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# **STATES OF JERSEY**



## **FISCAL POLICY PANEL: RE-APPOINTMENT OF MEMBER**

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**Presented to the States on 22nd February 2021  
by the Minister for Treasury and Resources**

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**STATES GREFFE**

## REPORT

### Background

The Fiscal Policy Panel was established as part of a new Fiscal Framework when the States adopted proposition [P.133/2006](#) (*Establishment of a Stabilisation Fund and Policy for Strategic Reserve*) on 5 December 2006.

In September 2013 the FPP was put on a statutory basis, and their statutory position and independence has been continued in the Public Finances Law (2019), which requires the Panel to publish an annual report commenting on:

- the strength of the economy in Jersey;
- the outlook for the economy in Jersey and for world economies and financial markets;
- the economic cycle in Jersey;
- the medium and long-term sustainability of the States' finances
- transfers to or from, the Strategic Reserve Fund and Stabilisation Fund
- The States' net assets and liabilities.

The FPP are responsible for monitoring the application of the fiscal guidelines. The guidelines set out in the Government Plan are to:

- Seek to increase the Strategic Reserve and public sector net worth, while following the advice of the Fiscal Policy Panel on borrowing and net financial assets
- Run a primary structural current balance or surplus until the Strategic Reserve is judged large enough to meet its mandate
- Borrow only to finance investment (or refinance liabilities), except in times of economic duress, and monitor the impact on net financial assets.

The Panel is also responsible for producing independent economic forecasts that are used to inform income forecasts.

### Existing Fiscal Policy Panel members

Dame Kate Barker was appointed in March 2014 for a period of 5 years, becoming Chair in 2016, and being reappointed for a further 3 years in 2019. Professor Francis Breedon was appointed in March 2016 for a period of 5 years. Professor Richard Davies was appointed in April 2018 for a period of 5 years.

### Re-appointment of Professor Breedon

Professor Francis Breedon's initial five-year contract is due to expire in March 2021 and the Minister has decided to renew this contract for a further three years. The Minister is acting on the advice of the Chair of the FPP, Dame Kate Barker, who has recommended the reappointment of Professor Breedon. Professor Breedon brings experience and knowledge of the Jersey economy and has strong credentials for the role given his past and current experience of advising on fiscal policy for other jurisdictions. Professor Breedon's skills and experience will support decision-making at a time when Jersey's public finances are facing considerable challenges.

Professor Breedon is a Professor of Economics and Finance at Queen Mary University of London, a role which he has held since 2010. He has wide-ranging experience as a professional economist, including practical and academic experience. As well as

working at the Bank of England for seven years, he has held senior economics positions in the private sector and continues to consult for a number of financial firms. His academic research focusses on international finance, and covers international macroeconomics and fiscal policy, including government funding and sovereign wealth funds. He is also a Commissioner in the Scottish Fiscal Commission.

**Remuneration**

The remuneration will continue at £18,000 per annum from March 2021 for a period of 3 years.

**Minister for Treasury and Resources**