

CHECK LIST

AMENDMENTS

Billet d'État No. XIX

Treasury and Resources Department
Annual Budget of the States for 2016

Amendment 1

Proposed by: Deputy G A St Pier
Seconded by: Deputy M P J Hadley

- To insert a new Proposition 32.

Amendment 2

Proposed by: Deputy E G Bebb
Seconded by: Deputy B L Brehaut

- To insert a new Proposition 5A.

Amendment 3

Proposed by: Deputy D DeG De Lisle
Seconded by: Deputy J A B Gollop

- In Proposition 6 delete wording.

Amendment 4

Proposed by: Deputy J A B Gollop
Seconded by: Deputy D DeG De Lisle

- To replace Proposition 6(d), (e), and (f).

Amendment 5

Proposed by: Deputy A Langlois
Seconded by: Deputy J Le Tocq

- In Proposition 8 substitute wording.

Amendment 6

Proposed by: Deputy R W Sillars
Seconded by: Deputy R Conder

- In Proposition 22, insert wording.

Amendment 7

Proposed by: Alderney Representative L E Jean
Seconded by: Deputy M P J Hadley

- In Proposition 22, add wording.

Amendment 8

Proposed by: Alderney Representative L E Jean
Seconded by: Deputy L S Trott

- In Proposition 11, add wording.
- In Proposition 12, add wording.

Amendment 9

Proposed by: Alderney Representative S D G McKinley
Seconded by: Deputy F W Quin

- In Proposition 13, delete wording.
- In Proposition 14, insert wording.

Amendment 10

Proposed by: Deputy R W Sillars
Seconded by: Deputy R Conder

- In Proposition 17, insert wording.

Amendment 11

Proposed by: Deputy E G Bebb
Seconded by: Deputy P A Harwood

- In Proposition 17, insert wording.

Amendment 12

Proposed by: Deputy M P J Hadley
Seconded by: Deputy P A Sherbourne

- To insert a new Proposition 20A.

Amendment 13

Proposed by: Deputy P L Gillson
Seconded by: Deputy F W Quin

- In Proposition 29, insert wording.

Amendment 14

Proposed by: Deputy G M Collins
Seconded by: Deputy M J Fallaize

- To insert a new Proposition 32.

STATES OF DELIBERATION

27th October, 2015

Billet d'État No. XIX

AMENDMENT

Proposed by: Deputy G A St Pier

Seconded by: Deputy M P J Hadley

Annual Budget of the States for 2016

To insert an additional Proposition number 32:

- “32. To delegate authority to the Treasury and Resources Department to approve funding for a broad based review of the operation of the Local Housing Market in Guernsey which the Housing Department and the Treasury and Resources Department (and their successors) were directed to undertake by resolution of the States of 30th September 2015 from the Corporate Housing Programme Fund and / or by a transfer from the Budget Reserve.”

EXPLANATORY NOTE

On 30th September 2015, the States resolved, in relation to a joint report of the Treasury and Resources Department and Housing Department, “To direct the Housing Department and the Treasury and Resources Department (and their successors) to carry out a broad-based review of the operation of the Local Housing Market in Guernsey and to identify and assess measures that can be taken to mitigate house price inflation and influence supply and demand within the market.” The States further resolved that such report would be by way of an independent report, but no provision was made for funding the necessary work. This amendment seeks to ensure that suitable funding will be made available for the work and the production of the report.

However, until the terms of reference for the review have been finalised and a tender exercise undertaken, it is not possible to provide an estimate of the cost. By way of comparison, the report commissioned by the Housing Department entitled ‘Improving the Quality and Affordability of Private Rented Accommodation in Guernsey’ (“the Parr Report”) cost £44,425 in 2003 (£64,458 adjusted for inflation).

STATES OF DELIBERATION

27th October 2015

Billet d'État No. XIX

AMENDMENT

Proposed by: Deputy E. G. Bebb

Seconded by: Deputy B. L. Brehaut

TREASURY & RESOURCES DEPARTMENT

ANNUAL BUDGET OF THE STATES FOR 2016

To insert a further proposition after proposition 5 as follows:

- “5A. To direct the Treasury and Resources Department to investigate the removal of, or introduction of a cap on the amount of, tax relief on interest payments for let properties in section 2 of the Income Tax (Tax Relief on Interest Payments) (Guernsey) Ordinance, 2007 and to report back to the States no later than the end of October 2016.”

