

STATES OF JERSEY



MEDIUM TERM FINANCIAL PLAN 2016 – 2019 (P.72/2015): FIFTH AMENDMENT

**Lodged au Greffe on 18th September 2015
by the Corporate Services Scrutiny Panel**

STATES GREFFE

MEDIUM TERM FINANCIAL PLAN 2016 – 2019 (P.72/2015):
FIFTH AMENDMENT

PAGE 2, PARAGRAPH (a) –

For sub-paragraph (a)(i) substitute the following sub-paragraphs –

- “(i) the intended total amount of States income for 2016, as set out in Summary Table A and being the central forecast of the States income forecast range for 2016 as shown in Figure 18,
- (ii) the intended total amount of States income for 2017, as set out in Summary Table A and being the central forecast of the States income forecast range for 2017 as shown in Figure 18,
- (iii) the intended total amount of States income for 2018, as set out in Summary Table A and being the central forecast of the States income forecast range for 2018 as shown in Figure 18,
- (iv) the intended total amount of States income for 2019, as set out in Summary Table A and being the central forecast of the States income forecast range for 2019 as shown in Figure 18,”.

CORPORATE SERVICES SCRUTINY PANEL

REPORT

Part (a)(i) of P.72/2015, Medium Term Financial Plan 2016 – 2019 (MTFP), asks the States to approve approximately £2.9 billion of income for the years 2016, 2017, 2018 and 2019, as outlined in Summary Table A. This includes a charge of £53 million; £50 million to cover the proposed sustainable funding mechanism for health, and £3 million to fund the payment of rates by the States. No detail has been provided on either of these 2 mechanisms.

Members may recall that a funding shortfall of £50 million was identified in the 2015 budget, and the income forecasts at that stage indicated that sustainable measures would be required over the period of the next MTFP in order to balance budgets.

This £50 million was the tip of the iceberg, as the States' finances are now showing a deficit of £145 million. The Corporate Services Scrutiny Panel (CSSP) believes the income forecasts are too high and are not on the side of prudence. CSSP believes there is too much reliance placed on the forecasts, and has doubts as to how these will be realised.

Members should be reminded that the previous CSSP expressed strong concerns as to the reliability of the income forecasts used in the previous MTFP. The present Panel is concerned the States seem to be repeating this process.

It is also clear from CSSP hearings with Ministers that no analysis of the impact of any tax or charging increases on Islanders will be forthcoming until the addition to the MTFP is lodged in June 2016, yet the Assembly is being asked to approve the principle of these charges in this MTFP.

Accordingly, the Panel strongly believes that Members should have the ability to vote separately on each year of income as identified in Summary Table A, rather than having to vote on all 4 years *en bloc*.

That is the purpose of this amendment. The Panel asks that Members be able to vote separately on each year.

Financial and manpower implications

There are no manpower implications for the States arising from this amendment.