Response to Scrutiny: MTFP Sub Panel draft report October 2012 Ministerial response required by: 3rd December 2012

Scrutiny Panel: Corporate Services MTFP Sub Panel

Introduction

We welcome the Corporate Services MTFP Sub Panel final report on the Medium Term Financial Plan and are pleased that the Panel find much to commend within the MTFP.

Key Findings

	Original Reference	Comments
1	Broadly speaking, the draft MTFP is to be commended for its primary objectives, its scope and the detailed workings which underpin it.	• Noted
2	The MTFP should ideally last five years.	• The period of the MTFP is currently designed to allow each new elected States Assembly the opportunity to have a plan that corresponds with its term. The present 3 year MTFP (2013-2015) will be followed by a 4 year plan (2016-2019). • A five year plan would have greater uncertainty in its estimates as it would more complex to link the policies within the Strategic Plan to the MTFP for all years. • The current MTFP includes a Long Term Capital Plan and an outline of Long Term Tax Policy. • There is a Strategic Plan initiative already being worked on to review other longer planning documents across the States into a coordinated approach to sustainable long term planning.
3	There is a consensus of opinion that future MTFPs should be established on a 'rolling' basis.	• The CIPFA Advisor's report expressed concern that the fixed period weakened the rigour of continuous challenge. Treasury will be reviewing MTFP forecasts on an annual basis and has a strong monitoring process to continually review progress against our estimates. • The existing financial monitoring process by the Treasury involves senior Treasury officers meeting monthly with the Finance Director of each Department to discuss financial performance to date. Quarterly monitoring meetings are held between the Treasurer, the Chief Officer and the Finance Director of each Department. This process has been in place for 18 months and is well settled and established. • Consolidated reports are presented monthly to the Corporate Management Board and quarterly to the Council of Ministers. Currently actual performance is monitored against

		expenditure and income projections set in the Annual Business Plan and Budget. From 2013 this monitoring will take place against Medium Term Financial Plan expenditure limits and income targets. The June quarterly reports to the Council of Ministers are attached for information.
		• The intention is to expand the regular reports to provide specific feedback on the MTFP. The reports have already been expanded to include areas which are frequently the concern of the Council of Ministers, Scrutiny and the PAC, such as use of carry forwards and progress on CSR savings.
		• It is planned to extend this reporting process to include more detail on reserves and provisions, and balance sheet management in general. In particular, information on the performance of the Common Investment Fund and consolidated fund cash management will be disseminated more widely. Further, the Annual Report and Accounts will also provide a process and medium for monitoring and reporting against the Medium Term Financial Plan. A specific proposal relating to the MTFP is to report on the use of growth allocations. For each item of growth it is proposed to report:
		  ◦ Amount approved in the MTFP
		  ◦ Amount spent to date
		  ◦ Amount to be returned to the consolidated fund as not needed (if any)
		  ◦ Brief details of how the money was spent
		  ◦ Outcomes anticipated from the expenditure
		  ◦ Actual outcomes achieved
		• Strategic priorities and department objectives will be monitored by the Chief Minister's department in line with the established performance management framework. Progress will be reported in line with the established performance management framework including 6-monthly reports to CoM, the States and an annual Performance Report.

4	Some improvements have been made to the modelling of income from Income Tax.	• This will be monitored on an annual basis and further improvements made as part of the on-going work in longer term forecasting with the Economics Unit and the Taxes Office.
5	Expenditure proposals within the draft MTFP rely too heavily upon income and economic forecasts. There are doubts as to whether these forecasts will be realised, particularly in respect of 2014 and 2015. These doubts have been apparent for some time and yet the Minister for Treasury and Resources has decided not to amend the draft MTFP, despite downgraded forecasts for 2013.	• A number of comments have been made in the lead up to the Medium Term Financial Plan debate about whether the States income forecasts are robust or indeed that they are overly optimistic in the light of economic forecasts. • A robust methodology was used to develop the economic assumptions and the income tax forecasts. The Corporate Service scrutiny panel noted in their report that "some welcome improvements have been made to the modelling of income from income tax". In addition, comparisons show that the economic assumptions used reflect the same level of caution as other independent bodies. The Medium Term Financial Plan forecast was done in March 2012 and based on the published FPP economic forecasts at that

time with assumptions used for 2013 and 2014 being that the economy would return to an average performance, reflecting long-term trends and recent experience. The approach taken is consistent with that adopted by the UK's independent Office for Budget Responsibility (OBR).

