

Budget Overview

	2020 Budget £m	2019 Estimate £m	2019 Budget £m
Total Income	479	481	467
Revenue Expenditure	(432)	(412)	(404)
Operating Surplus	47	68	63
Transfer to Capital Reserve	(43)	(64)	(62)
Transfer from General Reserve	3	4	4
Provision for Aurigny Loss	(7)	(8)	(4)
Overall Surplus	-	1	1

Overall Position = Balanced Budget

- + Income remains strong, growth in key areas
- + Unprecedented pressure on the cost of and demand for public services
- + Additional funding for Committees totalling £15.5m
- + Prioritised investment in new service developments of £5.4m
- + Allowance in full for Aurigny's increased budgeted loss
- + More appropriate/realistic level of transfer to Capital Reserve

Progressive Measures

- + 5.2% (£575) increase in personal allowances to £11,575
- + Personal allowance for those over 65 increased as removal of age related allowance completed
- + Introduction of tiered TRP approach for properties above 200 generating £0.8m

Other Initiatives

- + Multiple longer-term policies and plans under development which will have a material impact on the taxpayer, the economy and the cost of public services highlighted
- + Further investment in our economy with additional £0.9m to Future Guernsey Economic Fund
- + Plans announced to develop a co-ordinated and coherent government framework for all aspects of air route operation and support
- + Prioritising legislation to facilitate equity release mortgages

Funding Public Services

- + Funding recommended to underpin an unprecedented level of immediate cost pressures and growing service demands of £15.5m
- + Additional allocation to HSC of £7.2m plus £2m for service developments
- + £5.4m allocated to fund service developments through a prioritisation process
- + Flexibility retained by Committees to prioritise the allocations for service developments
- + Allowance of £3.3m for Committees for Education, Sport & Culture and Home Affairs while savings are planned and delivered

Increased Business Contribution

- + Commercial TRP increased by 5%, 2.3% real terms, generating an additional £0.85m
- + Further £0.7m to be raised from increases to general office TRP category
- + An option to increase commercial TRP by a further 5% to fund additional service developments (£0.85m)

Other Revenue Measures

- + MTFP revenue targets achieved through combination of measures since 2017 and growth in the economy, £6m ahead of overall target for 2020
- + Domestic TRP increased by 10.2% (7.5% real terms) in line with approved strategy, generating £0.8m (£0.6m real terms)
- + Alcohol and tobacco increases meaning 2p on a pint of beer, 10p on bottle of wine, 37p on a packet of cigarettes
- + Duty on motor fuel in line with policy - up 1.1p per litre now, further 1.1p per litre from 1 January

Transformation of Public Services

- + Progress with MTFP savings target expects to achieve £11.7m of cumulative annual savings by the end of 2020, with £4.2m in total for 2020
- + Service Design initiatives with the States' technology partner Agilisys, highlighting savings of between £6m - £7.5m by the end of 2021
- + Further progression on the Organisational Redesign initiatives, reducing posts by restructuring to deliver a new civil service operating model

Total Revenue **£479m**

Total Revenue Expenditure (**£432m**)

Surplus **£47m**

Capital Reserve
Unallocated £230m

General Reserve

Core Investment Reserve
Balance £185m

Transformation and
Transition Fund
Available £13m

Corporate Housing
Programme Fund
Balance £22m

General Revenue
Account Reserve
Available £24m

Future Guernsey
Economic Fund
Available £3m

Bond Reserve
Balance £9m

Various other
minor funds
Balance £15m

Brexit Transition
Available £2m

Participatory
Budgeting
Available £1m

Overseas Aid
Impact Investing
Available £1m