

STATES OF JERSEY



DRAFT PUBLIC FINANCES (AMENDMENT OF LAW No. 2) (JERSEY) REGULATIONS 201- (P.42/2015): AMENDMENT (P.42/2015 Amd.) – AMENDMENT

**Lodged au Greffe on 26th May 2015
by the Minister for Treasury and Resources**

STATES GREFFE

DRAFT PUBLIC FINANCES (AMENDMENT OF LAW No. 2) (JERSEY)
REGULATIONS 201- (P.42/2015): AMENDMENT (P.42/2015 Amd.) –
AMENDMENT

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For paragraphs (d) and (e) of the amendment substitute the following paragraph and renumber the remaining paragraph accordingly –

- “(d) a draft addition adding amounts for any of the financial years 2017, 2018 and 2019 must be lodged no later than 30th June 2016.”.

MINISTER FOR TREASURY AND RESOURCES

REPORT

Introduction

The original reasoning for this amendment was well-explained in the covering report to P.42/2015.

The Minister for Treasury and Resources, supported by the Council of Ministers, is prepared to accept the following parts of the Corporate Services Scrutiny Panel's ("the Panel") proposed amendment to P.42/2015 –

- the amendment relates only to the 2016 – 2019 Medium Term Financial Plan (MTFP) and not to any future MTFPs;
- any draft "addition" to an MTFP will be lodged for the same period as required for the MTFP, i.e. a minimum 12 week period.

However, the Minister is unable to support the dates put forward by the Corporate Services Scrutiny Panel by which draft additions to the MTFP will be lodged.

The Panel are proposing that the Council of Ministers only bring forward an "addition" to the MTFP containing details of 2017 departmental allocations by 30th April 2016.

However, the Minister for Treasury and Resources, supported by the Council of Ministers, is proposing that the relevant "addition" to the MTFP will be lodged by 30th June 2016 and will include details for the 3 years from 2017 – 2019.

This view is consistent with the view expressed in the original report on P.42/2015, in which the Council of Ministers indicated their intent to bring forward proposals for 2017, 2018 and 2019 departmental spending limits in July 2016, to provide certainty to departments for future years at the earliest opportunity. The Minister for Treasury and Resources is content that all of this information will be available for lodging "*au Greffe*" by the end of June 2016.

The Council of Ministers does not wish "additions" to the 2016 – 2019 Medium Term Financial Plan to be brought forward on a piecemeal basis – the Council is extremely keen that the original concept of the medium term financial planning process is maintained as far as is possible, thereby ensuring that the overarching framework of the MTFP, to provide greater control of States spending whilst also providing certainty for departments, with the setting of minimum annual departmental spending limits for each year of the MTFP, is paramount.

The Council of Ministers will be required to make difficult decisions on significant levels of efficiencies, savings and reductions in services and benefits, which will take some time to develop and implement before they can make detailed recommendations to the States – an effective date of 30th June 2016 will enable the Council to complete this task.

Financial and manpower implications

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