MTFP Jersey assumptions v OBR UK forecasts

	Outturn	Forecasts				
Real economic growth % change	2010	2011	2012	2013	2014	2015
Jersey	-5.0*	1.2	1.4	2.0	2.5	2.5
UK	2.1	0.8	0.8	2.0	2.7	3.0

- The available evidence suggests that the forecasts are robust. The most recent monitoring information at the end of the second quarter shows that income tax receipts are higher than budget and exceed the forecasts in the Medium Term Financial Plan by £7 million. This is consistent with us achieving the levels of income set out in the Medium Term Financial Plan. This likely higher starting point for 2013 acts as a mitigation against some of the lower economic forecasts and assumptions referred to by the scrutiny panel.
- The Corporate Services scrutiny panel advisor produced scenarios where more pessimistic assumptions were used to model future income tax forecasts and even with these assumptions the income forecasts were still broadly within the range of forecasts calculated for the Medium Term Financial Plan.
- These scenarios helped to confirm the sensitivity analysis calculated at the time of the production of the Medium Term Financial Plan which showed, from an evaluation of the key drivers of income tax revenues, that there would have to be a significant percentage change in the key economic variables to drive tax revenues to fall outside the current range of forecasts. As an example, a +/-1% change in employment or earnings growth would lead to an approximate £3 million variation in tax revenues.

- The Fiscal Policy Panel has downgraded its economic assumptions for 2012 and 2013 and comments that the income forecasts are likely to be in the lower range by 2014 and 2015 but there is no recommendation to amend the Medium Term Financial Plan forecasts.
- There has also been comment as to the level of increase in tax revenues over the Medium Term Financial plan period but the key drivers of that increase are in relation to personal income tax (corporate income tax receipts are only forecast to grow £9 million over the course of the Medium Term Financial Plan period). The forecasts are based on the level of inflation plus a weak growth in employment and earnings and a small

		improvement in the tax yield and these assumptions are consistent with those used by the OBR where growth in earnings in excess of inflation is forecast to be greater in the UK than assumed for Jersey. • The only conclusion that can be reached is that income tax forecasts are by their very nature uncertain but the range around the income forecasts in the Medium Term Financial plan and the underlying methodology can be demonstrated to be robust when compared to other independent forecasts.
6	Further work is required to demonstrate that the fiscal stimulus elements contained within the draft MFP are timely, targeted and temporary.	• The increased capital expenditure in 2012 and 2013 from one-off receipts was considered by Council of Ministers as part of the evaluation of the MTFP. Discussions regarding the schemes were largely centred on the need to help the construction industry and do more investment in infrastructure which acts as a stimulus. • Some initial work has been completed to apply the 3T test (timely, targeted and temporary) and further work will be done with Departments.
7	Proposed States income and expenditure levels are finely balanced in the draft MTFP, suggesting that there is little room for flexibility in the event that intended income is not realised.	• A number of comments have been made in the lead up to the Medium Term Financial Plan debate about whether the proposals allow sufficient flexibility to deal with variations in States income but also to address any new spending priorities and pressures which emerge during the course of the next three years. • The Council of Ministers has proposed that all available growth is allocated to the immediate priorities of Getting People Back to Work, Economic Growth and Reform of the Health service. Together with the other priorities identified by departments through the extensive prioritisation process this has not left any growth funding to be allocated in future years. • Notwithstanding the proposals to allocate the Growth funding to departments as part of the initial spending limits, there is still a significant amount of flexibility within the Medium Term Financial Plan to address new developments or new policies as they arise. • The total Capital Programme proposed in the Medium Term Financial Plan amounts to £222 million and decisions to allocate this funding to individual capital projects will not be taken until the annual Budget each year. This means that £56 million will be decided in the 2013 Budget, £89 million in 2014 and £77 million in 2015. • The Council of Ministers has proposed that central contingencies are reduced from initial levels but the Medium Term Financial Plan still proposes that £19 million will be available over the next three years with £6 million in 2013, £6 million in 2014 and £7 million in 2015. • A new process for carry forwards is now in place where departments have been given greater certainty in respect of the carry forward of identified underspends against future commitments. The process also provides that any windfall or unforecast underspends are returned to the Treasury which provides an opportunity to consider whether these

