



## **BILLET D'ETAT FOR 22-10-2008**

**Date: 22nd October, 2008**

Members of the States:

I have the honour to inform you that a Meeting of the States will be held at 5:30pm on Wednesday 22nd October 2008. This will be preceded by the People's Meeting, which will be held on Wednesday 15th October 2008 at 7:00pm in the Island Hall.

Mr C Williams

Vice President

### **Item I Oath of Office**

The newly Elected Member will take an Oath of Office and then take their seat.

### **Item II Budgets for 2009 and Expected Outturn 2008**

The following letter has been received from Mr Willmott, Chairman Policy and Finance Committee:-

"1. As required by section 58 of the Government of Alderney Law, I enclose the budget estimates of income and expenditure for 2009 and the expected outturn for 2008.

2. The main aim of the annual budget is to ensure that adequate funds are available to meet the revenue costs of the various public services and the capital expenditure requirements. The Law requires the States to consider the budgets and directs that thereafter they should be forwarded to the States of Guernsey.

3. The States receives an annual revenue cash allocation from the States of Guernsey, which, together with the States own income, makes it necessary to prioritise the areas of public services that can be provided from the finite resources available. Annual budgets provide a framework, they do not bind the States to spend in any particular area and nor do they preclude the States from choosing to vary the levels and standards of service it provides. Nonetheless, the figures given in the budget are clear indicators of expected income and expenditure in the various sectors.

4. In preparation of the annual budgets, Committees have had to consider: -

- a. Is the service necessary and appropriate in the present economic situation?
- b. Is there an alternative, more efficient, way of providing the service?
- c. Are charges and fees adequate? When were they last reviewed?

5. Revenue Account - Expected Outturn 2008

Under the financial procedures, the revenue cash allocation from Guernsey for 2008 was set at £1,500,000, leaving a balance of £106,300 to be met from Alderneys accumulated unspent balances. The probable outturn is predicting a small variation in this position as is shown in the following table

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	Budget	Probable Outturn
Cash Limit 2008	£1,500,000	£1,500,000
Predicted use of accumulated balance	£106,300	£113,800
Excess of expenditure over income	£1,606,300	£1,613,800

The Probable Outturn for 2008 shows revenue income to be about £13,000 less than the original estimate. As revenue expenditure is approximately £5,000 less than the original estimate (and includes £25,000 in respect of the housing survey which was unforeseen at the time of compiling the 2008 budget), the extra net difference of £7,500 must be taken from the accumulated balance.

#### 6. Budget Estimates for 2009

The Treasury and Resources Department of the States of Guernsey has set the revenue cash allocation for the year 2009 at £1,570,000, a slightly below inflation increase, but nevertheless a welcome one. Taking account of this increase in allocation it is forecast that £40,000 will still need to be taken from the accumulated balances in order to balance the budget in 2009, although this is a marked improvement on 2008. Ongoing reviews of expenditure and income will aim to reduce this shortfall further, however, some of our major items of income, for example the numismatic royalties, depend almost entirely on factors outside our control. The current credit crunch is likely to have a further adverse effect on this source, as is already apparent in 2008.

The major income streams of Income Tax, Document Duty, Impôt Duties and Fuel Duty arising in Alderney are collected by the States of Guernsey and help finance Education, Health and Social Services etc [The Transferred Services] together with the revenue cash allocation. As a result of the new zero ten tax regime that came into effect from 1st January 2008, all Guernsey Government Departments spending has now been limited to increases of RPI or less. Alderney will not be immune from these limitations and for that reason we will need to find alternative ways of balancing income and expenditure, and work is already in hand to review the States operations.

Occupiers Rates only account for about 30% of local revenue, and with staff and other costs continuing to rise, a further increase in the region of 5% will be necessary in 2009. It is also planned to introduce differential occupiers rates and it is expected that this will come into force in 2010. This matter will be placed before the States during 2009 and debated in full at that time.

#### 7. Salaries, Wages and Pensions

The staff costs for 2009 have been increased in accordance with known pay changes and a provision made for pay awards not exceeding 4%.

In the budgets of each department the costs of salaries, wages, employers pension and Social Insurance contributions are combined into the heading of 'Staff'.

