
STATES OF JERSEY



FISCAL POLICY PANEL: RE-APPOINTMENT OF MEMBERS

**Presented to the States on 17th September 2013
by the Minister for Treasury and Resources**

STATES GREFFE

REPORT

Background

The Fiscal Policy Panel was established as part of a new Fiscal Framework when the States agreed proposition P.133/2006. The objectives of the Framework are to create a more transparent and credible process for making tax and spending decisions in the Island. In addition, to ensure that fiscal policy is set in a more counter-cyclical way that supports economic growth and low inflation.

The Framework incorporates the Stabilisation Fund, with the Minister for Treasury and Resources responsible for its operation, but having regard to the advice of the independent Fiscal Policy Panel (FPP). The States agreed that the FPP would be made up of leading independent economists that can bring together the right mix of experience and skills. The role of the FPP is to publish an annual report for the Minister for Treasury and Resources, with the option that the Minister can also ask for updates to the annual report at any point in the year should fiscal and/or economic conditions change.

Appointment process

As set out in P.133/2006, the States Economic Adviser was responsible for organising the original appointments process and making a recommendation to the Minister for Treasury and Resources. The process adopted was agreed and overseen by the Jersey Appointments Commission and included advertising nationally in the Economist magazine.

The interview panel was unanimous in its recommendation to the Minister that the 3 members (Mr. Christopher Allsopp, C.B.E., Ms. Marian Bell, C.B.E. and Mr. Joly Dixon, C.M.G.) had the most appropriate skills and experience and should be appointed to the Fiscal Policy Panel. The interview panel also recommended that Mr. Joly Dixon should act as Chair of the FPP.

The States agreed the appointment of the Panel on the recommendation of the Minister for Treasury and Resources in September 2007, and their re-appointment for a further 3 years in October 2010.

Achievements since appointment

The 3 Panel members bring a wealth of economic expertise to the Island, and since their appointment in 2007 have built up significant understanding and knowledge of the Jersey economy and public finances. They have won widespread respect and trust through the high standard of their regular reports and advice and their open and frank approach. They have been instrumental in recommending the use of the Stabilisation Fund in a timely, temporary and targeted manner to support the economy in the aftermath of the global financial crisis, and have consistently reminded the States to focus on medium-term issues. They have published the following:

- Preliminary Report April 2008
- Annual Report September 2008
- Annual Report Update November 2008

- Letter to Minister for Treasury and Resources on Fiscal Stimulus March 2009
- Annual Report May 2009
- Annual Report Update November 2009
- Interim Report September 2010
- Annual Report November 2010
- Annual Report July 2011
- Annual Report Update October 2011
- Letter to Minister for Treasury and Resources on Use of Stabilisation Fund May 2012
- Annual Report October 2012.

All the above reports are available at www.gov.je/fiscalpolicypanel

Re-appointment for 6 months

The current members of the FPP have agreed to publish their next annual report in early November ahead of the States debate on Budget 2014. Their current contracts expire at the end of September 2013, and the Minister intends to extend their contracts for a further 6 months to allow them to publish their annual report and continue in their roles for that period.

The [Draft Public Finances \(Amendment No. 4\) \(Jersey\) Law 201-](#) was lodged *au Greffe* on 6th June 2013 and was adopted by the States on 11th September 2013, as amended by [the Minister’s amendment](#). The Law formalises the FPP and sets out how they will be appointed. The Minister would like the FPP to be appointed now that this draft Law has been debated and adopted by the States. The extension of the existing contracts for a further 6 months would allow this to happen.

The Minister would also like to ensure that any subsequent appointments to the FPP beyond the current contract extensions are in line with the Appointments Commission guidelines. The Appointments Commission’s *Code of Practice for Appointments to Autonomous and Quasi-autonomous Public Bodies and Tribunals* (<http://appointmentscommission.je/JACquangos.pdf>) states that with reference to second re-appointments for upper-tier bodies like the FPP that –

“Second re-appointments (i.e. for a third term in office in the same role) will be rare and can normally only be made if the individual has been considered alongside other applicants in open competition and has proved to be the most suitable candidate. However, where the term of office of the member is comparatively short, i.e. not more than two years, the need to apply a competitive process can be delayed until the member has served six years.

Exceptions

Further, where one of the following criteria applies to the current postholder –

- *She or he has particular skills or experience essential to efficient functioning of the Body; or*

- *She or he will provide continuity during a period of change (perhaps when a number of appointments are coming to an end simultaneously or bodies are merging); or*
- *Experience has clearly shown difficulty in attracting candidates with the requisite knowledge and experience;*

The Commission would consider approving an extension of the person's membership of the Body without the requirement to carry out a competitive process. An approach should be made to the Commission to approve such a way forward before any action is taken."

The Jersey Appointments Commission has agreed that this is a suitable way to proceed.

Financial and manpower implications

There are no additional resource implications arising from these proposals, as the salary and running costs of the FPP are part of the existing budget of the Chief Minister's Department.

APPENDIX**Biographies of current members**

Christopher Allsopp, C.B.E. is Director of the Oxford Institute for Energy Studies, a fellow of New College, Oxford and a reader in Economic Policy at the University of Oxford. He is the editor of the Oxford Review of Economic Policy and a director of Oxford Economic Forecasting. In 2003/04 he conducted the Allsopp Review of Statistics for Economic Policymaking for the Chancellor of the Exchequer. He is a former member of the Monetary Policy Committee (2000 to 2003) and of the Court of Directors of the Bank of England (1997 to 2000).

Marian Bell, C.B.E. is an economics consultant and former member of the Monetary Policy Committee of the Bank of England (2002 to 2005). She has held posts at the Royal Bank of Scotland, where her roles included managing the Treasury and Capital Markets Research function, and at H.M. Treasury, where she worked on modelling and forecasting the UK economy. Among her various other interests she is Vice-Chair of the Contemporary Dance Trust at The Place.

Joly Dixon, C.M.G. chairs Jersey's Fiscal Policy Panel. He worked for nearly 30 years at the European Commission, holding a variety of senior posts. He was Director for International Economic Affairs in the Department for Economic and Financial Affairs from 1992 to 2003. Prior to this, he was in the private office of former Commission President Jacques Delors, advising the President on economic and monetary affairs.