

STATES OF JERSEY



STRATEGIC RESERVE FUND: LONG- TERM FUNDING PLAN (P.22/2024): AMENDMENT (P.22/2024 AMD.) – COMMENTS

**Presented to the States on 24th June 2024
by the Minister for Treasury and Resources**

STATES GREFFE

COMMENTS

The amendment lodged by Deputy Andrews does not alter the Government's position in respect of this proposition, which is to request that Members reject it.

The comments presented previously by the Council of Ministers confirm that Ministers are committed to carrying out this work, and that the Budget 2025 will set out a long-term strategy for accelerating the growth in the Strategic Reserve to an appropriate level over the medium to long-term. The amendment does not alter that commitment, and it is not clear what the amendment is intended to achieve other than removing the specific target of the Reserve reaching 30% of GVA.

Ministers remain of the view that this matter should be properly considered as part of the Government Plan, and not on a piecemeal basis. This is especially the case where a decision relates to a structural and fundamental matter regarding the island's finances.

In his report, Deputy Andrews states that "It is obvious the Government Plan is not an appropriate platform to be developing long-term strategies when the Government Plan covers the period of 2025-28 alone." Ministers respectfully disagree. It is a legal requirement to take into account the long-term financial sustainability of the island when preparing a Government Plan. It is therefore completely appropriate to set out a long-term strategy as part of that document. Importantly, this allows the strategy to be considered in the context of the wider public finances, including ambitions to also rebuild the Stabilisation Fund, which Deputy Andrews has asked Ministers to prioritise through P.35/2024. The Deputy makes an assumption that "the Government Plan will not provide explicit detail on a long-term funding plan for the Strategic Reserve." This is a matter which the Assembly can ultimately determine, but Ministers do not see the need for a separate document to be published. Indeed, a primary reason for the Government rejecting this proposition is to avoid considering such matters, and taking such decisions, in isolation.

It is also important to clarify Deputy Andrews's assertion that, since he lodged P.22/2024, Ministers have undertaken work to include a long-term funding plan for the Strategic Reserve in the next Government Plan. This is incorrect. A strategy for increasing the value of the Strategic Reserve was being developed prior to P.22 being lodged. Indeed, the last Government Plan stated, "The longer-term aim is to grow the Reserve as a percentage of GVA" and "This is a potentially complex issue, and requires the input of the Treasury Advisory Panel, before inclusion in the next Government Plan."

Deputy Andrews is always welcome to discuss ideas that he has for propositions with Ministers or officials before he prepares and/or lodges them. It is regretted that there has been no such dialogue in respect of this proposition, or the amendment, or indeed P.35/2024.

Statement in accordance with Standing Order 37A

This comment on the amendment to P.22/2024 has been presented after the Friday noon deadline stipulated in Standing Orders so that it could go through the required and proper approval process.
