STATES OF JERSEY

CORPORATE SERVICES SCRUTINY PANEL – MTFP ADDITION FOR 2017–19 (S.R.5/2016) – RESPONSE OF THE MINISTER FOR TREASURY AND RESOURCES

Presented to the States on 9th November 2016
by the Minister for Treasury and Resources

STATES GREFFE

CORPORATE SERVICES SCRUTINY PANEL – MTFP ADDITION FOR 2017–19 (S.R.5/2016) – RESPONSE OF THE MINISTER FOR TREASURY AND RESOURCES

Ministerial Response to:	S.R.5/2016
Ministerial Response required by:	4th November 2016
Review title:	Corporate Services Scrutiny Panel – MTFP Addition for 2017–19
Scrutiny Panel:	Corporate Services

INTRODUCTION

As always, the Minister welcomes the Panel's report and is pleased to accept the majority of their recommendations.

There are some areas where the views of the Minister and the Panel diverge and which are recurrent themes throughout the Panel's reports. In particular, income forecasting is a regular area for comment. The Minister is confident that the review of the Personal Tax Forecast model, which will be carried out ahead of the next income forecast update March/April 2017, will resolve some of these differences.

FINDINGS

	Findings	**Comments**
1	The Panel highlights the fact that the financial forecasts were prepared prior to the BREXIT vote and in light of this, strongly believe updated forecasts should be used for the MTFP Addition.	The Panel received a private briefing on the updated forecasts within 2 weeks of the revised economic assumptions. The Panel were informed that States Members would receive a written update ahead of the MTFP Addition debate. The briefing to the Panel clearly showed that the adjustments to income were small and did not require changes to the MTFP Addition. The CoM then presented a 4th Addendum to the MTFP Addition in advance of the MTFP Addition debate, providing an interim update to the States' income forecasts based on the FPP August 2016 economic assumptions, post-BREXIT. The Minister would reiterate the fact that the Fiscal Policy Panel (FPP) had recommended within its August 2016 Report that the States of Jersey continue to implement the MTFP Addition in line with its previous advice given in March.
2	The last BTS was published in March 2016 and will not be continued. Given the importance attached to the survey by the FPP and in the MTFP Addition, the Panel find this concerning.	The CoM has provided for sufficient budget in the MTFP to secure the immediate reinstatement of the Business Tendency Survey, as confirmed to the Assembly during the course of the MTFP debate. The Statistics Unit is now undertaking recruitment to identify the necessary staffing to deliver this, and is expected to include the BTS in its 2017 statistics schedule when released.

	Findings	Comments
3	The Panel finds it highly concerning that the Minister for Treasury and Resources did not recalibrate the income forecasts at an earlier stage, and believe the reduction in interest rates and market trends currently speak for themselves. This is likely to result in higher drawings on the Strategic Reserve or mean the Island is running higher forecasted deficits well beyond 2019.	The Panel received a private briefing on the updated forecasts within 2 weeks of the revised economic assumptions being received. It is considered that this is the quickest turnaround time advisable. The Panel were informed that States Members would receive a written update ahead of the MTFP Addition debate. The briefing to the Panel clearly showed that the adjustments to income were small and did not require changes to the MTFP Addition. • The August 2016 economic assumptions from the Fiscal Policy Panel showed a slight slowdown in the economy in the short term. • The updated forecasts show a reduction in income of £6 million (or 1% p.a.) from 2017 onwards, mainly in personal income tax. • Ministers proposed, as advised by the FPP, that there should be no change to the existing proposals in the MTFP Addition. • The reduction in income forecasts is slight, and the proposals are to maintain flexibility through growth, contingencies and reserves.
4	The Panel is strongly of the view that achieving a surplus of £1.5 million by 2019 was never achievable and will now not be achieved in light of the downgraded income forecasts.	The Minister does not agree, as the evidence and advice at the time made it clear that a £1.5 million surplus by 2019 was realistic. The FPP has concluded that the broad approach and package of measures proposed in the MTFP Addition is still appropriate following the U.K. referendum on BREXIT. • Their advice is clear – the States has a plan and should stick to it. • The Brexit vote has added additional uncertainty to the local economic climate. • The States must not take knee-jerk decisions and add to that uncertainty. • The aim must still be for broadly balanced budgets by 2019, but with a plan to present a sustainable balanced position in the next MTFP. • The position to be reviewed at each FPP report and each annual budget based on greater certainty in the economic outlook. The updated forecasts provided in the 4th Addendum to the MTFP Addition shows that the financial position remains broadly balanced by 2019, despite the slight reduction in income forecasts post-BREXIT.
5	Many of the items listed under Contingency in the MTFP Addition are not for unforeseen	The use of earmarked carry-forwards was explained to the Panel; and the Panel were assured this did not reduce or commit the level of funding previously available for

