

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY J.A.N. LE FONDRÉ OF ST. LAWRENCE
ANSWER TO BE TABLED ON MONDAY 22nd SEPTEMBER 2014**

Question

Was the Council of Ministers formally informed of the significant reduction in the income forecasts (of approximately £70 million) as compared to those included in the Medium Term Financial Plan that was identified in the report of September 2013 and, if so, when?

Answer

The independent Income Tax Forecasting Group (ITFG) meets each year and agrees the Income Tax forecast, which then informs that year's annual Budget. A report is issued by the Economics Unit to help formalise the forecast position as decided by the ITFG.

The report written to inform the 2014 budget was issued in September 2013 and included a projected downgrade in income tax forecast for 2014 of £13 million and £26 million for 2015 compared to the MTFP figure.

The Council of Ministers was briefed on the Budget 2014 proposals and background issues at its meetings on 10th July, 18th September and 27th November 2013. The Council receives regular financial monitoring reports which include figures on updated income, expenditure and forecasts.