



BILLET D'ETAT FOR 22-04-2009

Date: 22nd April, 2009

STATES OF ALDERNEY

BILLET D'ETAT FOR WEDNESDAY 22ND APRIL 2009

Members of the States:

I have the honour to inform you that the Meeting of the States will be held at 5:30 pm on Wednesday 22nd April 2009. This will be preceded by the People's Meeting, which will be held on Wednesday 15th April 2009 at 7:00 p.m. in the Island Hall.

Sir Norman Browne
President

Item 1 Audited Accounts, 2008

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

In accordance with Section 61 (5) of The Government of Alderney Law 2004, as amended, and the mandate of the Policy and Finance Committee, I attach the accounts of the States of Alderney and the States Water Board together with the Auditors Reports thereon, in respect of the year ended 31st December 2008.

States of Alderney Accounts

Revenue Account

The detailed breakdown of the income and expenditure of the three committees is given in the published accounts, with details of the accounts for 2007, original budget and revised budget (Probable Outturn) for 2008 also shown for comparative purposes.

The following comments highlight in round figures some of the material differences between the accounts and the revised budget: -

Building and Development Control Committee

For the first time in several years the Committee's expenditure has almost been covered by income generated from planning fees, with the principle of user pays planned to continue.

General Services Committee

The General Services Committee has continued to deliver the range of public services under its mandate and although there were some variations between the individual budget heads, expenditure was £98,000 less than the revised budget, offset by a reduction in income of £21,000.

The above figures include the Harbour trading loss which was £5,000 more than budgeted. However the overall harbour deficit was £53,000 less than in 2007, mainly due to higher fees together with increased shipping activity connected with the Commercial Quay project.

The General Services Committee also fulfils the functions of the Water Board, which in 2008 returned an overall deficit of £20,000, compared with the 2007 deficit of £66,000. This improvement has been achieved by the Water Board staff carrying out part of the Phase 1 capital project works together with an increase in rates. Advice has also been provided by Guernsey Water enabling the Board to dispense with the payment of consultants. The ultimate aim of the Board is to eliminate the deficit, which will involve achieving greater efficiency within the Department, including carrying out regular contract work, together with further increases in water rates.

Policy and Finance Committee

Expenditure by the Policy and Finance Committee was £15,000 less than revised budget.

Overall income was down by £27,000, mainly due to decreases in numismatic sales and philatelic receipts.

Overall position

The overall position on Revenue Account at the end of 2008 shows that income was £31,000 less than estimate and expenditure was £125,000 less than estimate, so that the use of accumulated unspent balances was reduced by £93,000.

This is a satisfactory result in the current financial climate, and has been achieved by a combination of cost containment and an extension of the user pays policy.

Staff Pension Scheme

An extract from the report of the scheme actuary produced in accordance with Financial Reporting Standard 17 is included under Note 2. This is in effect a snapshot of the financial position of the scheme as at the 31st December 2008. This shows an increase in the scheme deficit from £172,000, to £368,000, due to the current economic situation. These projections are based on the assumption that 50% of members who joined before 1st January 2006 will retire at age 60. If this assumption were changed to 25% retiring at age 60 the projected deficit would reduce to £209,000. The triennial actuarial review is due during 2009.

Since 1st January 2006 normal retirement age for any new members joining after that date has been changed to 65.

Capital Account

Expenditure on Capital Account was £7,150,000 against £723,000 in 2007, reflecting the essential work on capital projects undertaken during that period. The main project, the Commercial Quay, is well underway and due for completion in October. The Courthouse, La Vallee Sewer, and Phase 1 Water Project are substantially complete.

Income on Capital Account amounted to £258,000, (excluding the £6million income from the Guernsey Capital Reserve). The reduction of £95,000 compared to the revised budget was due to a reduction in income from property transfer duties, (mainly Congé), together with an absence of capital asset sales during the year.

Capital Spending Priorities

I am pleased to report that the Capital Program continues to accelerate compared to previous years, with the New Connaught Care Home, and Phase 2 Water Board projects and detailed Alderney Housing Association proposals expected to be placed before the States for consideration during 2009. The prioritisation of projects for 2010/11 is under review.

Alderney Gambling Control Commission

Revenues from licence fees in 2008 amounted to £3,258,000 after the addition of fee income and interest, and deduction of operating expenses the Commission made a surplus in the year of £2,179,000

The Commercial Quay Project has been funded by £6million from the States of Guernsey Capital Reserves with the balance of £3.5million plus any expenditure in excess of that being met from the AGCC reserves, which once again highlights the valuable contribution of this industry to Alderneys economy.

The anticipated capital income from the AGCC looks secure although they will always be exposed to the risk of detrimental external factors beyond Alderneys control.

Conclusion

The results for the year reflect the considerable efforts made by all staff to contain costs and to further extend the user pays principle to charges. The net result is that for the third year running the budgeted deficit has been less than budgeted. Also for the third year running the cost of waste disposal has been capped at £500,000.

Keeping the years expenditure and income in balance has required the use of £20,000 of unspent balances. The remaining unspent balances of £230,000 will be exhausted during 2009, and early 2010.