	Findings	Comments
	events and have already been designated for certain purposes. Such use of Contingency artificially distorts departmental budgets.	Contingency expenditure. The Treasurer also explained that these allocations were made to ensure that the strong governance which applied to Contingency expenditure would also apply to these allocations, and that was the purpose of allocating the funds in this way. • All contingency allocations are subject to strict governance arrangements. • The purpose of including specific allocations within central contingencies is to ensure that strict governance applies to these funds as well.
6	Part of the EPGDP has been used to support the budgets of External Relations and Digital, Innovation, Financial Services and Competition, which in the Panel's opinion sits outside of the original intent for the Fund as set out in the MTFP 2016–2019 and approved by the States.	The External Relations Department and the Digital, Innovation, Financial Services and Competition (DIFSC) Team play an important role supporting economic growth and productivity in the economy. Given the fiscal constraints faced when preparing the MTFP Addition 2017 – 2019, all departments were issued savings targets and asked to develop proposals to reduce expenditure. After considering the impact of savings on the External Relations Department and DIFSC against the range of EPGDP proposals that were submitted or in the process of being developed, the CoM recognised that better economic outcomes could be achieved by protecting existing budgets in these areas. The EPGDP procedures are clear that funding will be made available to the projects that offer the best value economic outcomes. Recognising the better value, following the prioritisation exercise, the CoM determined that funding be assigned to protect existing budgets rather than money being made available for projects that would potentially have smaller or less well-defined economic impacts. The Panel has been provided with the revised Terms of Reference for the Provision which accommodates protecting existing economic growth and specifically includes BREXIT initiatives – this can be provided again if necessary. All Ministerial Decisions in respect of central contingency allocations will be public and available to Scrutiny and all States Members, once approved.
7	The lowering of the savings and efficiencies target points to the fact that the target has only been met because the goalposts have been moved. As there is no certainty that the targets will not be adjusted again in future years, this makes it virtually impossible for the Public or States Members to judge whether or not savings targets have actually been met.	The CoM has already committed to monitoring the delivery of savings and efficiencies, and has proposed that growth for 2018 and 2019 be set aside in a central growth provision. This would be reviewed before each budget and the delivery of savings and efficiencies taken into account before growth proposals are put before the Assembly.

	Findings	Comments
8	The savings and efficiencies target has been reduced from £90 million to £77 million (including user pays charges).	Following the distributional impact analysis, the CoM felt that the target savings should be spread over a longer period to lessen any impact on Islanders. Scrutiny have already been provided with examples of the many savings which would have impacted on public services – and so were not included by the CoM. Instead, the CoM has committed to extending the period of efficiency savings into the next MTFP. Further to the agreement of the MTFP by the Assembly, the targets are now hardwired into cash limits.
9	The MTFP does not show the savings and efficiencies opportunities rejected by the Council of Ministers.	During the course of 2016, the CoM considered submissions from all departments that outlined reductions to services and efficiencies that could be met in order to remove £90 million. The CoM concluded that some proposals had too great an impact on front-line services. They therefore concluded that the target should be reduced to £77 million, which was considered to be more acceptable. The components of the £77 million were published as part of the Draft MTFP Addition for 2017 – 2019.
10	The direction from Ministers to Chief Officers to make savings and bring in efficiencies is not robust enough nor precise enough for an organisation of this size.	The CoM rejects this finding. Chief Officers and respective Ministers provided to the CoM the range of savings and efficiencies. The CoM considered the impact of savings and efficiencies and concluded that those put forward in the MTFP were appropriate and did not have too significant an impact on services to the Public.
11	There is a general lack of drive behind the savings programme, with savings being made through simplistic departmental budget reductions rather than introducing fundamental structural change to deliver long-term savings and efficiencies.	The CoM rejects this finding. There have already been fundamental structural changes in some departments in order to achieve savings; for example, in the Department for Infrastructure, and a number of smaller cross-departmental collaborations. As part of the rolling review, further opportunities may be identified that will look at the structural redesign and the way that services are provided.
12	The vacancy rate of 12.9% across States departments is very high, and this money is included in departments' annual budgets. The Panel questions whether this funding is really needed by departments if current service levels are deemed to be acceptable.	This misunderstands vacancies. Average staff turnover in August for the States was 13%. This is higher than in previous years due to the amount of change across the organisation, including service redesign and redundancies. Vacancies include – posts under recruitment (27%); posts being held pending service redesign outcomes (26%); posts being covered by temporary workers such as agency staff, locum workers, bank nurses, supply teachers and visiting lecturers (25%); and growth not appointed to (7%). A further 15% of the vacancy figures are for posts where there is no longer a budget, either because they will be given up as savings at the end of the year, or because they are posts being held without a budget to allow flexibility of resources.

