Minister for Sustainable
Economic Development

Government of JERSEY

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By email

20th November 2025

Dear Chair,

Budget Hearing

Thank you for your letter of 12th November, in which you ask a number of questions following our recent hearing on the Proposed Budget 2026-2029. I have set out answers to each of these below:

1. The budget outlines "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", can you advise the Panel what this will entail?

Our delivery partner Digital Jersey is carrying out reviews of the impact of each programme and these will be fundamental to an overall review of the progress of the full suite of programmes in early 2026. The intention is for Government to assess the whole programme against its initial objectives (as outlined in P.75/2022 and the Strategic Programme Plan), to examine progress, overall impact and value for money invested and form a view on the likely success and impact of further phases of the initiative. This assessment will be presented to the new Government later in 2026 who will take a view on the progress and impact of the initiative so far and in light of this, determine what future budget allocations should be reflected in the 2027 budget.

2. Do you have any comment on the success and challenges of the programme, Impact Jersey at this stage?

Impact Jersey has made strong early strides in supporting innovative, tech-led solutions across the island's economy, environment and community with repeated over-subscription at the application phase. Developed for Jersey using best global practice, there have been grant awards across three programmes – project funded in first 'Open Programme', CareTech and CXTech reflect real-world impact in areas such as healthcare retail, tourism, and social housing. I welcome the independent evaluation of the Open Programme which is due shortly and will feed into the cycle of continuous improvement.

The programmes clearly align with Government priorities and the delivery programme from our partner Digital Jersey is helping to build the local innovation ecosystem by working with applicants and key stakeholders to curate the best possible grant applications.

The first 3 programmes have been an important learning and development phase, with improvements being identified that support applicants most effectively in the development of bids, matching stakeholders and beneficiaries with tech providers on and off island and expediting the applicant assessment route so that good ideas can be rewarded and make real world progress quickly.

The launch of a continuously open 'Innovation Programme' in mid-2025, allows the broadest opportunity for innovators to form bids that can have impact. It is important to me that we continue to focus on robust governance, clear metrics, and delivery of demonstrable and sustainable benefits over the long term to demonstrate the value of this initiative.

3. *The Panel understands that a new "planning hub" has been launched by Jersey Business, does the proposed budget allocate any funds for this initiative?*

No, these guidance services have been launched from within the funding envelop provided to Jersey Business (JBL) under the previous Government Plan and use existing resources within Government and JBL. The support has been designed efficiently, being comprised of web information and digital assets and incorporated into Jersey Business's established support services.

4. *What is the primary purpose and role of Digital Jersey within the island's digital economy?*

The current partnership agreement funds Digital Jersey to support government strategic priorities of creating a sustainable, vibrant economy and skilled local workforce for the future; protecting and valuing our environment and improving Islanders wellbeing. This includes supporting the following government strategies or frameworks: Digital policy framework, sustainable transport strategy, digital health and care strategy and tackling climate change emergencies.

   a. *Is Digital Jersey intended to serve businesses, government, the public, or all of these groups?*

As a government established economic development agency and industry association, Digital Jersey supports the delivery and development of government strategy and the sustainable economic growth in Jersey's digital industry. This will involve interaction with all these groups.

   b. *How might recent or proposed budget cuts in your departmental budget affect Digital Jersey's ability to deliver its objectives and services?*

Digital Jersey's annual operating plans are presented and agreed each year as part of the annual grant process. Reduction in grant payments will have the potential to impact Digital Jersey's capacity to deliver, with agreed operating plan deliverables amended accordingly.

5. *It has been indicated that the Government will shortly be rescinding the Shops Regulation of Opening and Deliveries Law. Can you please confirm what budgetary implications this may have?*

There would be no budgetary implication to Government as a result of this rescindment as fees collected from Sunday trading permits are held by the relevant Parish. Parishes also bear the full cost of managing the existing Sunday Trading regime, although anecdotal evidence from the Parish of St Helier (the largest issuer of permits) has suggested that the cost of administrating the current scheme is greater than the revenue generated from it.

6. *The Panel understands that you are progressing changes to the Licensing (Jersey) Law 1974, can you please outline if there will be financial implications of any alterations to the existing legislation?*

Further to my letter of 7th October, no additional resourcing requirements are envisaged as part of this change.

