

STATES OF JERSEY



STRATEGIC RESERVE FUND: LONG- TERM FUNDING PLAN (P.22/2024) – COMMENTS

Presented to the States on 7th June 2024
by the Council of Ministers

STATES GREFFE

COMMENTS

The Strategic Reserve was established to be used only in exceptional circumstances to insulate the Island's economy from severe structural decline (such as the sudden collapse of a major Island industry) or from a major natural disaster. This purpose has been modified by a number of other decisions, and the Budget 2025 will propose clarifying and rationalising its purpose.

It is not possible to grow the Strategic Reserve to 30% of GVA in the short-term without a significant impact on the Island's finances. However, it is the intention of Ministers that the Budget 2025 will set out a long-term strategy for accelerating the growth in the Strategic Reserve to an appropriate level over the medium to long-term. It is important that suitable consideration is given to the timing of any transfers, including balancing them against another FPP recommendation to rebuild the Stabilisation Fund, and the need to invest in our Island's infrastructure.

Whilst Ministers are committed to carrying out this work, the consideration of these matters is a matter for the Budget (Government Plan). The Council does not support piecemeal decision making on structural and fundamental matters relating to the island's finances, and would therefore ask Members to reject this proposition, allowing the Assembly to have an informed debate with the appropriate financial context, rather than making a decision in isolation.