

# STATES OF JERSEY



## VARIATION TO LODGING PERIOD FOR GOVERNMENT PLAN LODGED IN 2020

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Lodged au Greffe on 3rd June 2020  
by the Chief Minister

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STATES GREFFE

## **PROPOSITION**

**THE STATES are asked to decide whether they are of opinion –**

that, notwithstanding the provisions of Standing Order 26(4A), a minimum lodging period of 9 weeks shall apply to a government plan lodged in 2020.

CHIEF MINISTER

## REPORT

### Introduction

The impact of Covid-19 has caused significant delays in the development of the Government Plan which will still need to be debated and agreed before the end of the year.

As a result of working jointly with Scrutiny we have collectively come to an agreement to seek the Assembly's permission to vary the lodging period for the Government Plan solely for this year.

Therefore in response to the Covid-19 pandemic, the States Assembly are asked to approve that, notwithstanding the provisions of Standing Order 26(4A), a minimum lodging period of 9 weeks shall apply to a Government Plan lodged in 2020.

### Current Position

In each financial year, the Council of Ministers must prepare a Government Plan and lodge it in sufficient time for the States Assembly to approve it before the start of the next financial year<sup>1</sup>.

A minimum lodging period of 12 weeks ordinarily applies to a Government Plan<sup>2</sup>.

Prior to the Covid-19 pandemic, the Council of Ministers had planned to lodge the Government Plan for 2021-24 on the 8th September 2020 so that it could be debated at the States sitting commencing on the 1st December 2020 ("the pre-Covid timeline") in accordance with the requirements of the [Public Finances \(Jersey\) Law 2019](#) and [Standing Orders](#).

### Reason for variation of Standing Orders

Given current uncertainty, it is essential that Government Plan is based upon, and responds to, up-to-date social, economic and financial information to be meaningful and have value. It will not be possible to do that within the pre-Covid timeline.

Further, due to Covid-19, the development of the Plan has been delayed by approximately 2 months as resources have been deployed in emergency response to pandemic.

Members will also be aware that the same people in both Government and Scrutiny that have led the emergency response, working extreme hours and over a prolonged period, will also now be required to develop the Plan at the same time as continuing to maintain /the Covid-19 response and finalise and deliver the fiscal stimulus package. I wish to thank them for their ongoing efforts.

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<sup>1</sup> Article 9(1) of the Public Finances (Jersey) Law 2019: "*Each financial year, the Council of Ministers must prepare a government plan and lodge it in sufficient time for the States to debate and approve it before the start of the next financial year.*"

<sup>2</sup> Standing Order 24(4A) of the Standing Orders of the States of Jersey: "*A minimum lodging period of 12 weeks applies to a government plan.*"

Finally, Covid-19 also means that usual methods of working and development of the Government Plan will need to change, providing an additional element of challenge.

We must balance the need for Government to have sufficient time and capacity to develop and agree a robust, evidence-based Government Plan; and the Assembly having sufficient time to scrutinise.

This Proposition seeks to achieve that balance by –

- allowing the development of a Government Plan that responds to the Covid-19 situation using the most up to date social, economic and financial data available in the circumstances;
- permitting the lodging on or before the 12th October 2020; and
- allowing 9 weeks for the Assembly to scrutinise the Government Plan.

For the avoidance of doubt, this Proposition would only apply to the Government Plan lodged in 2020.

The Council of Ministers will be seeking to requisition an additional States sitting for the week of the 14th December 2020, in accordance with Standing Order 5. The last States Assembly sitting of the year is currently scheduled to begin on the 1st December 2020. The period from the 12th October to 14th December 2020 is 9 weeks.

This balance will require enhanced working with Scrutiny Panels and the wider Assembly throughout the development of the Plan to mitigate any impact of shortened lodging period. Discussions have already commenced with the Government Plan Review Panel to agree how the Council of Ministers can best work with Scrutiny Panels throughout the development of the Government Plan to do this. This will be formalized by the agreement of a protocol between Scrutiny and the Government, and which will be finalized and published before the debate date of this proposition. I wish to thank the Government Plan Review Panel for their assistance in seeking to find the right balance.

