

Treasury and Exchequer Ministerial Decision Report

Revised Terms of Reference for the Income Forecasting Group

1. Purpose of Report

To amend the Income Forecast Group (IFG) Terms of Reference (ToR) to produce a minimum of one forecast per year.

2. Background

The current Terms of Reference for the IFG require the IFG to complete a minimum of two forecasts per year. Amending the minimum requirement to one forecast per year, allows flexibility in the planning process should economic assumptions remain consistent for only one forecast to be produced.

The updated IFG Terms of Reference are detailed below.

IFG – Terms of Reference

Purpose

The group is established as an advisory function on the forecasts of all States income from taxation and social security contributions which will be informed by economic assumptions produced by the Fiscal Policy Panel with additional forecasts for other States income prepared by Treasury officers.

Objectives

To produce an absolute minimum of one forecast each year

A full review of states tax, social security contributions and duty revenue forecasts will take place following the provisional outturn and no later than May of each year.

A further forecast (if needed) to inform the Government Plan debate, including any revised economic assumptions and experience from the current year actual revenues.

To produce reports on the forecasts of states income from taxation and social security contributions, including:

Forecasts for income tax revenues

Forecasts for goods and services tax and ISE Fees

Forecasts for impots duties

Forecasts for stamp duties

Forecasts for social security contributions

Forecasts for long-term care contributions

Forecasts for other States income

Economic assumptions used; and

Factors and risks that should be considered

The forecasts will cover a period of at least four years and include a range within which a central forecast can be applied.

Reporting

The reports will be presented to the Treasury and Resources Minister in advance of the Council of Ministers consideration.

Once a report is approved by the Treasury and Resources Minister it will be published alongside the Government Plan.

Other reports can be prepared on the request of the Treasury and Resources Minister.

Administration

All meetings will be minuted with agreed actions.

Quorum – at least six members be present for the meetings to be considered quorate. In exceptional circumstances a delegate may be appointed by an official, however external members cannot delegate.

Quarterly internal review meetings will also be held.

Any variations to the group membership once established are to be agreed by the Treasury and Resources Minister or Chief Minister.

It will be the responsibility of the Chief Executive and Treasurer of the States to ensure that the group has sufficient resources to fulfil its responsibilities.

Group Membership

The members of the group are:

Chief Officer, Treasury and Exchequer (Chair)

Chief Officer, Customer and Local Services

Chief Officer, Department for the Economy

Comptroller of Revenue

Deputy Comptroller of Revenue

Group Director, Strategic Finance

GoJ Chief Economic Adviser

GoJ Economist

At least two external members appointed by the Treasury and Resources Minister

The meetings of the group may be attended by the following officers in a supporting role:

Head of Financial Planning (secretary)

Revenue Accountant

Tax Policy Unit Officer

The group will invite other officers and external advisers to attend as appropriate which will be documented.

The group will operate independent of any political influence.

3. Recommendation

The Minister is recommended to approve updated IFG Terms of Reference.

4. Reason for Decision

The Income Forecasting Group was established by the then Minister for Treasury and Resources in MD-TR-2014-0153.

The Terms of Reference require updating to allow the IFG to produce a minimum of one income forecast per year.

5. Resource Implications

There are no financial or manpower implications from the approval of this Ministerial Decision.

Quality Assurance / Review: Head of Financial Governance	File name and path: L:\Treasury\Sections\Corporate Finance\Ministerial Decisions\DS, WR and SD\2024-xx - IFG Terms of Reference
MD Sponsor: Treasurer of the States	