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By email

8<sup>th</sup> November 2024

Dear Chair,

### **Proposed Budget 2025-2028**

Thank you for your letter of 28th October, in which you ask for responses to the follow-up questions from the hearing on the budget. I have set out answers to each of your questions below in turn:

- 1. Could you confirm if applications for funding can be made from the Agricultural Loans Fund for those who wish to grow and harvest cannabis for medicinal purposes (medicinal cannabis)? If applications can be made from this fund, could you please provide the grounds for including existing and medicinal cannabis growers in this fund where none had existed previously? Could you also inform us of any additional processes, if any, in which government provides funding for the growing of cannabis for medicinal purposes?*

Companies engaged in growing medicinal cannabis are eligible to apply under the Agricultural Loans Fund. Their inclusion is consistent with their eligibility under the Rural Support Scheme (RSS) in so far as business growing these crops can benefit from award credits for crop production area in a protected environment. It should be noted that, to date, there have been no applications for RSS payments in relation to medicinal cannabis.

Such companies did not exist when the fund was last in use, pre-2002, and so no such applications have been received previously. Any future applications will be reviewed by the relevant officers and Agricultural Loans and Guarantees Advisory Board in the usual way before being considered by myself and the Minister for Treasury and Resources.

- 2. You mentioned that both Arms-Length Organisations (ALO's), Digital Jersey and Jersey Business are due to have a combined decrease in their grants of £571,000. Can you confirm the amounts for each of these ALO's and what discussions you have had with each regarding this reduction. Can you also confirm if you are aware of what changes will be made to each of the business models to accommodate the reduction and what impact this will have on each organisation.*

Discussions on annual budgets are conducted regularly with ALOs in line with the governance structure and relationship to their lead Department. This is the same for discussions between the Department for the Economy and Digital Jersey and Jersey Business. Funding allocation and the strategic and delivery priorities of each organisation are all part of those discussions.

- 3. Can you confirm when you are due to meet the Cost-of-Living Group, which was recently delayed due to the States sitting, to sign off the proposals designed to assist businesses with the implementation of the minimum wage?*

Due to time pressures, the information was circulated to the Cost of Living Ministerial Group via email and subsequently discussed at the Council of Ministers on Tuesday 5 November. Further details will be provided to the panel imminently.

- 4. We note that the £20 million in the Technology Accelerator Fund is due to reduce from £14.2 million in 2025 to £10 million in 2026 to £4.2 million in 2027. Can you confirm if funding from the Technology Accelerator Fund will be made to the Consolidated Fund? Can you also confirm the impact of these reductions in funding?*

The originating Proposition envisaged that all funds could be disbursed by 2026 which was a very ambitious timeline. Working with Digital Jersey in 2024, a revised spend profile of this £20 million fund was agreed enabling some monies to be transferred into the Consolidated Fund to fund investment in the Government's digital programme. Further amounts are proposed to be transferred to the Consolidated Fund in 2026 for this same purpose as the Panel have noted.

This has led to a reprofiling of the available spend on the Impact Jersey programme across 2025 and 2026. This approach is using early learning and experience to grow the programme in a more measured and effective way but over a longer period whilst allowing other key projects within Government to be funded in the immediate future. A review in 2026 will assess the next phases of the programme and what further transfers to the Technology Fund are needed for future phases of the programme. The balance of funds, in line with the original Proposition, could still be made available to the delivery programme but this will be informed by a review and evaluation of progress of the first phase.

- 5. We understand that 20% of the Channel Islands Lottery Funding is allocated to applied science or research. Can you give examples of how this funding is being spent and who will benefit from this allocation?*

As you will know, it was proposed to allocate the 2023 lottery proceeds on the following basis: 50% via the Jersey Community Foundation with 15-25% of that figure to science-based education and research projects. This was to provide more flexibility to the Jersey Community Foundation (JCF) to distribute funds across different fields and they will be able to provide specific examples. The JCF provide a full breakdown of the projects they support each year on their website.

- 6. Can you provide an update on the outputs of the Ageing Well Sub Officer Group in line with the Future Economy Programme?*

This workstream continues to develop with cross-Departmental input which will culminate in the forthcoming Common Population Policy which will set out a roadmap for a long-term approach to population with reference to the Future Economy Programme. This will be published in December.

I hope the above information provides clarity to the areas you have raised.

Yours sincerely,



**Deputy Kirsten Morel**  
Minister for Sustainable Economic Development