

2015.06.02

#### **4.10 Deputy G.P. Southern of the Chief Minister regarding the removal of revenue expenditure from the economy:**

What economic impact assessment has the Chief Minister carried out on the effect of the removal of some £125 million (19 per cent of revenue expenditure) from the economy by a combination of redundancies, wage freezes, benefit cuts and user-pays and other charges, especially on low and middle-income households; will he publish the assessment and, if no such assessment has been carried out, when will he undertake such research?

##### **Senator I.J. Gorst (The Chief Minister):**

Ministers are working hard to ensure that the next Medium-Term Financial Plan meets the recommendations of our independent economic experts, the Fiscal Policy Panel. We are aiming to address any potential structural deficit by 2018-19 while ensuring the measures we take minimise risk to the economic recovery. When our detailed proposals for savings and reprioritising spending are finalised, we will consider their combined economic impact and also the potential distributional impact of particular measures. This information will be made available to States Members. The F.P.P. (Fiscal Policy Panel) will comment publicly on the proposals through its usual reporting structure, in particular when it publishes its annual report before the M.T.F.P. debate.

##### **4.10.1 Deputy G.P. Southern:**

The key question there, as ever, is the timespan in which this will be performed. So, when can we expect to see the joined-up set of plans from each department and when could we see the economic impact assessment done on that? How long before the M.T.F.P. will we see this essential information?

##### **Senator I.J. Gorst:**

I am just trying to recall the timeframe off the top of my head. I think that the M.T.F.P. has to be published before the summer recess, June, and the debate takes place in the autumn. I am not sure if it is September or October; I think it is September. Therefore, the F.P.P. will have commented prior to that debate and therefore I will hope to have that work undertaken prior to that. Of course, some of it might be dictated by whether this Assembly approves the changes to the Finance Law later during this sitting because that will determine the detail of particular years.

##### **4.10.2 Deputy G.P. Southern:**

Can we avoid, if at all possible, what usually happens? You publish the Medium-Term Financial Plan at the very end of the session and we come to it first up in September. So we have got the break, which most people take as holiday and very few civil servants are around to contact to find out what is happening. Can we have something, some information before we have the Medium-Term Financial Plan so that we can do some work on it before everybody else takes a holiday and it is very difficult to get in touch with departments and civil servants to work out what is actually happening?

##### **Senator I.J. Gorst:**

I think the publication is due later or the end of June and therefore there will be some time before people go on their summer breaks. I think the statutory requirement is 12 weeks prior to debate. Of course the problem is that one would like to have discussed and debated the M.T.F.P. prior to the budget.