#### 8. Capital Account

8.1 Capital income and expenditure, as with the revenue account, is subject to a small cash allocation from Guernsey. With effect from 2004 the monies raised from Congé and other property transfer duties are retained by Alderney as capital income. The slump in the housing market in the UK has had a knock on effect in Alderney, as receipts from Congé in 2008 are dramatically reduced compared to 2007 and it is difficult to forecast any improvement in 2009.

A request for a capital allocation for 2009 has been lodged with Treasury and Resources, however the outcome will not be known until the States of Deliberation discuss the Guernsey Budget, but is anticipated to be £200,000. Post 2008, total capital spending in the Bailiwick will be much reduced and we do not

anticipate receiving allocations from Guernsey in excess of £200,000 until the full impact of the zero ten strategy is apparent. There is one exception to this relating to the Commercial Quay project, where £6 million has already been voted by Guernsey from Capital Reserves with an additional £3.5m allocated from reserves held on behalf of the States by the Alderney Gambling Control Commission (AGCC). As reported in 2007, given the shortage of funds for other capital projects the Policy and Finance Committee has recommended that AGCC surpluses should be used to part fund items on Alderneys capital programme. It is anticipated that annual surpluses amounting to £1.5 million will be available from AGCC reserves, which, together with income from Conge and some property sales, will be used to finance the majority of the capital programme.

8.2 An up to date summary of the States capital income and expenditure forecast for the next four years is attached as Annexe 1 for information purposes. This differs in some respects from the figures included within the attached Budgets. The reason for this is that the Budgets are prepared to a timescale that requires preliminary approval by Treasury and Resources in September in order that they can be incorporated within the Guernsey Budgets in November.

8.3 This Budget deals only with the period up to the end of 2009, but capital spending requirements for social housing, care home accommodation for the elderly, sewer installation and water treatment plant etc amount to a further estimated expenditure in excess of £11 million over the next five years.

8.4 It is important to recognise that the approval by the States of the overall Capital Budgets does not mean that any individual project can proceed without further approval under the revised procedures which were agreed with the Guernsey Advisory and Finance Committee and were reported to the States in July 1999.

8.5 The Capital Budgets are therefore to be seen as an indication of probable projects, rather than a firm schedule.

9. Copies of these estimates have been considered and approved by the Guernsey Treasury and Resources Department.

#### 10. Water Board

The estimates for the Water Board show an operating deficit on the Revenue account of £54,300 in 2008 and £17,700 in 2009. This is a considerable improvement over the past two years, directly brought about by recent increases in charges, together with income from contract work expected as a result of efficiencies made following the purchase of a second vehicle. As there are no capital funds available for projected improvements to the water treatment plant and distribution system it has been agreed that these should be financed by capital grants from the States of Alderney. The first phase, the new transfer main and collection points between Bonne Terre and Battery Quarry, costing £349,000 is about to commence. This has been funded from the capital allocation. The next phase consisting of centralised filtration and storage facilities will be funded from AGCC reserves.

I would be grateful if you would lay this matter before the States with appropriate propositions.

R G Willmott  
Chairman"

The States is asked, after consideration of the Budget Reports

- to accept the Revenue Budgets for 2009
- to accept the Capital Budgets for 2009
- to accept the Water Board Budget for 2009.

## **Item III The Alderney eGambling (Amendment) (No.2) Regulations, 2008**

The Following letter has been received from Mr Willmott, Chairman Policy and Finance Committee:-

"The Regulations were made on 30th September and came into operation on the 1st October. However, by virtue of the provisions of section 25(i)(c) of the Ordinance they must be laid before the States at its October Meeting. It will then be open to the States to annul them at this or its next Meeting (although I am not aware of any reason why it should do so and will recommend that the States resolves not to annul them).

You will see that the Regulations make amendments to the Alderney eGambling Regulations, 2006, as amended, prescribing the entities that are required to hold associate certificates; modifying the designation of, and relationship with, key individuals; amending the general conditions attached to all licences and certificates; introducing a simpler mechanism for licensees maintaining a deposit of funds from which the Commission can draw costs incurred in accordance with operational matters; revising the procedures for approving modifications to gambling equipment; providing for the Commissioners to invite applicants for licences and certificates to meet them before their applications are determined; clarifying the procedures for conducting regulatory hearings; and making other minor amendments .