	Findings	Comments
13	The level of vacancies across the States is significantly higher than U.K. levels.	The States' turnover is similar to the U.K. public sector, but the vacancies percentage looks higher because of the way the States currently records vacancies. As explained above (point 12) the vacancy figure considered includes 15% unbudgeted posts; and a further 25% are covered by temporary workers, so in effect are not true vacancies, as the budget is being used to fund non-permanent appointments. Once these 2 elements are removed, the vacancy level for the States of Jersey falls to a figure in line with the levels quoted by Scrutiny as being average in the U.K. public sector.
14	States Members are being asked to approve artificially increased levels of expenditure which include a high level of vacancies.	The CoM disagrees with this finding. See comments made in points 12 and 13 above.
15	Despite the savings and efficiencies being targeted within the public sector for a number of years, overall expenditure to 2015 and also for 2016 has continued to rise year on year. This leads the Panel to question whether the level of savings and efficiencies will actually be achieved.	This CoM has not suggested or proposed that total States expenditure would be reduced. The Strategic Plan set priorities for investment in Health, Education, Economic Growth, Infrastructure and St. Helier, but also that States finances must be sustainable. The MTFP 2016 – 2019 agreed in October 2015 the overall framework within which that investment must take place, which required significant levels of savings and efficiencies. Within the total States expenditure limits agreed, there is significant investment in States strategic priorities, but also the need for £77 million of efficiencies, savings and user pays to help fund this investment. Although total States expenditure is not being cut, overall expenditure is not proposed to rise between 2016 and 2019. Total States expenditure in 2016 is £767 million, and in 2019 is £767 million. Whilst prices have continued to rise whilst the level of services is being maintained, this means the real cost of delivering essential public services has reduced. 2016 net revenue expenditure is £740 million, and 2019 net revenue expenditure is £735 million. These expenditure limits have now been proposed, debated and the detail agreed, and the CoM and departments are required to work within these.
16	Despite being given an additional 12 months to prepare the MTFP Addition, there is a significant lack of detail within the document.	The CoM disagrees with this finding. The MTFP Addition report covers almost 200 pages, provides information to support the income forecasts, summaries by department of the additional funding, efficiencies, savings and user pays and details of the fiscal measures, funding mechanisms and short-term funding proposals. The MTFP Addition Report is supported by 3 Addenda – • The department Annex, providing details of each department's spending plans by service for all 3 years of the

	Findings	Comments
		MTFP Addition period, with further details of savings and growth to be delivered. • A detailed distributional analysis of the MTFP Addition proposals – summarised in the main report. • A comprehensive report on the States' income forecasts for 2016 – 2020. The MTFP Addition covers 3 years and includes significant areas of service review and re-organisation. As these reviews are still underway in many departments, it is not possible to provide precise details for every savings measure. At each annual MTFP Annex update, departments will be required to update progress on their programme of savings over the period of the MTFP.
17	There is no clear link between the amount to be charged and the type and level of service that will be delivered to members of the Public. Furthermore, there is no detail yet about how the money will be appropriately ring-fenced and channelled to the Health Department.	The case for additional funding of health was made in P.82/2012 – it wasn't the purpose of the MTFP Addition to make that case: it had already been made. Furthermore, this was an *in principle* agreement, with further detail to be provided subsequently. If a health charge is introduced in the future, the Minister for Treasury and Resources will ensure that it is accompanied by a mechanism that clearly demonstrates that funding is ring-fenced for that purpose.
18	The Panel is highly concerned with the lack of detail contained within the MTFP Addition with regard to the health charge. Given the absence of detail or link between usage and liability, the Panel finds it difficult to see how a "charge" for provision of Health services can be justified, and that the argument for imposing this charge has not been adequately made.	In the CoM's view, the MTFP Addition documents (main document plus distributional analysis prepared by the Chief Economic Adviser) contained sufficient detail of the proposed health charge in order for States Members and the Public to understand who would pay the charge and how much.
19	The capping of the charge results in higher earners paying less as a percentage of their overall income than middle- to lower-earners. This is non-compliant with the tax principle of low, broad, simple and fair.	The 5 long-term tax policy principles shaped the CoM's thinking regarding the proposed health charge. For example, the second principle that "taxes should be low, broad, simple and fair" resulted in the health charge using income tax principles rather than (say) social security principles. As the health charge was based on income tax principles, those with the lowest income who do not pay income tax would not have paid anything in health charge either. This use of income tax principles would have meant that approximately 30% of Islanders would have been fully exempt from the proposed health charge. Again, due to the use of income tax principles, those taxpayers entitled to marginal relief would have seen their health charge

