

# STATES OF JERSEY



## FISCAL POLICY PANEL: RE- APPOINTMENT OF MEMBERS

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Lodged au Greffe on 13th October 2010  
by the Minister for Treasury and Resources

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STATES GREFFE

## **PROPOSITION**

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

to refer to their Act dated 5th December 2006 in which they agreed to establish a Stabilisation Fund and further agreed to the establishment of a new independent Fiscal Policy Panel and their act of 26th September 2007 in which they appointed the following persons as members of the Fiscal Policy Panel for a period of 3 years –

Mr. Christopher Allsopp CBE

Ms. Marian Bell CBE

Mr. Joly Dixon CMG

and to re-appoint them for a further period of 3 years.

MINISTER FOR TREASURY AND RESOURCES

## REPORT

### Background

P.133/2006 set out that the Fiscal Policy Panel would be established as part of a new Fiscal Framework. The objectives of the Framework are to create a more transparent and credible process for making tax and spending decisions in the Island. In addition, to ensure that fiscal policy is set in a more counter cyclical way and therefore maximise the economic potential of the Island and assist in meeting the States inflation target.

The Framework incorporates the Stabilisation Fund with the Minister for Treasury and Resources responsible for its operation but having regard to the advice of the independent Fiscal Policy Panel (FPP). Jersey therefore has lead the way in bringing independent and expert economic advice into the fiscal policy decision process in Jersey. The States agreed that the FPP would be made up of leading independent economists that can bring together the right mix of experience and skills. The role of the FPP is to publish an annual report for the Minister for Treasury and Resources that –

- Examines the strength of the Jersey economy, the position in the economic cycle and the outlook for the Jersey/world economies.
- Comments on the appropriateness of the States financial position/forecasts given the above.
- Recommends policy regarding the Stabilisation Fund and whether economic conditions justify payments to or from the Fund and gives guidance on their size.
- Considers if payments are to be made what would be the best way to achieve them.
- Outlines when the Stabilisation Fund may be at sufficient levels and therefore when payments should be made into the Strategic Reserve.

The Minister can also ask for updates to the annual report at any point in the year should fiscal and/or economic conditions change.

### Appointment process

As set out in P.133/2006 the States Economic Adviser was responsible for organising the appointment process and making a recommendation to the Minister for Treasury and Resources. The process adopted was agreed and overseen by the Jersey Appointments Commission and included advertising nationally in the Economist magazine.

The interview panel was unanimous in its recommendation to the Minister that the 3 members had the most appropriate skills and experience and should be appointed to the Fiscal Policy Panel. The interview panel also recommended that Joly Dixon should act as Chair of the FPP.

## **Achievements since appointment**

Since their appointment in 2007 the 3 members of the FPP have won widespread respect and trust through the high standard of their regular reports and advice and their frank approach. They have been instrumental in recommending the use of the Stabilisation Fund in a timely, temporary and targeted manner to support the economy through the current downturn. They have published the following –

- Preliminary Report April 2008
- Annual Report September 2008
- Annual Report Update November 2008
- Letter to Treasury and Resources Minister on Fiscal Stimulus March 2009
- Annual Report May 2009
- Annual Report Update November 2009
- Interim Report September 2010

All the above reports are available at [www.gov.je/fiscalpolicypanel](http://www.gov.je/fiscalpolicypanel)

The Panel have therefore built up a significant body of expertise and understanding of the Jersey economy and States finances.

Earlier this year they were also appointed as the States of Guernsey Fiscal Policy Panel.

## **Biographies of current members**

**Christopher Allsopp CBE** is Director of the Oxford Institute for Energy Studies, a Fellow of New College, Oxford and a Reader in Economic Policy at the University of Oxford. He is the editor of the Oxford Review of Economic Policy and a Director of Oxford Economic Forecasting. In 2003/04 he conducted the Allsopp Review of Statistics for Economic Policymaking for the Chancellor of the Exchequer. He is a former Member of the Monetary Policy Committee (2000-2003) and of the Court of Directors of the Bank of England (1997-2000).

**Marian Bell CBE** is an economics consultant and former Member of the Monetary Policy Committee of the Bank of England (2002 to 2005). She has held posts at The Royal Bank of Scotland, where her roles included managing the Treasury and Capital Markets Research function, and at HM Treasury where she worked on modelling and forecasting the UK economy. She is a non-executive director of the Emerging Health Threats Forum and Vice Chair of the Contemporary Dance Trust at The Place.

**Joly Dixon CMG** chairs Jersey's Fiscal Policy Panel. He is currently the Chairman of the Strategic Advisory Board for Intellectual Property Policy and a senior advisor to the Chief Economist of the European Bank. He worked for nearly 30 years at the European Commission, holding a variety of senior posts. He was Director for International Economic Affairs in the Department for Economic and Financial Affairs from 1992 to 2003. Prior to this he was in the private office of former Commission President Jacques Delors, advising on economic and monetary affairs.

**Financial and manpower implications**

There are no additional resource implications arising from these proposals, as the salary and running costs of the FPP are part of the existing budgets of the Treasury and Resources and Chief Minister's Departments.