This Proposition has been lodged for debate before the summer recess so that it can be considered by the States Assembly well in advance, in order that the Council of Ministers, Scrutiny Panels and the States Assembly can plan their business to the end of 2020 with certainty and transparency.

### **Alternatives**

For completeness, the following alternatives have also been considered and discounted:

- (1) *the Council of Ministers lodge the Government Plan in accordance with current Standing Orders.*

Such a Government Plan would be highly likely to be either not fully developed or would not be based on the most up-to-date social, financial and economic information, which would mean that a subsequent amendment by the Council of Ministers to the lodged Government Plan would be necessary.

The necessary lodging of a subsequent amendment by the Council of Ministers would have a significant impact on time available to the Scrutiny Panels and the States Assembly to scrutinise the Government Plan.

- (2) *The Council of Ministers lodge the Government Plan with less than 12 week lodging period (i.e. after 8th September 2020) without the prior agreement of the States Assembly to a shorter lodging period.*

This would not meet the requirements of Article 9(1) of the Public Finances (Jersey) Law 2019, which provides that (**emphasis added**) –

*“Each financial year, the Council of Ministers must prepare a government plan and lodge it in sufficient time for the States to debate and approve it before the start of the next financial year.”*

The lodging would not, therefore, be in accordance with the lodging period set out at Standing Order 26(4A).

### **Approval of Government Plan still pending at the beginning of 2021**

For information, if the Council of Ministers were to lodge the Government Plan in accordance with Article 9(1) of the Public Finances (Jersey) Law 2019 and Standing Orders, but the Government Plan is not approved in 2020, the provisions set out in Article 17 of the Public Finances (Jersey) Law 2019<sup>3</sup> would apply. In summary, Article 17 allows spending based, month on month, on the previous approved Government Plan for 2020-2023. Article 17 only applies if the Government Plan is lodged, but not approved, by the end of the year.

This would have considerable impact on public finances as the Government of Jersey would be required to work on a month-by-month basis. Whilst it is legally possible for the Minister for Treasury and Resources to lodge legislation outside of the Government Plan which would enable tax and duties to be levied and collected in 2021, to do so in isolation from the approval of spending plans would be difficult and create uncertainty amongst those who need to plan to meet those obligations.

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#### <sup>3</sup> **“17 Approval still pending at start of financial year**

(1) *This Article applies if the States have not approved a lodged government plan before the start of the first financial year covered by the plan.*

(2) *For each month of that year during which the government plan remains unapproved, an amount up to the maximum set out in paragraph (4) may be withdrawn from the Consolidated Fund in respect of a proposed head of expenditure set out in the unapproved plan if there is an equivalent head of expenditure set out in the most recently approved government plan.*

(3) *For each month of that year during which the government plan remains unapproved, a States trading operation may withdraw an amount up to the maximum set out in paragraph (4) from its fund in respect of a proposed head of expenditure set out in the unapproved plan if there is an equivalent head of expenditure, under which an amount is appropriated from that fund, set out in the most recently approved government plan.*

(4) *The maximum referred to in paragraphs (2) and (3) is 1/12th of the amount of the appropriation for the equivalent head of expenditure set out in the most recently approved government plan.*

(5) *Articles 18 and 22 apply, with any modifications that the circumstances require, with respect to heads of expenditure in the unapproved government plan.*

(6) *Paragraphs (2) and (3) cease to apply as soon as the States approves the government plan referred to in paragraph (1), and in that case any amounts withdrawn under this Article are treated as being withdrawn under that plan.”*

This would have a consequent negative impact, in addition to the significant challenges faced as a result of the Covid-19 pandemic, on certainty across the public sector and beyond, and on public, institutional and international confidence.

### **Conclusion**

A variety of options have been considered and it is my view that this is the most effective solution that will allow for the production of a quality Government Plan for scrutiny by the Assembly and consideration by Islanders.

I am committed to reaching an agreement with the Government Plan Review Panel, before this Proposition is debated, on how best to work with them during the development of the Government Plan, and I hope members will be supportive of this approach as a constructive way forward.

### **Financial and manpower implications**

There are no direct financial or manpower implications arising from the adoption of this Proposition.