	Findings	Comments
		liability reduced. Due to the availability of marginal relief, most people paying the health charge would have suffered an effective rate below the headline rates of 0.5% in 2018 and 1% in 2019; with many suffering effective rates well below these headline rates. However, as noted above, there are 5 long-term tax policy principles which need to be considered and balanced whenever a decision on revenue-raising measures is taken. In this context, the CoM gave specific consideration to the fourth principle: "Taxes must be internationally competitive". They therefore proposed the introduction of a cap, to limit the contribution made by any single individual. This cap recognised that Jersey operates in an internationally competitive environment, not only through its business tax regime, but also its personal tax (in its broadest sense including taxes, contributions and charges) regime. In order for the Island's economy to thrive, it is important that the Island can attract and retain highly-skilled individuals to work in the Island. This isn't just a question of tax rates; the "whole package" has to be right, including – the natural environment, educational facilities, quality healthcare, transportation links, etc. The package offered by Jersey as a place to work and live is highly compelling, but it is naïve to exclude tax rates and other cost-of-living factors from the issues considered by people considering relocating.
20	States Members are being asked to vote on a waste charge with no detail behind it.	The States Assembly has approved in principle the introduction of a waste charge. The detail of the charge will be developed in consultation with affected businesses and other stakeholders – including tourism, agriculture, and other businesses.
21	No studies have been carried out in relation to the impact of the Waste Charge on the tourism industry or any other end users.	Please see comment 20 above.
22	An agreement has yet to be reached between the Comité des Connétables and the Council of Ministers as to if, and how, a funding mechanism for the States' payment of Rates will be created.	In the MTFP Addition the CoM stated – "Having considered the options for the compensating income stream, the Council of Ministers favours an increase in the non-domestic Island-wide rate. However, having reviewed the Rates Law the Council of Ministers is concerned that the current Rates system contains no mechanism for revaluation. Therefore the rateable value of property is effectively frozen, locked in rateable value largely based on notional rental values from 2003. With property rental values changing with the market but rateable values frozen in perpetuity the inevitable result is that, over time, the burden of rates becomes unfairly

	Findings	Comments
		distributed amongst ratepayers. Some ratepayers are currently paying proportionally too much, (e.g. retailers) whilst other ratepayers are currently paying proportionally too little (e.g. offices). The Council of Ministers does not consider it appropriate to increase the non-domestic Island-wide rate until such time that the Rates Law allows for the periodic revaluation of properties in the Island to address this unfairness, and will work with the Comité des Connétables and the Island's Rates Assessors to bring forward changes at the earliest opportunity. At this point the Council of Ministers intends to be in a position to bring forward proposals in such time as to establish the compensating income stream from 2018 onwards." The Draft 2017 Budget proposes legislation that would allow Regulations to be drafted which would facilitate the required periodic revaluation. These Regulations will be developed in partnership with the Comité des Connétables and the Rates Assessors.
23	The Minister for Treasury and Resources has stated it is likely that a further charge will be levied on taxpayers to fund the new Hospital.	The Minister has not stated that a further charge to fund the Hospital is likely. However, the expected cost of building a new General Hospital has meant that this capital scheme is not affordable as part of the standard Capital Programme. This has led to the need to identify alternative solutions. Options are understood, and the Minister for Treasury and Resources has already identified that a blended solution seems likely. Part of that blended solution includes further debt for the States of Jersey; and because of that fact, a means of financing that debt must be found. The financing options include using existing resources or increasing income received. Work has been underway in order to decide how best to finance the debt, and the Minister is keen to avoid increases to taxes or charges if at all possible. Uncertainty around the impact of BREXIT on Jersey's tax income is likely to affect any decision, and there are likely to be sufficient resources from investment returns in the short to medium term. But, as the future is unknown, this does not rule out any further charges to service this debt in the longer term.
24	In light of the statement from the Minister for Treasury and Resources in relation to the likelihood of a future hospital charge and lacking any further detail, States Members are unable to fully comprehend the total additional charges that are being envisaged by CoM over the life of this MTFP.	The Minister for Treasury and Resources did not suggest that a further charge was imminent. That is not what was intended – he wanted to highlight that it was a possibility. As explained above, preferred options for funding are likely to be affordable within existing resources, at least in the short to medium term, and therefore would not require a decision over the life of this MTFP.

