
STATES OF JERSEY



FISCAL POLICY PANEL: APPOINTMENT OF MEMBER

**Presented to the States on 12th April 2018
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 adopted proposition [P.133/2006](#) (*Establishment of a Stabilisation Fund and Policy for Strategic Reserve*) on 5th December 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 countercyclical way that supports economic growth and low inflation.

The Framework incorporates the Stabilisation Fund, with the Minister for Treasury and Resources being 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.

In September 2013 the FPP was put on a statutory basis, with their main purpose to continue to publish an annual report on the state of the economy in Jersey and States finances, with particular reference to –

- the strength of the economy in Jersey;
- the outlook for the economy in Jersey and, generally, world economies and financial markets;
- the economic cycle in Jersey;
- the medium- and long-term sustainability of the States’ finances, having regard to the foregoing matters; and
- transfers to or from, the Strategic Reserve Fund and Stabilisation Fund, having regard to the foregoing matters.

In September 2015 the Council of Ministers set out (in [R.107/2015](#)) the fiscal framework for the Medium Term Financial Plan 2016 – 2019 and beyond. It recognised that, now the role and responsibilities of the FPP are on a statutory basis, the FPP’s Annual Report will remain the cornerstone of fiscal framework. Through independent, expert and transparent advice, the FPP is the most important check and balance to help the States set fiscal policy in keeping with the States’ economic and fiscal objectives and medium-term fiscal sustainability. As part of the new framework, the FPP agreed to consider and assess what the appropriate economic assumptions should be for income forecasting purposes.

The independence of the FPP remains critical for its role in advising on fiscal policy matters. The framework emphasized the need for a transparent process through which the Minister for Treasury and Resources appoints Panel members in keeping with the legal requirement for the Minister to “seek the views of the Appointments Commission” before making an appointment.

Remuneration

The remuneration for the new member will be £18,000 per annum from April 2018 for a period of 5 years.

Existing Fiscal Policy Panel members

Two of the Panel members (Ms. Tera Allas, and Dame Kate Barker, C.B.E.) were appointed in March 2014 for a period of 5 years. Professor Francis Breedon was appointed in March 2016 for a period of 5 years. Ms. Allas informed the Minister for Treasury and Resources of her decision to resign before the end of her term of office, which has resulted in this recruitment.

Appointment process

There was open competition for the new appointment, in line with the Jersey Appointments Commission's Guidelines. The whole recruitment process was conducted under the supervision of the Jersey Appointments Commission, who have confirmed that they are content that the recruitment process has been conducted appropriately, meeting the standards required in openness of competition, impartiality, equality and selection based on merit.

Adverts were placed during December 2017 and January 2018 in *The Economist*, the *Sunday Times*, the *Jersey Evening Post*, and on the States of Jersey recruitment website. The recruitment process was very successful in attracting high-calibre candidates. Twenty-nine applications were received, and 4 candidates were shortlisted for interview.

All shortlisted candidates were interviewed by an Appointments Panel, which was chaired by Dame Janet Paraskeva, D.B.E., Chair of the Jersey Appointments Commission. The Panel included Dame Kate Barker, C.B.E., Chair of the FPP, Mr. Charlie Parker, Chief Executive of the States of Jersey, and Mr. Dougie Peedle, Chief Economic Adviser.

In making the recommendation for appointment, the Appointments Panel carefully considered the merits of all the candidates and their professional and academic backgrounds, with the aim of complementing the experience and background of the other members of the FPP.

As a result, the Minister proposes to appoint Mr. Richard Davies to the FPP, 2 weeks from the presentation date of this report.

Biographical details

Mr. Richard Davies is a British economist and a Fellow at the Centre for Economic Performance, part of the London School of Economics ("LSE"). He is also Chief of Staff and Research Director of the LSE's Growth Commission. Before this, he held various roles in economic policy, research, journalism and the voluntary sector.

Between 2015 and 2016, he was Economics Adviser to the Chancellor of the Exchequer, George Osborne, at H.M. Treasury. Other policy roles have included working at the Bank of England between 2006 and 2012, where he managed teams covering international macro-economics and the financial sector. He was a lead author of the Bank's Financial Stability Report. He also worked on secondment at the Bank of Canada in Ottawa. He began his career as a micro-economist, working in private sector consultancy, and then as a government antitrust economist at the UK Competition Commission.

As a journalist, Mr. Davies has written for *The Economist* (where he was Economics Editor until 2015), *The Times*, and *1843 Magazine*. He edited *The Economist's* guide to economics – *Making Sense of the Modern Economy* – published by *Profile* in 2015.

Mr. Davies' research has been published in the *Journal of Money, Credit and Banking* and the *Journal of Financial Stability*, and he previously held a lectureship at Lincoln College, Oxford, where he taught macro-economics, and money and banking. He has studied economics at Oxford and the London School of Economics.

Mr. Davies volunteers for a number of economics-related charities. He is a founding trustee and director of *CORE Economics Education*, and gives talks about economics and journalism in state schools for *Speakers for Schools*. He has previously worked with *Pro Bono Economics* to help charities estimate the impact of their work.