprehensive long-term strategy to replace fuel duty revenues to support its climate neutral agenda. This strategy should focus on incentivizing the transition to low-emission alternatives, such as electric vehicles (EVs), while ensuring continued financial support for the carbon-neutral roadmap. When exploring options, careful consideration of their impact on different		Partial accept	Work took place throughout 2024 to review the options for replacing fuel duty. As recent analysis shows fuel duty receipts are not notably declining as of Q4 2024, the Government does not regard this as a priority for the 2026 Budget.	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	demographics, particularly those who are dependent on vehicles for daily activities must be considered. Any continued short-term initiatives that provide financial relief to households, should be balanced as to not undermine the Island's long term sustainability goals. Key stakeholders must be engaged with to ensure that the fiscal measures are aligned with the broader objectives of the Island's climate agenda. Proposals for a fuel duty replacement policy much be included within the next Budget for 2026.				
24	The Council of Ministers must keep the Vehicle Emissions Duties policy under review and consider how to accommodate for vehicle size and mass (embodied carbon emissions), alongside tailpipe emissions, to reflect the full environmental cost of vehicles more accurately. In parallel, enhancing incentives for encouraging the shift to electric vehicles should be considered. The policy must be closely monitored to assess the potential for		Partially accept	The structure and rates of VED will be kept under review as part of the annual Budget process. Priorities for the annual tax policy programme will continue to be considered annually, subject to completing existing tax priorities.	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	any unintended consequences to lower income consumers and small businesses. Key stakeholders must be engaged with to ensure that the fiscal measures are aligned with the broader objectives of the Island's environmental goals and economic realities of consumers and businesses.				
25	The Council of Ministers must regularly assess the economic impact of the revised Excise Duty Relief for Craft Spirits Producers measures on small producers, local businesses and the hospitality sector. This would provide valuable data to inform any future policy adjustments and further support for Jersey's economic and cultural objectives. In doing so consideration should also be given to the potential for extending the duty relief to other relevant local businesses to expand the support to artisanal producers and potentially for industrial, medicinal and scientific purposes. (This recommendation reflects the original budget proposal).		Accept (already in place)	In 2025, officials will work across departments to increase modelling efforts to assess the economic impact of excise duty relief on producers, local businesses and the hospitality sector as part of the annual Budget process. We will engage with stakeholders in the wine industry and those that use alcohol during manufacturing and scientific purposes during the consultations for Budget 2026. Please note that relief from duty is provided for spirits used for purposes other than as a beverage under the Excise Duty (Relief and Drawback) (Jersey) Order 2000.	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
26	The Council of Ministers must establish a structured and transparent consultation process for all stakeholders affected by the Fuel Replacement Policy. This should be carried out at all stages of policy development. This should include regular updates, feedback channels and ample opportunity for the industry to provide input throughout the policy development stages. Careful consideration should be given to the impact of any chosen policy on all stakeholders and transparent and timely engagement on any changes must be ensured.		Partly Accept	Government tax policies will continue to be developed in line with published Government policies on consultation. Consultation will take place at key stages of policy development.	
27	When establishing the public health-oriented tax policy for vaping products, any initial excise duty on vaping products should avoid a sharp rise in costs for consumers transitioning from smoking to the reduced-risk alternative of vaping. An appropriate balance should be achieved whereby the tax can support public health by continuing to encourage the shift away from combustible tobacco. Consideration should be given to how a portion		Partly accept	In line with the Fiscal Policy Panel's advice, hypothecation of taxes is avoided wherever possible. Work will continue in 2025 to assess a vaping tax. The level of duty will ensure that vapes will remain cheaper than cigarettes to support Islanders' transition from smoking to vaping.	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	of the tax revenues can be earmarked to fund education, prevention and support programmes, which would align with the health objectives and community concerns regarding vaping among young people.				
28	Engagement with stakeholders must be strengthened, particularly with the hospitality sector, while developing the 'Tap Relief' policy to ensure that the chosen model appropriately aligns with both the Government and business need.		Reject	The Government will continue to work within its published frameworks for consultation. The development of the Budget 2025-2028 included engagement with the hospitality sector during 2024 at each stage of policy development. Despite initially requesting development of 'Tap Relief,' hospitality representatives no longer support the policy and implementation work has been paused.	