	Findings	Comments
25	The introduction of new charges will increase the effective rate of tax for taxpayers.	As noted above, under the proposed health charge those with the lowest income who do not pay income tax would not have paid anything in health charge either. This use of income tax principles would have meant that approximately 30% of Islanders would have been fully exempt from the proposed health charge. Again due to the use of income tax principles, those taxpayers entitled to marginal relief would have seen their health charge liability reduced by marginal relief. Due to the availability of marginal relief, most people paying the health charge would have paid an effective rate below the headline rates of 0.5% in 2018 and 1% in 2019; with many paying effective rates well below these headline rates.

RECOMMENDATIONS

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
1	The relevant funding be reinstated to the States of Jersey Statistics Unit in order for it to continue conducting the Business Tendency Survey.	CMD	Accept	The Council of Ministers understands the need for accurate, regular statistics, and a solution is being identified that avoids the use of Contingency. The Council will also look to find efficiency savings in management from combining the Health Intelligence Unit with the Statistics Unit. It is committed to maintaining important reports from the Statistics Unit.	December 2016
2	In light of repeated instances of downgraded income forecasts, the process by which income is forecast should be reviewed with immediate effect with the early involvement of the relevant Scrutiny Panel.	T&R	Accept	The Minister would point out that the 2015 income forecast in the MTFP last year was described as optimistic by the Panel, yet the 2015 General Revenues Outturn exceeded forecast by over £25 million. The recent slight reduction to the forecasts post-Brexit represent only £6 million p.a. or a 1% variation. However, the Minister for Treasury and Resources is committed to review the Personal Tax Forecast model, and the intention is that this work will be carried out ahead of the next income forecast update in March/April 2017.	April 2017

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
				The work will be carried out by the Economics Unit in conjunction with the IFG, and then shared with the Corporate Services Scrutiny Panel.	
3	The Minister for Treasury and Resources must explain the full impact of the downgraded income forecasts and the measures he proposes to take to balance expenditure by 2019.	T&R	Accept	The Panel received a private briefing on the updated forecasts within 2 weeks of the revised economic assumptions. The Panel were informed that States Members would receive a written update ahead of the MTFP addition debate. The briefing to the Panel clearly showed that the adjustments to income were small, and did not require changes to the MTFP Addition. • The August 2016 economic assumptions from the Fiscal Policy Panel showed a slight slowdown in the economy in the short term. • The updated forecasts show a reduction in income of £6 million (or 1% p.a.) from 2017 onwards, mainly in personal income tax. • Ministers proposed, as advised by the FPP, that there should be no change to the existing proposals in the MTFP Addition. • The reduction in income forecasts is slight, and the proposals are to maintain flexibility through growth, contingencies and reserves.	Complete
4	Contingency must only be used for money set aside for unforeseen events. Money already designated for specific purposes should not be held under contingency.	T&R	Reject	The Minister for Treasury and Resources supports the principle that the specific allocations for contingency should only be used for unforeseen events. There are clear governance arrangements in place to ensure full visibility of all allocations. However, the Minister does not agree that clearly identified specific funding should not be held in	N/A

