
STATES OF JERSEY



FISCAL POLICY PANEL: RE-APPOINTMENT OF MEMBER

Presented to the States on 14th March 2019
by the Minister for Treasury and Resources

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 5th December 2006. 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 countercyclical way that supports economic growth and low inflation.

The Framework incorporates the Stabilisation Fund, with the Minister for Treasury and Resources being responsible for its operation, but having regard to the advice of the independent Fiscal Policy Panel (“FPP”). 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.

In September 2013, the FPP was put on a statutory basis, with their main purpose to continue to publish an annual report on the state of the economy in Jersey, and States finances, with particular reference to –

- the strength of the economy in Jersey;
- the outlook for the economy in Jersey and, generally, world economies and financial markets;
- the economic cycle in Jersey;
- the medium- and long-term sustainability of the States’ finances, having regard to the foregoing matters; and
- transfers to or from, the Strategic Reserve Fund and Stabilisation Fund, having regard to the foregoing matters.

In September 2015, the Council of Ministers set out (in [R.107/2015](#)) the Fiscal Framework for the Medium Term Financial Plan 2016 – 2019 and beyond. It recognised that, now the role and responsibilities of the FPP are on a statutory basis, the FPP’s Annual Report will remain the cornerstone of fiscal framework. Through independent, expert and transparent advice, the FPP is the most important check and balance to help the States set fiscal policy in keeping with the States’ economic and fiscal objectives and medium-term fiscal sustainability. As part of the new framework, the FPP agreed to consider and assess what the appropriate economic assumptions should be for income forecasting purposes.

Existing Fiscal Policy Panel members

Dame Kate Barker, C.B.E. was appointed in March 2014 for a period of 5 years, becoming Chairman in 2016. Professor Francis Breedon was appointed in March 2016 for a period of 5 years. Mr. Richard Davies was appointed in April 2018 for a period of 5 years.

Re-appointment process

Dame Kate Barker's initial 5-year contract is due to expire at the end of March 2019, and the Minister has decided to renew this contract for a further 3 years. Given her experience and knowledge of the Jersey economy, performance in the role to date, and interest in continuing, the Minister considers that it is appropriate for the current Chairman to continue in post, particularly at the current period of change and uncertainty.

Dame Kate Barker has been a non-executive director of Taylor Wimpey plc. since April 2011, and of Man Group plc. since April 2017. She is Chairman of Trustees for the British Coal Staff Superannuation Scheme, and a Trustee of the Yorkshire Building Society pension scheme. In addition, she is a member of the National Infrastructure Commission. She led a quality review of the UK National Accounts for the Office for National Statistics in 2014, and has chaired a Commission on Health and Social Care for the King's Fund. She was a member of the Monetary Policy Committee ("MPC") at the Bank of England (2001 to 2010). She led 2 major policy reviews reporting to the Chancellor and the Secretary of State for Communities and Local Government: Barker Review of UK Housing Supply (2003 to 2004); and Barker Review of Land-Use Planning (2005 to 2006). She was created Dame Commander of the Order of the British Empire ("DBE") for services to the economy in 2014.

Remuneration

The remuneration will continue at £20,000 per annum from April 2019 for a period of 3 years.