29	The Council of Ministers must provide to Scrutiny a list of the Revenue Growth bids that were presented, but not successful for either business case commissioning and/or inclusion within the Budget. This information should be provided to Scrutiny each year at the time of lodging of the Budget.		Reject	No business cases were commissioned that were not funding CSP objectives, these were all provided to scrutiny. There were no unsuccessful business cases, as there was no open-door bidding process for funding outside of the CSP.	Complete
30	In alignment with the advice of the Fiscal Policy Panel the Council of Ministers must refrain from including any unspecified savings in future Budgets.		Accept	Successive Government Plans have included unallocated savings in future years. The Government Plan 2024-2026 included £20 million of unallocated savings targets across 2025 and 2026. The Budget for 2025-2028, has made progress in this regard, reducing unallocated savings to £4 million. This is considered achievable given the scale of departmental budgets.	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
31	The architectural blueprint demonstrating all the digital projects across Government departments are designed to common standards must be made available to Scrutiny. The list detailing the prioritisation of all technology projects, alongside an update on any progress to a digital strategy for Government services must be made available to Scrutiny by end of Q4 2024.		Reject	There are over 100 projects impacting or developing Digital Services across the Government, many of which are independent from each other. Hence an overall architectural blueprint for "one system" has no direct benefit. In addition, there are a significant number of IT systems in place to support Departments and frontline services, and these utilise various IT platforms and therefore industry standards. While migrating all those systems to one set of standards could be achieved, it would be at a huge cost and likely take over 10 years to achieve, so there is unlikely to be a viable business case. The list of prioritised projects will be provided to scrutiny once the remaining Departments prioritisation process review is completed, which is estimated to be by the end of February 2025. The overall Digital Strategy is under development and intended to be ready for publishing by June 2025.	
32	A risk assessment of the digital reprioritisation of technology projects across Government departments should be conducted to monitor the potential impacts on departments, public services and customer satisfaction. These assessments should identify high-risk areas where delays could significantly affect Islanders' access to services. The risk assessments should be reviewed quarterly and		Reject	Assessment of risk relating to technology projects and their impact on public services is led by each Department and their Chief Officer and is already part of existing procedures and processes.	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	provided to Scrutiny. The first to be completed by Q1 2025.				
33	The capital plan and longer term financial planning projects undertaken by the Treasury and Exchequer, should be used as a tool to inform the next Budget to focus fiscal policy on the medium to long term, and to align with the advice of the Fiscal Policy Panel that advised that fiscal policy needs be focused on the medium term.		Accept	Work will continue in 2025 to develop longer- term planning.	
34	In line with a previous recommendation of the Fiscal Policy Panel, the Council of Ministers must ensure that the objectives of the States Funds are clear and that policies are adjusted in line with the objectives. This work should continue to be carried out and reported for the remaining States Funds with revised policy proposals for the Stabilisation Fund and Social Security Fund to be included in the next Budget.		Accept	Work with continue to review the objectives of States Funds, including the Stabilisation Fund.	
35	The Council of Ministers must strengthen its commitment to prioritise transfers to the Stabilisation Fund and Strategic Reserve to rebuild both Funds to		Accept	Explicit approval is included in the proposition for contingent transfers to the Stabilisation Fund, based upon monies being available. The Budget 2025-2028 is clear in its commitment to prioritise any additional Pillar Two receipts above the base case forecast, including strengthening Reserves.	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	appropriate levels and should observe the advice of the Fiscal Policy Panel. In addition to committing to transfer the Prior Year Basis receipts to the Strategic Reserve, to transfer up to £25 million to the Stabilisation Fund (contingent of available funding in the Consolidated fund at the end of 2024 and 2025), further commitment should be made to transfer any current year surpluses or underspends to the Stabilisation Fund and to invest any upside of Pillar Two revenues to the Funds.				

CONCLUSION

The Panel’s report has contributed to the continuing improvement of the annual Budget process and the points raised in the review will be taken into consideration during the development of the 2026-2029 Budget.

Ministers remain committed to our stated objectives, including the delivery of the Common Strategic Policy, the delivery of effective frontline services, and curbing the growth in public sector expenditure. At the same time, risk management mechanisms need to be effective, performance and delivery appropriately monitored, and accountability maintained and enhanced.