

2015.04.28

3.6 Deputy S.Y. Mézec of St. Helier of the Chief Minister regarding the Resources Statement to the Draft Strategic Plan:

Following the Government's presentation to the States of the Resources Statement on 21st April 2015 (P.27/2015 (Add.)), what consideration, if any, has the Government given to an alternative strategy ("Plan B") for addressing the shortfall in funding in the event that States income forecasts are reduced and it becomes apparent that "Plan A" is not working?

Senator I.J. Gorst (The Chief Minister):

The Resources Statement has been developed with economic advice from the Fiscal Policy Panel and the current range of income forecasts from the Income Tax Forecasting Group. A further review of the income forecast will be presented to the Council of Ministers in May to ensure that when lodged the next Medium-Term Financial Plan is based on the most up-to-date information. As recommended also by the Comptroller and Auditor General we are proposing to amend the Public Finances Law to give us more flexibility in our financial planning process. It will mean we can adjust our spending plans during the period of the M.T.F.P. if we see changes in income and economic forecasts.

3.6.1 Deputy S.Y. Mézec:

What the Chief Minister did not indicate in that, he talked about allowing flexibility and being able to change spending patterns. That has not addressed whether they are minor alterations to spending plans, or whether it is something major and something that could constitute an entirely different plan altogether, depending on what future circumstances end up being, so could he indicate whether those changes are so minor that they are just slight alterations, or whether they would constitute a different plan altogether?

Senator I.J. Gorst:

I am not quite sure what the Deputy is asking me. He is asking me what hypothetical changes there could possibly be in the future and whether the M.T.F.P. is able to accommodate such changes? Perhaps I could answer by reiterating what I just said, and that is that we are proposing to give greater flexibility to the M.T.F.P. to accommodate minor and major changes during the course of the period.