

**Minister for Treasury and Resources**  
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Senator K Moore  
Chairman  
Corporate Services Scrutiny Panel

11 January 2018

Our Ref: SP/KH

Dear Senator Moore

### **Funding for Public Sector Pay**

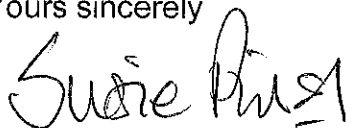
Thank you for your letter of 18<sup>th</sup> December.

I am, of course, aware of the powers under Article 9(2)(ca) of the Public Finances (Jersey) Law 2005, although I would point out that it is the Council of Ministers who can bring such a proposition (on the recommendation of the Minister for Treasury and Resources), not the Minister for Treasury and Resources.

Your recommendation states that a proposition should be brought "on the basis that there is an urgent need for expenditure in 2019 to fund emerging priorities in relation to the Common Strategic Policy and to resolve the public sector pay dispute". I will not be accepting this recommendation for two main reasons:

- At this point in time I am not convinced that an urgent need exists. All efforts are being directed towards containing 2019 expenditure within the levels agreed by the States Assembly in the Medium Term Financial Plan. In my view this is what the Assembly would expect of me. Should the situation change I will, of course, remain aware of the legal powers available.
- I am also concerned about the recurring structural deficit position if no action is taken. Unless any requests to increase expenditure within the current MTFP were to be accompanied by a corresponding income-raising measure they would make that position worse, at a time when we are formulating plans to eliminate it.

Yours sincerely



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Minister for Treasury and Resources

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