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
				contingencies. Holding them in this way subjects the funding to the strict governance arrangements in place for all contingency allocations and ensures departmental budgets are not distorted in the interim by funding which is not required immediately. Consideration will be given to changes to the Public Finances Law to distinguish between contingencies and provisions held centrally.	
5	On making any allocations from the EPGDP, the Minister for Treasury and Resources must send a copy of the Ministerial Decision and report, on the date of signature, to the relevant Scrutiny Panel for that department.	T&R	Reject – decisions are already public.	All MDs in respect of central contingency allocations, including those from the EPGDP provision, will be public and available to Scrutiny and all States Members, once approved.	N/A
6	Growth expenditure must only be released when savings and efficiencies targets can be demonstrated to have been met. As such, targets for savings and efficiencies must be fixed achievable and realistic in the timeframes envisaged.	T&R	Accept in principle	The Change Portfolio Office will require departments to demonstrate their progress on achieving savings and efficiencies targets. This will be monitored through the year, and the Minister for Treasury and Resources will consider progress when proposing allocations from the Central Growth Provision in the 2017 and 2018 Budgets.	Budget 2018
7	States Members should be presented with a detailed analysis of all of those areas that were rejected by the Council of Ministers which resulted in a reduced savings and efficiencies target.	CMD	Reject	Please see comment 9.	N/A
8	In order to tackle the “almost cultural acceptance” of non-achievement of savings targets, the Council of	CMD	Reject	The Council of Ministers does currently provide strong direction and leadership. A programme is currently being set up to monitor achievement against targets. Subject	June 2017

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	Ministers must provide stronger direction, leadership and clear policy statements in order to drive savings and efficiencies across the States.			to Council of Ministers' approval, it will be established and reported on throughout the period of the MTFP Addition.	
9	In order to bring about fundamental structural change to deliver real savings and efficiencies, recommendation 16 in CIPFA's report in relation to outcome-based budgeting and additional zero-based budgeting should be put in place by the time of the next MTFP. "Outcome-based budgeting and additional zero-based budgeting should be used to complement the prevailing incremental approach."	T&R	Accept	The Minister for Treasury and Resources supports the recommendation for additional zero-based budgeting. This process is already underway and has been used in varying degrees in most departments; it has assisted in departmental reviews and resulting efficiency programmes. Identification of desired outcomes have helped to drive decisions around "what" and "how" services are delivered.	Ongoing
10	The ongoing vacancy rate for departments should be reduced to 3%.	T&R	Reject	This proposal is rejected. Departmental budgets include savings agreed in the States under the MTFP 2016 – 2019, and the staffing budgets set for departments reflect these agreed plans (see response to points 12 and 13 above). As discussed in the MTFP addition debate 2017 – 2019 in response to Amd. (8), a reduction of the vacancy rate to 3% would have a significant impact on departments' ability to deliver services, and would lead to redundancies of permanent staff.	N/A
11	Detailed targets with realistic timeframes for public sector savings and efficiencies should be presented to States	CMD	Reject	Cash limits are now approved as part of the MTFP debate which set targets and timeframes on an annual basis in order that departments live within their cash limits, and Chief	N/A

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	Members.			Officers will account for departmental savings against agreed cash limits.	
12	States Members should be presented with a detailed breakdown of performance versus targets every 6 months, explaining where and why targets have not been met for any reason.	CMD	Accept in principle	Please see recommendation 8. Progress will be reported at least annually.	June 2017
13	The proposal for a health charge should be withdrawn unless the Council of Ministers can clearly demonstrate that there are no further savings and efficiencies that can be made within Public Sector expenditure.	T&R	N/A	The Council of Ministers is considering how to address the outcome of the debate on the MTFP Addition, which did not approve the introduction of a health charge at this stage.	Ongoing
14	A complete review of the capping of all charges, both existing and proposed, should be carried out with the outcome of the review presented to all States Members by June 2017.	T&R	Reject	During the course of the MTFP Addition debate, the Council of Ministers committed to a review of the personal tax system (an outline of what the review will cover is provided here: http://www.statesassembly.gov.je/AssemblyPropositions/2016/P.68-2016Amd(9)Com.pdf). This review will report by 31st March 2017 The Social Security Department has recently launch its review of the Social Security Fund. The consultation document specifically covers the issue of social security contributions and asks Islanders for their views. More details of the review can be found here: http://www.gov.je/government/departments/socialsecurity/socialsecurityfund/Pages/index.aspx.	N/A

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
15	Any proposals to introduce a waste charge should be abandoned until further consultation and studies have been undertaken and the results presented to States Members.	T&R	Reject	The States Assembly approved the introduction of the charge in principle during the debate on the MTFP Addition in September 2017. Consultation and studies will be undertaken ahead of final proposals being lodged and debated.	N/A

CONCLUSION

The Panel's report will contribute towards the continuous improvement of the States' financial planning process.