STATES OF DELIBERATION

27th October, 2015

Billet d'État No. XIX

AMENDMENT

Proposed by: Deputy D DeG De Lisle

Seconded by: Deputy J A B Gollop

Treasury and Resources Department
Annual Budget of the States for 2015

In Proposition 6, to delete sub-paragraph b.i and paragraph c. and to delete “(regardless of whether or not the couple subsequently marry)” from sub-paragraph f(ii) and (iii); in paragraph 1(i), (ii) and (iii) of the first schedule to delete “prior to 1 January 2016”; and in the second schedule to Proposition 28 to delete sub-paragraph (1)(a)(iii) of paragraph 1 and to delete “(regardless of whether or not the couple subsequently marry)” wherever it appears in paragraph 6 .

Explanatory Note

The effect of this amendment is to accept the equality provisions but to retain the Married Persons Allowance for future married couples, or indeed future civil partners.

There were approximately 80 marriages in 2012 where the ability to claim the Married Persons Allowance was financially beneficial to the couple (due to one spouse's income being less than the single persons allowance). Assuming a similar number of couples are in this position from marrying in each future year, the financial implications to the States of carrying the amendment into effect would be an additional £100,000 cumulative cost per annum. Over a ten year period, this would have a total revenue cost of £5.5m.

STATES OF DELIBERATION

27th October, 2015

Billet d'État No. XIX

AMENDMENT

Proposed by: Deputy J A B Gollop

Seconded by: Deputy D DeG De Lisle

Treasury and Resources Department
Annual Budget of the States for 2016

1. To replace Proposition 6(d), (e) and (f) with the following:

(d) the closure of the Charge of Child Allowance –

(i) in relation to children born after 31 December 2020, or

(ii) where the allowance was not claimed in relation to the previous year of charge.

(e) that co-habitees with children will no longer be able to transfer personal allowances between themselves in relation to children born after 31 December 2020.

(f) in relation to children born before 1 January 2021,

(i) in order to claim a Charge of Child Allowance, an individual must be in receipt of Family Allowance at 1 January in the relevant year of charge,

(ii) personal allowances may also be transferred between co-habitees, including same sex couples, where the couple are recipients of a Family Allowance and made a claim to transfer personal allowances between themselves in the previous year of charge (regardless of whether or not the couple subsequently marry),

(iii) as a transitional measure in the year of charge 2016, personal allowances may be transferred between same sex co-habitees, where the couple were co-habiting as at 31 December 2015 and are recipients of a Family Allowance (regardless of whether or not the couple subsequently marry in 2016).

2. To amend paragraph 6 of the second schedule to Proposition 28, as follows:

- In 1(a) and 2(a) replace “1 January 2016” with “1 January 2021”
- In the proviso to 2(c) replace “1 January 2016” with “1 January 2021”
- In the proviso to 2(c) delete “were co-habiting as at 31 December 2015, and”.

Explanatory Note

The effect of this amendment is to retain the charge of child allowance, and the ability to transfer personal allowances between co-habitees, for those with children born on or prior to 31st December 2020, where such a claim was made in the previous year of charge.

Based on 2012 and 2013 data, there are on average 200 new claimants for the Charge of Child Allowance each year, at an average cumulative cost of £150,000 per annum. Each new claimant could potentially continue to claim the Charge of Child Allowance for the duration of the period that they are a lone parent and in receipt of Family Allowance. Therefore delaying the closure of the Charge of Child Allowance for a further 5 years, could cost £2.25m over the next 5 years, and potentially £13.5m for the duration of the period that these new claimants could be entitled to claim a Charge of Child Allowance.

It has not been possible to identify the number of new elections to transfer unused personal allowances between co-habitees with children in the limited timeframe, therefore the financial implications of this element of the proposition have not been calculated. As an indication of the potential cost, based on 2011 data the total cost of allowing co-habiting couples with children to transfer unused personal allowances between themselves was £330,000.

STATES OF DELIBERATION

27th October 2015

Billet d'État No. XIX

AMENDMENT

Proposed by: Deputy A Langlois
Seconded by: Deputy J Le Tocq

Treasury and Resources Department **Annual Budget of the States for 2016**

In Proposition 8, to substitute “10 years” for “5 years”; and in paragraph 2 of the Sixth Schedule incorporated in that proposition, for “2020” substitute “2025”.