		funds should be returned to the Consolidated Fund or used to provide a further contingency against any unfunded priorities during the course of the next three years. • The certainty over carry forward arrangements is crucial to departments to enable them to manage changes in priorities over the three years of the Medium Term Financial Plan. In addition, departments have been encouraged to hold and develop appropriate contingencies to manage any pressures and priorities as they arise and must demonstrate that they have considered all other measures before they need to approach the Treasury for any central contingency. • Other provisions are in place to deal with some of the known funding pressures for the next three years. These include a provision for the costs of claims from the Historic Child Abuse Enquiry (HCAE) process, provision in the form of a smoothing reserve and funds in the Criminal Offences Confiscation Fund (COCF) in respect of any increase in court and case costs and a fully funded central insurance fund. • Each of the flexibility options would enable provision to be made during the next three years for any priorities or pressures that may arise and before any change in underlying tax and spending policies are required in the next Medium Term Financial Plan. The Council of Ministers will also consider any opportunities for budget reductions or efficiency savings that may arise from the Public Sector Reform and Modernisation Programme which may provide additional flexibility particularly by 2014 and 2015. However, at this stage it is too early in the process to consider either the timing or at what level these budget reductions may be achieved.
8	Carry forwards have previously been used to fund new and potentially ongoing revenue expenditure.	• Examples have been given in the report to support the finding that Carry Forwards have been used to fund new and potentially ongoing revenue expenditure. The example of staffing levels within the Department of Social Security was challenged for factual accuracy on the basis that the current provision for services includes staff employed on temporary contracts and has been implemented in 2012 because of the pressing need to provide Back to Work services. • The Treasury evaluates Carry Forward requests before the Minister for Treasury and Resources presents them to Council of Minister for authorisation. Part of this process is to ensure that these requests are for one-off expenditure that does not create a recurring revenue expenditure requirement. This monitoring will be in place for the 2012 requests and beyond.
9	There is inconsistency in the application of policy on carry forwards and the reliance on carry forward funding suggests a lack of rigour in base budgeting for departmental expenditure.	• The carry forward process has been consistently applied. Treasury would welcome any particular examples that Scrutiny consider this is not the case so that they can be dealt with directly. • Departments are required to allocate carry forwards in a way that does not create

		ongoing commitments that cannot be met from within budgets. Departments are required to have sufficient flexibility to ensure that any additional expenditure requirements can be met within their base budgets. • Carry forward requests are made by departments at the end of the financial year and are based on the forecasts made in Quarter 3. Any notified underspend that is fully justified will be included in the carry forward proposal taken for approval to the Council of Ministers. The carry forward process is an essential part of financial management for departments because it allows them flexibility to manage their funding across years.
10	There is insufficiently detailed information in respect of the capital programme meaning that the revenue consequences of individual projects may not be clearly understood.	• Capital projects for 2013-2015 are supported by outline business cases and Departments were asked to consider revenue implications for capital schemes. Departments were aware that the assumption made was that any identified revenue implications would either be funded through base budgets or should be proposed as growth bids.
11	Capital allocations proposed in the draft MTFP assume that the Housing Transformation Programme will be implemented, notwithstanding that the States Assembly has yet to approve the Programme. Approval of the draft MTFP could therefore provide the Assembly with little option but to pursue the Programme.	• A funding source for Housing is the repayment of an advance of £27 million made in 2012. In 2014, £26 million is used as a funding source with the remainder being allocated to 2015. In 2014, there is also a repayment of £11 million for earlier advances relating to Le Squez and Pomme D'Or Farm. These are repayable by Housing upon incorporation because the new Incorporated Body will then be able to access funding through infrastructure loans from the Currency Fund. In parallel to this, Treasury are working on evaluating other funding options and any changes to the incorporation timetable would have this as a planned mitigation in terms of alternatives to this repayment.
12	There is no growth allocation within the draft MTFP as envisaged in Article 8 of the Public Finances Law, contrary to what the States Assembly expected when it moved to longer-term financial planning.	• The States approved initial growth allocations in the 2012 Business Plan of £6 million in 2013 and £16 million in 2014. As part of the initial work on the Medium Term Financial Plan and the resource statement in the States Strategic Plan, a level of £26 million was proposed for growth in 2015 as part of the total States spending limits for the Medium Term Financial Plan. • Against these original growth allocations, Council of Ministers received growth requests from departments amounting to almost £35 million. The growth requests also proposed that a higher level of growth was required in 2013 to address the immediate priorities of Getting People Back to Work, Economic Growth and Reform of Health and Social Services. In addition to the main growth bids, initiatives for Back to Work and Employment projects (which may not be permanent and recurring) of £7 million by 2015 were also proposed. • The Council of Ministers and Corporate Management Board conducted a significant

prioritisation process with departments which attempted to reduce the requests to the level of growth funding available. Treasury worked with departments to identify if there were other ways that the growth requests could be funded within existing spending limits. Departments were encouraged to reprioritise existing services and identify efficiency savings wherever possible.

