

# STATES OF JERSEY



## **MEDIUM TERM FINANCIAL PLAN: MINIMUM LODGING PERIOD (P.176/2011) – AMENDMENT**

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**Lodged au Greffe on 1st November 2011  
by the Minister for Treasury and Resources**

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**STATES GREFFE**

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**PAGE 2, PARAGRAPH (a) –**

For the words “12 weeks” substitute the words “9 weeks”.

MINISTER FOR TREASURY AND RESOURCES

## REPORT

The Draft Public Finances (Amendment No. 3) Jersey Law 201- (“the draft Law”) requires a Council of Ministers to lodge a draft Medium Term Financial Plan in time for it to be debated not less than 2 months before the start of the first year to which it relates. For example, the Medium Term Financial Plan for the period 2013 to 2015 would have to be lodged in time for it to be debated and approved before 1st November 2012.

Although the current Law requires that the Annual Business Plan is lodged for a minimum 6 week period, the draft Law makes no reference to the lodging period for this document – procedural issues will be brought back to the States in revised Standing Orders.

### **Reason for amendment to P.176/2011**

The Minister acknowledges that the Medium Term Financial Plan (MTFP) will be a detailed document which will require time to read and digest, and whilst he understands Deputy Southern’s concerns and desire to extend the minimum lodging period to 12 weeks, this time period is unlikely to be workable.

The first year after a general election will be extremely busy for both the States Assembly and the Council of Ministers, not least because under the current Article 18(2)(e) of the States of Jersey Law, the Council of Ministers are responsible for “*agreeing and, within 4 months of their appointment under Article 19(7), lodging for referral to one or more Scrutiny Panels established under standing orders and approval by the States, a statement of their common **strategic policy**;*”.

It is imperative that the Council produces a Strategic Policy that is acceptable to the majority view of the Assembly and that States funds for the ensuing 3 year period are allocated in line with this Strategic Policy. To ensure that the Council of Ministers is able to meet the lodging and Scrutiny Panel deadlines set in the Law, it is currently intended that the Strategic Policy would be considered and voted on by the States in late May 2012.

Although the MTFP can and should be produced alongside the Strategic Policy, it is important that the timetable provides adequate flexibility so that changes and issues raised by the Assembly during the Policy debate can, where appropriate, be reflected in the MTFP. A requirement that the MTFP should be lodged for a 12 week period could make this very difficult to achieve in the event of changes to the Strategic Policy which impact the MTFP.

Attached at the Appendix to this Report is a draft timetable for 2012 which indicates the limited timescales within which the Assembly will be expected to operate. This demonstrates that a minimum 12 week period for lodging would leave departments, the Council of Ministers, and Scrutiny only 4 weeks to consider, discuss and implement changes.

Throughout the process (and especially once the States have considered the Strategic Policy), we must ensure that the Council of Ministers has adequate time and resources to properly consider and make amendments which reflect any decisions of the States whilst allowing sufficient time for proper scrutiny and consideration of a draft MTFP

by individual States members. I believe that a minimum lodging period of 9 weeks will help achieve the necessary balance.

During the debate on the Medium Term Financial Plan, we will be agreeing the States tax and expenditure envelope and financial allocations for the following 3 years, and it is critical that we get things right and that we ensure that States financial resources are allocated in line with the strategic direction and priorities of the Assembly.

It is important throughout the preparation of the MTFP that there is the necessary consultation and negotiation with the relevant stakeholders – the Minister is fully aware of the need to ensure that there is adequate time for proper scrutiny and tabling of amendments, which is why he is proposing that there is a minimum 9 week lodging period for the MTFP. Using the indicative 2012 timetable, this would mean that if the debate on the MTFP was to commence on 25th September 2012, the document would have to be lodged no later than 24th July 2012. However, it is expected that a Council of Ministers would lodge a draft MTFP as early in the process as it was able.

The Deputy highlights his concern that the “July/September cycle is particularly unsatisfactory in that it contains the August Holiday period when it is extremely difficult to ensure proper contact between States members, Ministers and departments.”. Although the States is not in Session during part of this period, States work continues and cover within departments at officer level, and at Ministerial and Assistant Ministerial level is maintained.

### **Concluding comments**

In recognition of the issues raised by the Deputy, the Minister feels comfortable that a minimum 9 week lodging period for this document is far more achievable. This will be the minimum lodging period – in 2011 the ABP will have been lodged for 8 weeks prior to the debate and in 2010 was lodged 9 weeks in advance of the debate date, even though the required lodging period was 6 weeks.

We must not forget that the main objective of the MTFP is to provide greater control of States spending, certainty for departments over a period of time, whilst also retaining sufficient flexibility to manage emerging pressures and changes in priorities within overall spending limits. We must ensure that we work as one body to ensure that this objective is achieved.

### **Financial and manpower implications**

There are no additional financial or manpower implications for the States arising from the adoption of this amendment.

**APPENDIX**

**Indicative dates for Strategic Plan, MTFP and Budget debates in 2012**

<b>Month</b>	<b>Provisional date</b>	
May 2012	29th	States debate Strategic Plan (latest)
July 2012	3rd	Last date for lodging MTFP under Deputy Southern's proposals
	24th	Last date for lodging the MTFP (minimum 9 week lodging period)
August 2012	14th	Last date for lodging MTFP (6 week lodging period)
September 2012	25th	States debate of MTFP
October 2012	2nd	States debate of MTFP
	30th	Lodge Annual Budget (6 week lodging period)
December 2012	11th	States debate Annual Budget