Explanatory note

This amendment seeks to extend the period in which it is intended the reduced Income Tax cap will apply in order to further encourage high net worth individuals to move the Alderney bringing with them their personal wealth and also, possibly, entrepreneurial expertise, which would have a beneficial impact on the economy of the island, beyond their individual tax contributions.

The financial implications to the States of carrying this amendment into effect could be an increase in income if there is an increase in the number of high net worth individuals moving to Alderney.

STATES OF DELIBERATION

27 October 2015

Billet d'Etat No. XIX

AMENDMENT

Proposed by: Deputy R W Sillars

Seconded by: Deputy R Conder

Treasury and Resources Department **Annual Budget of the States for 2016**

In Proposition 22, immediately after “To agree that”, to insert, “, with the exception of the College of Further Education,”.

Explanatory Note:

Recent discussions between officials from Treasury and Resources Department and Education Department have resulted in a re-assessment of the capital work proposed for the College of Further Education. These revised proposals have been considered and agreed by the Education Board and in the light of that recent decision it is requested that the work is continued with no delay.

The financial implications to the States of carrying this amendment into effect are that there would be sufficient funding within the Capital Reserve (£185-£190million) in 2016 to fund all of the other projects and making an allowance for emergency, urgent and unplanned projects (totalling approximately £160million).

The total indicative value of projects listed at paragraph 5.25 would reduce to £115million.

STATES OF DELIBERATION

27th October, 2015

Billet d'État No. XXII Article No. I

AMENDMENT

Proposed by: Alderney Representative Louis Jean
Seconded by: Deputy M J P Hadley

Treasury and Resources Department Annual Budget of the States for 2016

In proposition 22 to add the words “, with the exception of the Alderney Airport Runway Rehabilitation,” immediately after “To agree that”.

EXPLANATORY NOTE

The effect of this Amendment is to prevent the further deferral of the Alderney Runway Rehabilitation Project. The airport is one of the most critical parts of the Island's infrastructure. There are very serious concerns that if the project is further delayed there may be catastrophic failure of the surface, or a safety incident, which would do irrecoverable damage to the efforts the island is making to ensure its future sustainability.

If the runway fails Alderney as a community will be impacted extremely seriously. Failure of the runways is one of the highest risks to Alderney's economy and the sustainability of the community.

The Airport Runway Rehabilitation Project is not an improvement. It is merely restoring the runway to a good and safe condition, and restoring its width to its former level (23 metres).

Deferring this project by at least another 12 months is counter to previous Stats Resolutions to help support Alderney in its current challenging economic times, and condemns the Island and its community to living with high risk for at least a further year.

STATES OF DELIBERATION

27th October, 2015

Billet d'État No. XXII Article No. I

AMENDMENT

Proposed by: Alderney Representative L E Jean
Seconded by: Deputy L S Trott

Treasury and Resources Department Annual Budget of the States for 2016

1. In proposition 11, immediately after “58.5p per litre”, wherever appearing, insert “, but 51.8p per litre on fuel supplied in Alderney”.
2. In proposition 12 to insert immediately following “Ordinance, 2015” the words “, but subject to the insertion immediately after “58.5p per litre”, wherever appearing, of “, but 51.8p per litre on fuel supplied in Alderney”.

Explanatory note

The purpose of this amendment is to exclude fuel supplied in Alderney from the proposed increases in excise duty. The reason for this amendment is Alderney is already disadvantaged as our fuel across the range of products by the time it reaches the pumps is sold at a considerably higher cost than it is in Guernsey. An updated fuel table will be provided to enable Members to see the price difference . This Amendment if successful will assist the already slower economy in Alderney in its recovery. The average wage in Alderney is about 17000 compared to an average wage in Guernsey of 30 000 The draft Ordinance relating to the increased rates of excise duty is set out on pages 60 - 62 of the Budget Report and this amendment proposes inserting the exclusion on page 61, the other pages remaining unaltered. The estimated loss of revenue occasioned by this amendment would be £42,000 in 2016.