- The Council of Ministers then went through a process of seven iterations. A fully funded package of proposals was agreed which will prioritise the growth bids, taking into account changes to resources that Treasury could identify, to help deliver the Strategic Priorities.
- The prioritisation process dovetailed with the work being carried out by a number of Ministerial Oversight Groups, for example on Health and Social Services and Housing Transformation. White papers were due to be published and the MTFP has been prepared to be consistent with what will be proposed, without in any way pre-empting the support of the States for the funding proposals in the MTFP.
- Council of Ministers considered that there remained a priority to find additional funding for Reforming Health Services, Getting People Back to Work and Stimulating Economic Growth, and proposed to allocate all available growth in the Medium Term Financial Plan. This was not the original plan, which would have left some growth available to allocate in future years, but the immediate funding of these initiatives in 2013 was felt to be vital to provide a stimulus to employment, the economy and also to begin the essential reform of Health and Social Services.
- The Council of Ministers was conscious of the need to provide some future flexibility, especially for 2014 and 2015, and this has been achieved for example through the provision of contingencies and the agreement of the £222 million capital programme on an annual basis.
- The Council ultimately considered three final options:
    - All prioritised growth bids to be included in MTFP
    - Removing selected growth bids to get closer to a fully funded position
    - Removing all 2013 growth except Health and Social Services
- One of the Council of Ministers' key resource principles is to maintain a balanced budget position and deliver affordable and sustainable public services and this determined the final option which required a final prioritisation process to select growth bids to be removed and not funded as part of the Medium Term Financial Plan proposals. These removed or deferred growth bids amounted to £11.6 million in 2013, £7.4 million in 2014 and £5.1 million in 2015.
- Whilst the growth is fully allocated in the MTFP, there is still an opportunity to influence new developments in policy on an annual basis. Each department has to differing degrees discretionary elements of funding together with flexibility through department

		contingencies and carry forwards to reprioritise their funding to address new developments. Centrally, there is flexibility through the central allocation of contingency and restructuring funding and this is acknowledged in the report. There is also the opportunity to influence capital expenditure on an annual basis.
13	The role of the States Assembly in setting overall spending limits has been diminished, contrary to the provisions and sprit of the Public Finances (Jersey) Law 2005.	• The MTFP is a proposition to the States Assembly which is voted upon by States Members. The States Assembly, therefore, has the overall say in setting spending limits.
14	'Growth' funding has been provided for services that were already being delivered.	• Treasury do not accept that growth funding has been provided for services that were already delivered. The example given for the Department of Social Security relates to the temporary provision of staffing in 2012 which has no permanent funding from 2013 onwards. This funding has been provided in 2012 because of the pressing requirement of Back to Work initiatives.
15	There will be less contingency available during the lifetime of the draft MTFP than was initially envisaged.	• The original allocation to contingency was initially planned to be £13 million in 2013, £12.5 million in 2014 and £12.5 million in 2015. • The Council of Ministers has endeavoured to work within overall States spending limits and has considered the balance between unearmarked contingencies and funding urgent growth allocations to delivery the agreed strategic priorities. • The draft MTFP presented to the States for approval has reduced contingency allocations but these still amount to £6 million in 2013, £6 million in 2014 and £7 million in 2015. • This is an improvement on previous Annual Business Plans in which there was no provision for contingencies. • There is a process for the authorisation and use of contingencies that will be followed for future allocations of the balances shown in the MTFP. This is a defined process and provides a governance framework for the Council of Ministers.
16	Contingency funding has been used for 'growth' bids and as a means to balance the budget.	• The use of contingencies within the MTFP is to enable the States to meet service needs for local people and has not been undertaken lightly. This has resulted in a minimum allocation for unforeseen or unquantifiable pressures with any balance used within the MTFP to help fund the delivery of strategic priorities. • The proposed allocation of contingencies was done as part of the MTFP process to help bring forward expenditure into 2013 which is in line with the advice given in the FPP report.
17	The draft MTFP proposes the use of contingency funding for matters which are known funding pressures, rather than	• The Council of Ministers does not contest that the Contingency for Emerging Items is for known items rather than unforeseen, indeed the Council of Ministers has been quite

