

Freedom of Information Request

Date of receipt: 2nd February 2023

Date of response: 1st March 2023

Freedom of Information request regarding costs of the Tax Review

Request

Within Billet d'État number 1 of 2020, the Policy Letter entitled "The Review of the Fiscal Policy Framework and Fiscal Pressures." At page 126 of the Billet, Section 9.3 of the Policy Letter, the States of Deliberation was advised:

"In accordance with Rule 4(3) [Rules of Procedure of the States of Deliberation and their Committees] the Propositions are not requesting the States to approve funding but the Policy & Resources Committee will use its delegated authority to make funding of up to £150,000 available from the Budget Reserve to undertake the review."

Please may I ask:

- 1) Whether this budget has been subsequently amended, when and how?
- 2) How much has been spent on the Review so far?
- 3) Please provide a breakdown of the aggregate spend to date? I would expect this to include for example, the cost of the reports commissioned thus far, the cost of the design, print and circulation of the very nice little flyers sent through every door (twice), the cost of the presentations, travel around the Bailiwick, other roadshow costs and an estimate of the officer time committed to date. Doubtless, there are other costs, not immediately apparent to a member of the Public and the above list is therefore not exhaustive.

Response provided by the Policy & Resources Committee:

Response to Question 1

The £150,000 budget noted in the "The Review of the Fiscal Policy Framework and Fiscal Pressures" covered the first phase of the Tax Review. When the Phase 1 policy Letter, "The Tax Review" (Billet d'État XIX of 2021) was brought forward for debate and the decision was made to

expand the scope of the work undertaken do further investigation into the Corporate Income Tax Structure the Policy Letter noted:

“A significant investment of staff time and resources will be required to bring these proposals to the point at which a final decision can be made by the States on implementing changes. It is estimated that up to £250k will be needed, including scoping the necessary IT, consultancy support on detailed development, and public engagement and communication. If necessary, the Policy & Resources Committee will use its delegated authority to make funding available from the Budget Reserve”.

Response to Question 2 and 3

Expenses associated with the tax review, including travel costs for travel to Alderney for engagement on matters primarily related to the Tax Review are detailed below.

Professional consultancy and Business analysts:

- **Phase 1:** £125,000
- **Phase 2:** £247,911

Consultancy cost in Phase 1 include a detailed economic assessment of various income and consumption tax options. This piece of work was supported by detailed inhouse modelling of potential tax structures.

Consultancy costs in Phase 2 include a detailed review of the options for corporate tax reform and business analysis to establish the potential operational costs of potential tax reforms.

Communication and engagement costs

- **Phase 1 & 2:** £48,452

Communication and engagement costs include the hosting of twelve public events and livestreams in Guernsey and Alderney and the creation and distribution of supporting materials. Phase 2 communication costs include the full cost of creating the “ourfuture.gg” website which also covers the communications for other major policy initiatives including:

- Tax Review
- Government Work Plan
- Public Service Reform
- Education Transformation
- Health Transformation

We are not able to provide a breakdown of officer time associated with this project as officers will have been working on multiple workstreams over the course of this project and it is not possible to disaggregate the time spent on specific tasks.