

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY J. H. YOUNG OF ST BRELADE
ANSWER TO BE TABLED ON TUESDAY 9th SEPTEMBER 2014**

Question

In relation to the significant change in the States revenue income forecasts for 2015 as compared to the figures in the Medium Term Financial Plan and those reported to members in the 2014 budget, would the Chief Minister inform the Assembly;

- (a) whether he was fully and promptly informed about this change and, if so, when;
- (b) whether he was informed or otherwise, that the chief officer and finance director (or equivalent) of each ministerial department had been promptly informed of the significant change and, if so, when;
- (c) whether he was informed that Ministers had been promptly informed of the change and when he made arrangements to ensure that each member of the Council of Ministers had been provided with full and prompt information on this change and been asked to consider the implications;
- (d) what the Council of Minister's initial assessment of the policy implications of the revised estimates of States income was and the action the Council directed be taken as a consequence?

Answer

- (a) The Income Tax Policy Forecasting Group provided their revised forecasts at the end of May 2014, but further work was required by the Tax Department with industry to assess and fully understand the reason for the lower forecast. I was advised of the revised estimates immediately before they were presented to the Council of Ministers at their meeting on 11th June 2014. At that time, the Treasurer advised the Council of Ministers that these forecasts were still being investigated and the Income Taxes Office was contacting all agents to ensure that all returns had been made
- (b) The Corporate Management Board was formally informed of the revised Income Tax Forecasts at its meeting on 8th July 2014, although there had been informal discussion at previous meetings. Chief Officers worked with the Treasurer to prepare a list of contingent measures to address the shortfall. These were presented to the Council of Ministers at their meeting on 11th July 2014.
- (c) The Council of Ministers were presented with the revised income tax forecasts at their meeting on 11th June 2014. The Treasurer advised that the income tax department were undertaking further work with agents to assess whether further income was likely to be generated and that all returns had been made.
- (d) On 30th June 2014 the income tax department confirmed the revised estimate, having completed further enquiries with industry. The Treasury then set about preparing contingent measures to address the reduced income stream. These were presented to the Council of Ministers at their meeting on 11th July 2014. Ministers accepted the proposed measures, which have been incorporated into draft Budget 2015.