	being left to address unforeseen items. This is contrary to what the States Assembly was advised when it agreed to move to longer-term financial planning.	transparent about this. However, the reason this remains a Central Contingency is that the amount, the timing and the value of the allocation required to individual departments are all unknown. The Council contends that this remains an appropriate Contingency item. • The Treasury does not accept that other contingency funding has been used to fund known pressures.
18	There is a concern that insufficient contingencies will remain, particularly for the latter part of the MTFP in 2014 and 2015.	• The MTFP is a three year plan and it is not possible with any estimates to give certainty about the outcome of any plan. There are contingencies in 2014 and 2015 of £6 million and £7 million respectively. These contingency amounts are for unforeseen events that are not currently funded within the MTFP. • Any concern about the level of contingencies can be addressed through careful monitoring and if necessary the earmarking of any uncommitted underspends that occur in the early years of the Plan.
19	No transfers between the Consolidated Fund and the Strategic Reserve are proposed in the draft MTFP although consideration is due to be given to the policy underlying use of the Reserve.	• Noted
20	No transfers between the Consolidated Fund and the Stabilisation Fund are proposed in the draft MTFP.	• Noted
21	The draft MTFP relies upon the delivery of considerable funding from policy options that remain to be discussed and agreed by the States Assembly, for example use of the Health Insurance Fund and income through the management of Guernsey's waste. Until such time as those decisions are taken, the policy proposals contained in the draft MTFP can only be viewed as provisional and resulting income as uncertain. Furthermore, the hands of the Assembly could be tied through adoption of the draft MTFP.	• The MTFP does not tie the hands of the States Assembly for major policy decisions such as Housing Transformation Project and the Health reforms. For example, both of these debates will be held shortly after the main MTFP debate. • The MTFP includes expenditure for the Housing Department on the same basis as previous Annual Business Plans. Appendix Six, on Page 294 of the MTFP, sets out the financial implications that would arise if the Housing Transformation Project is voted for by the States Assembly. • The use of the Health Insurance Fund and the redemption of the JT Preference Shares are detailed as dependencies in the proposition. It is therefore clear what the implications are for States members. • The proposal for the redemption of the JT Preference Shares is part of the MTFP Proposition P69/2012 – Para (f) and the Proposition for the use of the Health Insurance Fund P88/2012 has been lodged such that it can be debated by the States Assembly alongside the income and expenditure proposals for the MTFP... • The JT Preference Share redemption returns £20 million to the States without diluting the ownership of JT Group Limited, which remains 100% owned. These funds have been allocated to the Capital Programme (£15 million) and the Innovation Fund (£5 million). • The Annual Budget for 2013 will detail additional measures that will contribute to

		additional income from tax collection and reduce avoidance. • The other budget measures do provide sufficient time to allow Departments to work towards achieving these proposals before the funding streams are required. This is why the Guernsey waste disposal amount of £1.5 million is in the MTFP from 2015 onwards; Social Security supplementation of £1.8 million from 2014 onwards (£3 million in 2015) and new fees of £0.6 million from the Control of Housing and Work (Jersey) Law from 2014 onwards. • The proposals for Guernsey Waste are at an early stage and an estimate of net income has been included within the MTFP, from 2015 onwards. If this policy is not agreed then this variance could be dealt with through the use of contingencies or other budget measures.
22	The original target of delivering savings of £65 million through the CSR will not be met. Shortfalls may arise in relating to Terms and Conditions and Procurement. Furthermore, it is currently uncertain whether further savings proposals included in the draft MTFP will be realised. A concern therefore arises as to whether the States has truly developed a value-for-money culture.	• The overall target of £65 million was affected by the States decision on £7 million of the savings proposals from Education (this relates to the decision not to reduce the grants to fee paying schools and the associated amendment which protected the non-fee paying schools as well). • Almost £56 million of CSR savings will be delivered by 2013. The shortfall is predominantly made up of £6.3 million in Education and £3.3 million which is the cost of the consolidated 1% pay offer in 2013 • Education, Sport and Culture has brought forward compensating savings of £2.8 million and Social Security has brought forward further savings proposals within the MTFP amounting to £3 million. This means that by 2016 the Council of Ministers would only be short of £3.6 million against the original target of £65 million. This is very close to the shortfall associated by the States not approving the reduction in grants to fee paying schools. • In total, CSR savings of £61.4 million should be delivered by 2016. • The Social Security savings of £0.3 million are as a result of measures that are already in place. • The work to review Social Security benefits that would give rise to a £3 million saving from 2014 is at an early stage which is why the Minister for Social Security was unable to specify how these savings would be achieved. The intention of the Department is to deliver these savings through a range of policy options that will require States decisions in due course. • CSR savings are monitored regularly and presented to the Council of Ministers. An example of such a report was published for States members in August and included details of the 2013 proposals. • A further publication providing details of all the latest savings proposals for 2011 to 2013 will be available in advance of the MTFP debate on 6 November as a further Annex to