I will be obliged if the Alderney eGambling (Amendment) (No.2) Regulations, 2008 are placed before the States at its next Meeting together with an appropriate proposition.

R G Willmott  
Chairman"

The States is asked to resolve that The Alderney eGambling (Amendment) (No.2) Regulations, 2008 not be annulled.

(Note a copy of the Regulations may be seen in the States Office, Island Hall and the Library.)

## **Item IV Presidential Election, 2008**

The following dates for the Presidential Election, 2008 are proposed:-

Nominations will be received during the

seven days ending at 4.00 pm on Tuesday, 11th November 2008

Polling Day to be Saturday, 22nd November 2008

That the polling room be the Member's Room

Mr C Williams

Vice President

The States is asked to approve of the above dates for the Presidential Election, 2008.

## **Item V Ordinary Elections**

The following dates for the Ordinary Elections, 2008 are proposed:-

Nominations will be received during the seven days ending at 4.00 pm on Tuesday, 25th November 2008

Polling day to be Saturday, 6th December 2008

That the polling room be the Member's Room, Island Hall.

Mr C Williams

Vice President

The States is asked to approve of the above dates for the Ordinary Elections, 2008.

## **Item VI Plebiscite - Alderney Representatives in the States of Guernsey Deliberations**

The following letter has been received from Mr Colin Williams, Vice President:-

"On the 18th October 2006, the States resolved, as a pilot experiment, to hold a plebiscite for the appointment of the Alderney Representatives to sit in the States of Deliberations, Guernsey. This pilot was successful and the current representatives, Richard Willmott and Bill Walden (Lin Maurice and Richard Cox as alternative representatives), were appointed on the basis of the result of the plebiscite. The public were consulted in May 2007 and there was support for this procedure to continue.

The States of Guernsey (Representatives of Alderney) Law 1978 states that the Alderney Representatives must be appointed every year at the annual meeting. The States of Alderney resolved at the October 2006 meeting that the result of the plebiscite would be confirmed for a period of two years. That period expires at the end of 2008.

Therefore, at the annual meeting in January 2009, the States will be required to appoint two representatives and two alternative representatives to sit in the States of Deliberation. The plebiscite allows for the wishes of the electorate to determine who represents them in the States of Deliberation. It is therefore proposed that a plebiscite takes place to ascertain these wishes.

In order to hold the plebiscite and give effect to its outcome, the States proposes:

1. To conduct a plebiscite of the electorate on Saturday 13th December 2008 to determine whom the electorate wish to represent them in Guernsey.
2. The candidates will be any States Member who states that they wish to serve as a Representative. The list of candidates will be published by 8th December 2008. (States membership for 2009 and 2010 will have been decided by the States election on 6th December 2008.)
3. The voting process will be similar to that of a States Election and will take place in the Members Room, Island Hall from 9:30 a.m. to 6:30 p.m.
4. Each voter will be asked to place a cross against the names of the two candidates they wish to support. Only two choices will be allowed, any ballot paper with more than two Xs will be disqualified.
5. The Jurats will be asked to count the votes.
6. The States commits itself to elect as its Representatives, at the Annual Meeting in January, the two Members with the most votes. The two Members that poll the third and fourth highest number of votes will be elected as the Alternate Representatives. As the Law requires that our representatives are elected annually, those successful in this ballot will be re-elected in 2010.
7. In the event of a tie between two or three Members, the States will choose the Member with the longest previous service as a States Member. Should neither have had any previous States experience or both have equal experience; the States will make the choice. In the unlikely event of only three Members receiving any support, the States will choose the fourth.
8. Information will be available to the electorate on this process prior to the 13th December 2008 [Dictionary definition of a plebiscite: a direct vote of all the electors of a State on an important public question; a public expression of a communities opinion, with or without binding force. N.B.

In this case it will be binding.]  
Mr C Williams  
Vice President"

The States is asked to approve the procedure as described above and;  
That the list of those States Members who wish to be Candidates be published on Monday 8th December 2008  
That the polling day be on Saturday 13th December 2008  
That the polling room be the Members Room, Island Hall.

## **Item VII Questions and Reports**

Issued Friday 10th October 2008

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