On the downside it is undoubtedly true that expenditure in some areas has been reduced below a long run sustainable level. Reducing expenditure on maintenance and repairs on the Islands roads and properties to balance the revenue account is not a satisfactory long term strategy. It is anticipated that formation of an Alderney Housing Association will result in a long awaited upgrading and refurbishment of the Islands housing stock. There will be some revenue impact on the 2010 budget as a result.

As always the States is under pressure to deliver more services for the same or less money. Although staff numbers remain under tight control, staff costs continue to rise above the rate of inflation due to increased social security costs and other factors. The States is well aware of the ever increasing cost of living on the Island and is sensitive to the effect increased charges and rates have on everyone, and in particular those on low and fixed incomes. It is also aware of the impact of TRP on businesses, particularly smaller

retailers, and in 2009 has taken this into account in containing occupiers rates to the minimum possible. In 2010 and beyond the shortfall will have to be made up from sources other than unspent balances and to this end the States will continue to explore every possible way of minimising the impact on occupiers rates caused by the anticipated 2010 shortfall.

Once again I would like to thank the Treasurer and her staff for the efficient and timely production of a wide range of information throughout the year.

I should be grateful if you would place this matter before the States with the appropriate proposition.
R Willmott
Chairman

The States is asked to approve of the Annual Accounts for 2008

- (a) of the States of Alderney and**
- (b) of the States Water Board.**

Item II The Public Vehicle (Amendment) Regulations, 2009

The following letter has been received from Mr Walden, Chairman of the General Services Committee:

I attach a copy of the above. The regulations, which amend the Schedule to the Public Vehicle Regulations, 1986, were made by the General Services Committee and come into effect on 23rd April 2009. The regulations are made under powers vested in the Committee by the Public Highways Ordinance, 1966. The Ordinance provides that any regulations made under its provisions shall be laid before a meeting of the States as soon as may be after the making thereof and, if at that meeting or at the next subsequent meeting, the States resolve that the regulations be annulled, the regulations shall cease to have effect without prejudice to anything done thereunder or the making by the Committee of new regulations.

The increase in taxi fares reflects the relevant increase in RPI of 1.2% (rounded to the nearest 5pence).

I will be obliged if the Public Vehicle (Amendment) Regulations, 2009 are laid before the States when it meets in April together with an appropriate resolution.

W Walden
Chairman

The States is asked to resolve that The Public Vehicle (Amendment) Regulations, 2009 not be annulled.

Item III The Speed Trials (Alderney) Ordinance, 2009

The following letter has been received from Mr Walden, Chairman of the General Services Committee

I am pleased to be able to report that Guernsey Kart and Motor Club applied to the Committee for permission to organise a two-day Sprint and Hill Climb event on the 18th and 19th September this year at the Hammond Memorial/Lighthouse course and on Tourgis Hill. The Committee have granted the permission required and the necessary Ordinance has been prepared.

The Ordinance will allow competing vehicles to exceed the speed limit etc., and to permit the closure along the course (a) on the road extending from Whitegates (Hammond Memorial) to Mannez Lighthouse and (b) Tourgis Hill along the extent of the Hill Climb course, from the road junction of the Petit Val with Route de Picaterre to the junction of Tourgis Hill Road with the Grand Val.

As in past years, the Guernsey Kart and Motor Club has undertaken to put in place all necessary safety precautions and to liaise with the Police, Ambulance and Fire Service for these events.

I would be obliged if The Speed Trials (Alderney) Ordinance, 2009 is placed before the States at its April meeting together with an appropriate proposition.

W Walden
Chairman

The States is asked to approve The Speed Trials (Alderney) Ordinance, 2009.

Item IV The Evidence in Civil Proceedings (Guernsey and Alderney) Law, 2009

The following letter has been received from Sir Norman Browse, President of the States of Alderney:-

Please find enclosed a letter from the Bailiff, dated 5th March 2009 seeking approval of the above law.

I would therefore be obliged if you would debate this matter at your meeting on 22nd April 2009 and give your approval as set out in the letter.

Sir Norman Browse
President

The States is asked to approve of The Evidence in Civil Proceedings (Guernsey and Alderney) Law, 2009.

(Note: A copy of the Projet de Loi may be seen in the States Office, Island Hall and the Library.)

Item V The Charities and Non Profit Organisations (Investigatory Powers) (Bailiwick of Guernsey) Law, 2008

The following letter has been received from Sir Norman Browse, President of the States of Alderney:-

Please find enclosed a letter from the Bailiff, dated 26th March 2009 seeking approval of the above law.

I would therefore be obliged if you would debate this matter at your meeting on 22nd April 2009 and give your approval as set out in the letter.

Sir Norman Browse
President

The States is asked to approve of The Charities and Non Profit Organisations (Investigatory Powers) (Bailiwick of Guernsey) Law, 2008.

(Note: A copy of the Projet de Loi may be seen in the States Office, Island Hall and the Library.)

Item VI Questions and Reports

Issued 9th April 2009

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