		P69/2012.
23	It is vital that an appropriate reporting and monitoring mechanism is developed in relation to the MTFP to ensure not only the sound management of States finances but also the delivery of decisions made by the States Assembly. Further work in these areas is required.	• The Treasury will continue with its monitoring process and this will ensure that there is visibility both on performance and on the delivery of decisions made by the States Assembly in relation to the MTFP • The 2013 Accounts will similarly include any appropriate changes to financial performance to reflect the MTFP proposals.

Recommendations

1	The Minister for Treasury and Resources should examine and report to the States Assembly by July 2013 on the implications of extending the period of future MTFPs to five years in duration.	Noted and accepted with Comments associated to the Findings
2	The Minister for Treasury and Resources should report to the States by July 2013 on the implications of establishing future MTFPs on a 'rolling' basis.	Noted and accepted with Comments associated to the Findings
3	The Minister for Treasury and Resources should report to the States Assembly at a minimum of six monthly intervals on the implications for the MTFP of updated economic and income forecasts.	Treasury would recommend an annual update in September of the relevant year. This would give time to inform the Annual Budget process and allow sufficient time in that year to be able to monitor the economic and income forecasts for a meaningful period.
4	The Minister for Treasury and Resources should report back to the States Assembly within three months with confirmation that elements of fiscal stimulus proposed in the draft MTFP are timely, targeted and temporary.	Treasury would recommend that the Capital Programme is subject to a formal review against the Timely, Temporary and Targeted (3T) criteria.
5	The Minister for Treasury and Resources should review the use of carry forwards to ensure that, in future, they are used consistently and to reduce their use on new and potentially ongoing expenditure.	Treasury will continue with their current process of monitoring Carry Forwards and will introduce an enhanced reporting mechanism for Council of Ministers. This will form part of future published reports on financial progress in the year.
6	The Annual Budgets for 2013, 2014 and 2015 should provide sufficient detail on individual capital projects, including the revenue consequences of those projects.	Accepted
7	The States Assembly should in future be provided the opportunity to discuss growth allocations at the time of the Annual Budget, as envisaged in the Public Finances Law.	Growth has been allocated within the MTFP to enable essential services to be provided by Departments. All growth is committed in the original MTFP proposals but the Council of Ministers recognises the point made by the Scrutiny Panel and have revisited the Growth proposals with departments and Ministers and proposed an Amendment to the MTFP ((P69/2012.Amd. (9)) Amendment) which would allow an element of Growth to be allocated in the annual Budgets in 2014 and 2015. This will be subject to States debate on the 6th November.
8	The Minister for Treasury and Resources should review the policy for the application of contingency and should report back to the States Assembly on the matter.	There is a published policy on the allocation of contingency R010/2012, and this will be applied for the period of the MTFP.
9	The Minister for Treasury and Resources should ensure that amendments to the policy underlying use of the Strategic Reserve are brought to the States Assembly for approval.	Accepted – no amendments will be made to the policy underlying the use of the Strategic Reserve without reference to the States Assembly

10	The Minister for Treasury and Resources should review the policy underlying transfers to and from the Stabilisation Fund.	Accepted
11	The Minister for Treasury and Resources should review and report back to the States Assembly on the monitoring and reporting mechanism that will be used in respect of the MTFP.	Noted – see response on Findings