

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY THE DEPUTY OF ST. JOHN  
ANSWER TO BE TABLED ON TUESDAY 17th JANUARY 2017**

**Question**

Further to comments made by the Fiscal Policy Panel in respect of ‘Future Hospital Funding Strategy’ (P.130/2016), will the Minister outline the work that has been undertaken to address the existing structural pressures in States’ finances identified by the Panel; and advise how he intends to ensure these are resolved in advance of any further structural pressures arising from Brexit or the ‘ageing society’?

**Answer**

The FPP’s advice has been to balance the current budget by 2018/19 as that was the point when the economy was expected to be back at capacity. In doing so that would address any underlying structural pressures. The UK referendum result does add additional uncertainty to the fiscal and economic outlook but the FPP have also been clear in their 2016 Annual Report that the time to address any structural impacts resulting from this is the next MTFP period (although this is contingent on the expectation that the current package of measures set out in the MTFP Addition – or others of equivalent value – are delivered as planned).

The decisions taken in the MTFP Addition and Budget 2017 mean that by 2019 the States are forecasting broadly balanced budgets. This will be achieved by delivering the agreed programme of efficiencies, savings and benefit changes alongside the investment in economic and productivity growth, commercial waste disposal charges and future revenue raising measures to replace the health charge funding. The programme of efficiency savings will continue into the next MTFP period together with options for sustainable funding of health. This is how the States will meet the FPP’s advice and address existing structural pressures in States finances.