STATES OF DELIBERATION

27th October, 2015

Billet d'État No. XXII Article No. I

AMENDMENT

Proposed by: Alderney Representative S D G McKinley
Seconded by: Deputy F W Quin

Treasury and Resources Department Annual Budget of the States for 2016

1. In proposition 13 to delete “and Alderney”.
2. In proposition 14 to insert immediately following “Ordinance, 2015” the words “, but subject to the substitution in the Schedule thereto for Table (B) (Alderney Real Property – Alderney Buildings) (on page 66) of the following Table:

TABLE (B)

ALDERNEY REAL PROPERTY

ALDERNEY BUILDINGS

1 Property Reference	2 Property Description/Usage	3 Tariff
B1.1A	Domestic (whole unit)	£1.14p
B1.2A	Domestic (flat)	£1.14p
B1.3A	Domestic (glasshouse)	5p
B1.4A	Domestic (outbuildings)	57p
B1.5A	Domestic (garaging and parking) (non-owner-occupied)	£1.14p
B3.1A	Domestic (whole unit) Social Housing	Zero
B3.2A	Domestic (flat) Social Housing	Zero
B3.3A	Domestic (glasshouse) Social Housing	Zero
B3.4A	Domestic (outbuildings) Social Housing	Zero
B3.5A	Domestic (garaging and parking) (non-owner-occupied) Social Housing	Zero
B4.1A	Hostelry and food outlets	£5.00
B4.2A	Self-catering accommodation	£3.15
B4.3A	Motor and marine trade	£4.25
B4.4A	Retail	£8.85
B4.5A	Warehousing	£4.55
B4.6A	Industrial and workshop	£3.65
B4.7A	Recreational and sporting premises	£2.15
B4.8A	Garaging and parking (non-domestic)	£4.55
B5.1A	Utilities providers	£35.75

B6.1A	Office and ancillary accommodation (regulated finance industries)	£33.40
B6.2A	Office and ancillary accommodation (other than regulated finance industries)	£11.15
B7.1A	Horticulture (building other than a glasshouse)	5p
B8.1A	Horticulture (glasshouse)	5p
B9.1A	Agriculture	5p
B10.1A	Publicly owned non-domestic	Zero
B11.1A	Exempt (Buildings)	Zero
B12.1A	Buildings – Penal Rate	Zero
B13.1A	Development building (domestic)	57p
B13.2A	Development building (non-domestic)	£4.75

Explanatory note

The purpose of this amendment is to exclude Alderney buildings from the proposed increases in TRP. In Alderney TRP is set at the same rate as Guernsey; there is a strong argument to say it should be less. Income from rent is less than half that of properties in Guernsey. One or two more shops are in the process of closing down. Last year four or five holiday lets de registered. If the States recognises the weaker state of the economy in Alderney and this amendment is successful the economy may at least remain stable and not deteriorate any further. The draft Ordinance relating to the increased rates of Property Tax is set out on pages 63 - 69 of the Budget Report and this amendment proposes substituting the Table on page 66, the other pages remaining unaltered. The estimated loss of revenue occasioned by this amendment would be £48,000 in 2016.

STATES OF DELIBERATION

27 October 2015

Billet d'Etat No. XIX

AMENDMENT

Proposed by: Deputy R W Sillars

Seconded by: Deputy R Conder

Annual Budget of the State for 2016

In Proposition 17 to insert at the end of the words: “and with the addition of £264,000 per annum (for 2016 and in subsequent years) to the net routine capital expenditure cash limit of the Education Department as a ring-fenced maintenance allocation for the Baubigny site: St Sampson’s High School and Le Murier School, the increase to be funded by a reduction in the Budget Reserve.”

Explanatory note

On 23 February 2005 the States approved Stage 1 of the reorganisation of secondary education: stage 1 being the building of Les Nicolles Secondary School and collocated Secondary Special Education School as set out in Billet d’État No II dated 4th February 2005. The detailed plans included in Billet d’Etat II of 2005, asked that:

“A maintenance policy will be prepared for the new estate and will be used by the project team for each development to prepare a planned preventative maintenance schedule.

This will form part of a maintenance plan for each development confirming the type, expected cost, type of expertise required and permitted intervals of maintenance work. The schedule can assist in establishing the required maintenance budget for the life of the building.”

This amendment would reduce the budget reserve (in table 4.31 on page 31) from £8.9M to £8.636M.

