

# STATES OF JERSEY



## MEDIUM TERM FINANCIAL PLAN: MINIMUM LODGING PERIOD

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Lodged au Greffe on 28th June 2011  
by Deputy G.P. Southern of St. Helier

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STATES GREFFE

## **PROPOSITION**

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

- (a) to agree that the revisions to Standing Orders that will be required following the adoption of the draft Public Finances (Amendment No. 3) (Jersey) Law 201- should provide that the future Medium Term Financial Plan should have a minimum lodging period of 12 weeks;
- (b) to request the Minister for Treasury and Resources, in consultation with the Privileges and Procedures Committee, to take the necessary steps to give effect to the decision.

DEPUTY G.P. SOUTHERN OF ST. HELIER

## REPORT

The report accompanying P.97/2011 – Draft Public Finances (Amendment No. 3) Jersey Law 201- contains the following statement concerning the lodging of the Medium Term Financial Plan (MTFP) which is to replace the Annual Business Plan from next year.

*“The opportunity has also been taken to remove the States procedures associated with the lodging and debate of the Medium Term Financial Plan and the annual Budget. These will be brought back to the States to be incorporated into States Standing Orders alongside other States procedures.”*

Current procedures provide that the Annual Business Plan (ABP) shall not be debated unless it has been lodged for at least 6 weeks. The Minister for Treasury and Resources takes pride that he will be lodging the ABP this year on 13th July to enable debate on 13th September, allowing over 8 weeks’ lodging. But this remains far from satisfactory. As many members will be aware, this gives precious little time for proper detailed scrutiny of the Plan.

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. This year’s schedule, for example, means that amendments have to be with the States Greffe by Friday 25th August to meet the 2 week lodging deadline. The difficulties of co-ordination through the August holiday period effectively means that there are only 13 working days in July to formulate and lodge amendments.

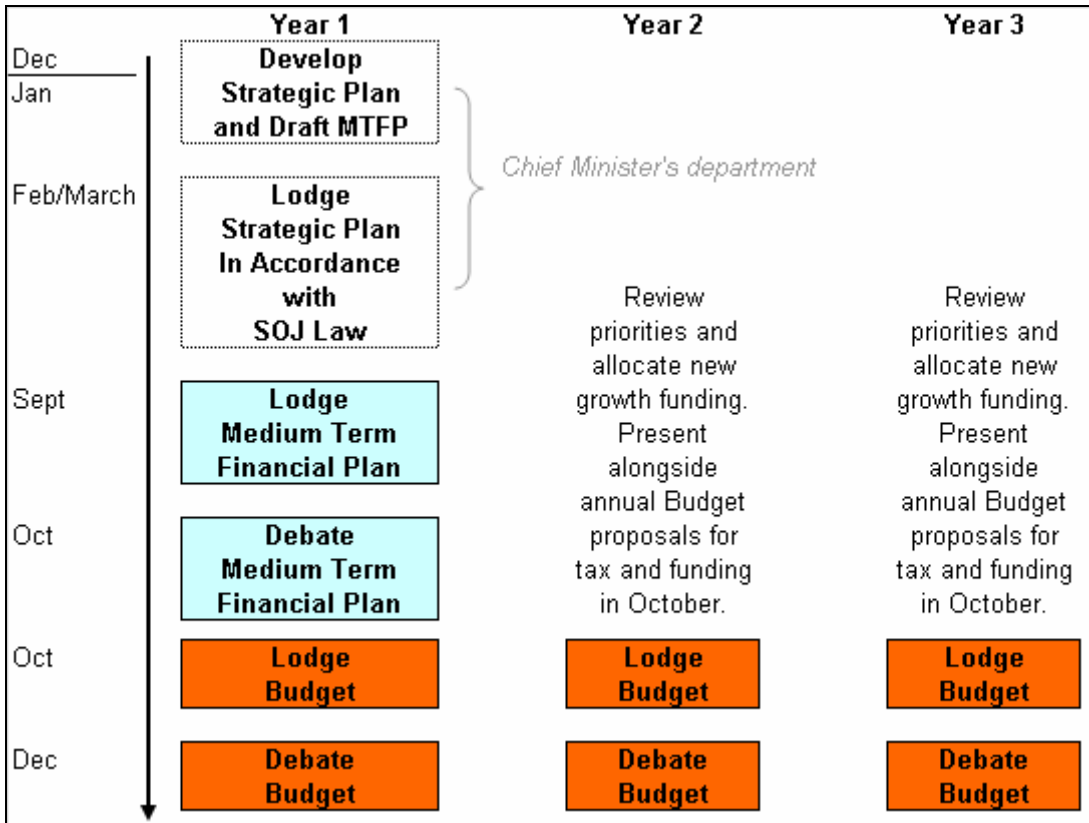
The process of lodging the MTFP is described in the report to P.97/2011 below. Members will note some further confusion around the timing of the MTFP lodging and debate by comparing the July/September cycle with the September/October schedule in the diagram overleaf.

### ***“Medium Term Financial Plan (Articles 7–9)***

*In November 2011, the new Council of Ministers will begin preparation of the new Medium Term Financial Plan alongside a new Strategic Plan. The Strategic Plan will be consulted on early in the process and will provide States members with the opportunity to consider and shape the strategic objectives, which will then influence the Medium Term Financial Plan prior to lodging.*

*The diagram at the **Appendix (over)** to this report provides an overview of the proposed Medium Term Financial Planning Framework over the term of the States Assembly or Council of Ministers.*

*The proposals are for a Medium Term Financial Plan, for the period 2013 to 2015, to be prepared and **lodged in July 2012 and debated in September 2012.**”*



Neither of the proposed schedules allows sufficient time for proper scrutiny or tabling of amendments. Given that the MTFP will fix spending targets and associated tax raising measures for a period of 3 years, it is even more important, indeed in my opinion essential, that members have the maximum time and opportunity to understand and amend the plan where needed. However, the only requirement in terms of a timetable is as follows –

*“The Law amendments also propose that the Medium Term Financial Plan should be debated at least 2 months before the start of the first year to which it relates. In the first year of the process, this would enable the annual Budget to be debated alongside the Medium Term Financial Plan.”*

There will be very little scope for any member of the States, apart from the Minister for Treasury and Resources, to make any change to the spending envelopes adopted by the States in the 4 year periods between one Plan and the next. A 12 week lodging period, based on this year’s schedule, would give a lodging date for the MTFP of 21st June for debate on 13th September. This would obviously cause some pressure on departmental staff, but I believe such a schedule is achievable.

### **Financial and manpower implications**

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