
STATES OF JERSEY



FISCAL POLICY PANEL – APPOINTMENT OF MEMBERS

Presented to the States on 14th July 2023
by the Minister for Treasury and Resources

STATES GREFFE

REPORT

Introduction

Article 43 of the Public Finances (Jersey) Law 2019 provides for the Minister for Treasury and Resources to appoint (and re-appoint) members of the FPP.

The Minister is required by Article 43(6) to, at least two weeks before appointing a member of the Panel, present to the States a notice of his or her intention to make the appointment. In accordance with Article 43(5) the views of the Jersey Appointments Commission have been sought.

Recommendation

To approve the appointment.

Detail

The Fiscal Policy Panel was established as part of a new Fiscal Framework when the States adopted proposition P.133/2006 (Establishment of a Stabilisation Fund and Policy for Strategic Reserve) on 5 December 2006.

In September 2013 the FPP was put on a statutory basis, and their statutory position and independence has been continued in the Public Finances (Jersey) Law 2019, which requires the Panel to publish an annual report commenting on:

- the strength of the economy in Jersey;
- the outlook for the economy in Jersey and for world economies and financial markets;
- the economic cycle in Jersey;
- the medium and long-term sustainability of the States' finances;
- transfers to or from, the Strategic Reserve Fund and Stabilisation Fund;
- the States' net assets and liabilities.

The FPP are responsible for monitoring the application of the fiscal guidelines. The guidelines set out in the Government Plan¹ are to:

- Seek to increase the Strategic Reserve and public sector net worth, while following the advice of the Fiscal Policy Panel on borrowing and net financial assets
- Run a primary structural current balance or surplus until the Strategic Reserve is judged large enough to meet its mandate
- Borrow only to finance investment (or refinance liabilities), except in times of economic duress, and monitor the impact on net financial assets.

The Panel is also responsible for producing independent economic forecasts that are used to inform income forecasts.

¹ See p.19 [Government Plan 2023 to 2026.pdf](#)

Existing Fiscal Policy Panel members

Dame Kate Barker was appointed as a member of the FPP in March 2014 for a period of five years, becoming Chair in 2016; she was reappointed for a further three years in 2019 and for a further one year in 2022, expiring 30th March 2023.

Professor Francis Breedon was appointed in March 2016 for a period of five years and reappointed for a further three years in 2021.

Professor Richard Davies was appointed in April 2018 for a period of five years, expiring 25th April 2023.

Reappointment timing

The current terms of the two members of the FPP being reappointed ended in March and April 2023, and the Minister wishes to apologise for their late reappointment to the panel. The FPP secretariat, based in the Economics Directorate in the Department for the Economy, was unfortunately not able to handle the formalities in a timely way due to competing workload demands including work on population / economic planning and ill-health. The delay has meant the FPP has not been officially quorate for some three months, however the two panel members have continued serving in their role without the formalities being fully in place.

Re-appointment of Dame Kate Barker

Under the legislation, the Minister may appoint a member for a term of up to 5 years and may appoint them more than once. Dame Kate Barker's current one-year term as FPP Chair expired on 30 March 2023 and the Minister has decided to reappoint her for a further one year. The reappointment for a further year is with the agreement of the Jersey Appointments Commission, after a recruitment campaign for her replacement on the Panel at the start of this year was unsuccessful. Dame Barker has chaired the Panel during one of the most challenging times for public finances in Jersey, and during this time the Panel has played an invaluable role in advising on the government's response to the pandemic and the economic recovery. After the requisite notice to the States Assembly, the appointment will be backdated to the 31st March 2023.

One of UK's leading economists, Dame Barker is chairman of trustees for the British Coal Staff Superannuation Scheme, and also chairs the trustee board of the Universities Superannuation Scheme. Recently she was appointed as a Church Commissioner for the Church of England. She has held a number of non-executive director roles, including for Taylor Wimpey plc and Man Group plc. She was a member of the Monetary Policy Committee at the Bank of England (2001 to 2010). She led two major policy reviews reporting to the Chancellor and the Secretary of State for Communities and Local Government: Barker Review of UK Housing Supply (2003 to 2004), Barker Review of Land-Use Planning (2005 to 2006). She was created Dame Commander of the Order of the British Empire (DBE) for services to the economy in 2014.

Remuneration

The remuneration will continue at £20,000 per annum from April 2023 for a period of 1 year.

Re-appointment of Professor Richard Davies

Professor Richard Davies' current 5-year term expired on 25th April 2023 and, after discussion with the Jersey Appointments Commission, the Minister has decided to renew this appointment for a further four years. After the requisite notice to the States Assembly, the appointment will be backdated to the 26th April 2023. Professor Davies brings a strong academic and economic policy background, with relevant active research interest in analysing large scale micro data to answer questions about aggregate puzzles such as inflation, productivity and wages. This combined with his experience and knowledge of the Jersey economy and advising on fiscal policy, will support decision-making at a time when Jersey's public finances, in common with many jurisdictions currently, are facing challenges.

Professor Davies holds the inaugural Chair in the Public Understanding of Economics at Bristol University, is director of the Economics Observatory, and a fellow at the Centre for Economic Performance, part of the London School of Economics (LSE). Previously he was Chief of Staff of the LSE's Growth Commission, Chair of the Council of Economic Advisors at HM Treasury, and worked at the Bank of England and the UK Competition Commission. In addition to research and policy, Richard's work includes writing for the public. He was previously Economics Editor at The Economist, authoring their guide to economics and, more recently, *Extreme Economies*, published by Penguin.

Remuneration

The remuneration will continue at £18,000 per annum from April 2023 for a period of four years.