STATES OF DELIBERATION

27th October 2015

Billet d'État No. XIX

AMENDMENT

Proposed by: Deputy E. G. Bebb

Seconded by: Deputy P. A. Harwood

ANNUAL BUDGET OF THE

STATES FOR 2016

In proposition 17, to insert at the end of the words “, but with the addition of £66,000 to the revenue cash limit of the Treasury and Resources Department to enable a reduction of fees at the Foulon Cemetery as follows:

the cost of new grave plot to be £1,000,

the burial fee general to be £500,

such an addition to be funded by a reduction in the budget reserve”.

Explanatory Note

The Foulon Cemetery Charges for 2015 display the following prices:

Cost of New Grave Plot: £2,308

Burial Fee General: £1,962

It is understood that all fees at the Foulon Cemetery would ordinarily be raised by RPIX in 2016.

This amendment would reduce the Budget Reserve (in table 4.42 on page 31) by £66,000.

STATES OF DELIBERATION

27th October 2015

Billet d'État No. XIX

AMENDMENT

Proposed by: Deputy M P J Hadley
Seconded by: Deputy P A Sherbourne

Treasury and Resources Department **Annual Budget of the State for 2016**

To insert a further proposition between Propositions 20 and 21 as follows:

“20A. To transfer the sum of £18,500,000 from the Core Investment Reserve to the Capital Reserve on 1st January 2016, notwithstanding Resolution 18 on Billet d'État XXII of 2014.”

Explanatory note

This amendment seeks to fund the capital reserve in line with the policy: “an assumed ‘norm’ for capital investment of 3% of GDP”, notwithstanding that this conflicts with Resolution 18 on last year’s budget report.

Without this transfer important capital projects such as the reprofiling of the Princess Elizabeth Hospital and the development of the College of Further Education will be under threat.

STATES OF DELIBERATION

27th October 2015

Billet d'État No. XIX

AMENDMENT

Proposed by: Deputy P L Gillson

Seconded by: Deputy F W Quin

Treasury and Resources Department **Annual Budget of the State for 2016**

In Proposition 29, to insert at the end of the words: “; but with the addition of £591,000 to the revenue cash limit of the Home Department to provide the necessary time for the benchmarking exercise to take place and to incorporate its agreed recommendations into the Department’s operational services transformation programme which is critical in determining how the remaining FTP target and the General Savings Target can be met through efficiencies and not cuts to service provision; such addition to be funded from a combination of two sources namely, reducing the transfer to the capital reserve and the budget reserve with T&R having discretion to determine the spread.”

Explanatory note

The £591,000 is comprised of two elements firstly £263,000 which represents the Home Department’s remaining FTP balance from its original target of £2.6million. Secondly, £328,000 which represents an additional General Savings Target that has been applied centrally to the Department’s budget for 2016 and will be repeated in 2017.

The financial implications to the States are addressed in the amendment. Implicit in the reduction in transfer to capital reserve is acceptance of a short term temporary flexing of the fiscal policy.

In addition to ongoing transformation and cost containment initiatives the Board supports a benchmarking exercise similar to that already undertaken at HSSD take place to establish the level of funding necessary to maintain the Department’s current level of service provision. If this exercise is undertaken expediently and identifies savings in costs and reductions in service levels which are acceptable to the States it might then be possible to reduce the Department’s revenue cash limit from 2017.

STATES OF DELIBERATION

27th October 2015

Billet d'État No. XIX

Article 1

AMENDMENT

Proposed by: Deputy GM Collins

Seconded by: Deputy MJ Fallaize

Annual Budget of the States for 2016

1. To insert a new Proposition 32 as follows:

“32 To direct the Culture and Leisure Department to do everything reasonably possible to increase the funding it provides for sport when allocating its 2016 budget given that there is a pressing need to increase public investment in sport; and”

2. To insert a new Proposition 33 as follows:

“33 To agree that the Committee *for* Education, Sport and Culture must report to the States of Deliberation by no later than July 2017, setting out a comprehensive sports strategy, including the funding requirements necessary to achieve the objectives set out in the strategy”

Explanatory Note and Rule 15(2) Information

Carrying into effect the proposals set out in this amendment will not increase the expenditure of the States nor do they conflict with any of the fiscal policies of the States.