The existing Licensing (Jersey) Law 1974 imposes a fee structure set by Regulations but these have not been updated since 2007. These cause some discrepancies in charges for individual on-licensed premises as business will often possess multiple licences which are calculated in different ways and charged simultaneously. Conversely, off-licences are charged a flat fee regardless of size.

Under the new Law, fees will be set by Ministerial Order and fee income will be transferred to the Commission to cover the costs of regulating the sector. The fee model will also be simplified, alongside licence categories meaning on-licenced premises will be required to hold a single licence with conditions tailored to the needs of their operating environment. Bolt-on fees or deductions could also be applied for activities such as extended opening hours or conversely a discount on fees for charitable organisations.

The current fees generate c.£250,000 per annum and the new fee model will not seek to increase this figure but will simplify the licence types and process for licensees.

The new fee model will need to be consulted upon and finalised with stakeholder input as part of the transition process, should the Draft Law be adopted and this will take place during 2026. Once finalised, the new fee Order would be made as part of the transition period in 2027.

7. *It has preliminarily been proposed to delegate the responsibilities of a Regulatory Authority to an existing regulator with the optimal choice being the Jersey Gambling Commission. What costs will be involved and where are these included within the proposed budget?*

The cost of discharging the law will continue to be met by the fees levied under the Licensing Law. As noted in my letter of 7th October, these will be simplified compared to the current model with licensees no longer required to hold multiple licences (and pay multiple fees) under the new Law.

By moving the responsibilities to an already established regulator we will be able to minimise the start-up costs. The Gambling Commission is currently preparing an update to its website and, if the draft Law is adopted, will incorporate the new alcohol licensing regime into these changes.

It is not envisaged that the draft Law would come into effect until 2027, as time will be needed for the new Council of Ministers to consider its Alcohol Policy Framework and consult on the simplified fee structure.

8. *Please outline which elements of the proposed budget will be supporting the Visitor Economy?*

The 2026 budget includes a number of elements which will support the Visitor Economy. Alongside the provision of dedicated staff within the Department for the Economy, the Department's budget also includes the following:

Budget	Purpose
C.£4,720,000	Core grant to Visit Jersey
£2,000,000	BBSP additional grant to Visit Jersey
£1,000,000	For the Visitor Economy Development Grant within the BBSP
£1,000,000	Route development funding via PoJ
£400,000	Events Support
£240,000	Implementation of the Visitor Economy Strategy
Total: £9,360,000	

In addition to the above, businesses within the Visitor Economy can apply for grants through the BBSP from the Skills and apprenticeships support scheme (£1.5m) and Productivity support scheme (£2.8m), which are available for all employers.

The Department's Arts, Culture and Heritage funding is also indirectly supportive of the visitor economy through its work to maintain the Island's vibrancy. In 2026 £10,842,000 will be distributed by my Department with additional funds being distributed via other departments for a total of £14,977,000.

Furthermore, the Government's ongoing work to reduce barriers to business is aimed at supporting the visitor economy sector, albeit it is not possible to quantify the costs of this. In 2025, this has included:

- The extension of the French ID card scheme
- Simplifications to the Tourism (General Provisions) (Jersey) Order 1990
- Updates to the Island's Alcohol Licensing regime
- A new GST refund scheme
- Reopening of the Visitor Information Centre
- Support for shoulder season events such as the Super League Triathlon

Other indirect spending by the Department such as the provision of beach lifeguards (£367,000) has likewise been excluded from the above list.

9. *Can you confirm if there have been any alterations in the proposed grant to Visit Jersey?*

This remains under consideration. Arm's Length Bodies are currently in the process of finalising their business plans which will inform the Department's internal budgeting process for 2026 and the allocations of grants.

The current grant to Visit Jersey stands at £4,720,000 with a further £2,000,000 provided via the Better Business Support Scheme in 2025 and intention to replicate this for 2026.

10. *Can the Panel be advised if there any parts of the proposed budget that will directly help local businesses operating in the Visitor Economy?*

Please see answer to question 8.

11. *During the hearing, it was noted that the Panel may be granted confidential access to the business plans of Arm's Length Bodies and partner organisations in relation to Arts, Heritage and Culture funding. When might these documents be ready to share with the Panel?*

As noted in response to question 9, business plans are currently being finalised by the relevant Arm's Length Bodies and grant receiving organisations. I would be happy to provide these by the end of December once this process has concluded.

12. *Please can the Panel be provided with a breakdown of the planned total expenditure of £1,275,540m (sic.) on Arts, Heritage and Culture in 2026?*

The 2026 allocation for Arts, Heritage & Culture is £14.977m set against a formula based (1% of Departmental Net Revenue Expenditure 2026: £1,275,540m) target of £12.755m.
Allocations within the Department's share of this budget are being finalised.

The Panel will be aware that the majority of the Department's Arts, Heritage & Culture budget is distributed to established grant receiving organisations and that the Department has now instituted an annual report for this sector: R-146-2025.pdf.

The 2026 budget will broadly reflect the allocations given in 2025, with the major grant recipients receiving over 80% of the total departmental 1% allocation. This supports the strategic eco-system for Arts, Culture and Heritage and our strategic delivery.

13. *In answer to WQ.359/2025 "Until this process has concluded, no final allocations have been made for 2026 or future years". Could you advise the Panel when there will be a decision regarding allocations for 2026?*

The nature of the 1% formula driven expenditure means that the total amount of funds which are available for distribution via the Arts, Heritage & Culture budget is subject to change following States Assembly amendments to the Budget. A final decision on the 2026 allocation will therefore be made shortly after the States Assembly has concluded the budget debate.

14. *Could the Minister clarify whether Arts, Heritage and Culture funding is categorised into separate sectors namely Arts, Heritage, and Culture and if so, could this breakdown be provided to the Panel?*

The budget is not separated out into the three pillars. The budget is an umbrella budget that funds all of them.

15. *Could the Minister inform the Panel whether the Arts Strategy, Music Strategy, and Heritage Strategy have influenced the 2026 budget and the allocation of 1% of revenue for Arts, Culture and Heritage and if so, in what ways?*

The strategies for Arts and Heritage, including the Music Manifesto underpin all the funding that is allocated to the sector. Any business plans from our major grant recipients, as well as smaller grant *applications will need to demonstrate which themes and outcomes their activities plan to meet and KPI's are modelled accordingly. These are included in grant agreements between the organisations and the Department for the Economy.*

16. *Could you please confirm the 2026 balances for the funds listed under the 'Other Special Funds' section of the Proposed Budget 2026–2029, and provide the forecasted balances for 2027 and 2028 specifically for the Tourism Development Fund and the Innovation Fund?*

Other Special Funds				
£'000	**2026 Estimate**	**2027 Estimate**	**2028 Estimate**	**2029 Estimate**
Opening Balance	**6,888**	**6,091**	**6,140**	**6,185**
Jersey Reclaim Fund	-	-	-	-
Agricultural Loans Fund	5,668	5,717	5,762	5,801
Channel Island Lottery Fund	406	406	406	406
Tourism Development Fund	17	17	17	17
Jersey Innovation Fund	-	-	-	-
Closing Balance	**6,091**	**6,140**	**6,185**	**6,224**

The movement in the above table attributed to the Agricultural Loans Fund reflects the income from interest on loans and not the anticipated distribution of new loans – the actual closing balance of the fund is therefore subject to change depending on applications received in future years.

The Jersey Reclaimed Fund shows a nil balance as all proceeds which come into the fund are expected to be donated to charity within the same year. The funds income comes from long-dormant bank accounts (which have been untouched for at least 15 years) which are then distributed to local charities.

17. *Please can you confirm whether the 'Lottery and Other Income' item within Table 52 'Other Special Funds', is the balance of the CI Lottery (Jersey) Fund? If not, please can you confirm the balance of the CI Lottery (Jersey) Fund?*

Page 94, has *'Lottery and Other Income' item within Table 47 'Other Special Funds'* and a balance estimate for 2026 of £15,556,000. The Lottery is only one small part of Special Funds and Officers maintain a balance of £100,000 as a buffer to cover payments.

The other elements of Special Funds include Jersey Currency Notes Fund, Jersey Coinage Fund, Housing Development Fund, Dormant Bank Accounts Fund, Dental Scheme Fund, Insurance Fund, Agricultural Loans Fund, Tourism Development Fund, Jersey Innovation Fund, Criminal Offences Confiscation Fund, Civil Asset Recovery Fund, Ecology Fund and Hospital Construction Fund.

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

Yours sincerely,

Deputy Kirsten Morel
Minister for Sustainable Economic Development