

**STATES OF ALDERNEY**



**BILLET D'ETAT**

WEDNESDAY 21<sup>ST</sup> MARCH 2012

Price: £1.85

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### **BILLET D'ETAT** **FOR WEDNESDAY 21<sup>ST</sup> MARCH 2012**

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 21<sup>st</sup> March 2012. This will be preceded by the People's Meeting, which will be held on Wednesday 14<sup>th</sup> March 2012 at 7:00 p.m. in the Island Hall.

W Stuart Trought  
President

#### **Item I**      **Chief Pleas**

Persons whose names are included on the Register of Voters and who have given due notice will address the States on matters of public interest.

#### **Item II**      **The States of Alderney 1982 Pension Scheme**

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

*"In a report to the States in December 2009, on receipt of the latest triennial actuarial valuation, the States agreed to a number of measures to ameliorate the deficit which at that time was approaching £1.5M. These measures, effective from 1<sup>st</sup> January 2010, included :-*

- *Increasing the member contribution to 6.5%*
- *Reducing the escalation factor of pensions in payment from 4% to 3%*
- *Funding the pensions of retiring members from general revenue for up to the first five years of entitlement, thereby deferring the cost of purchasing an annuity, and ensuring minimal charge to the scheme at age 60. Method of funding to be considered by the Policy and Finance Committee on a case by case basis in future.*
- *Direct the Trustees to continue to investigate reducing the cost of the Scheme to the States, and in the longer term enter into discussions with Treasury and Resources Department (T&R) and the Public Sector Remuneration Committee (PSRC) with a view to reporting back.*

*Since that time one retiring member has been paid from general revenue, with a further three being funded by drawdown from the Scheme.*

*In addition discussions have been held with Guernsey Treasury and Resources and the Public Sector Remuneration Committee (PSRC) with a view to new entrants joining the Public Servants Scheme, and/or transferring existing members into the Public Servants scheme. A report was commissioned to identify the comparisons between the two schemes, and presented to the Policy & Finance Committee in October 2010. However negotiations with Guernsey have*

*been protracted, firm proposals have yet to be received, and will be subject to approval by the States of Guernsey.*

*Despite the measures adopted in 2010 the deficit has continued to increase. As reported in 2009 Aviva had indicated that the present employer's contribution rate of 20% is inadequate and would have to be substantially increased to get the Scheme back into surplus.*

*Apart from the historical situation of underfunding, the 2008 Banking crisis resulted in interest rates falling to an all time low. Annuity rates are linked to UK Government Gilts which due to "quantitative easing" have recorded very low yields over the past couple of years. This has resulted in a worsening of annuity rates therefore more funding is required for each member's annuity at the time they reach age 65. The growth of the fund has also suffered due to adverse stock market conditions which are still under extreme pressure due to the situation with the Euro. The final factor to take into account is the increase in life expectancy that has occurred since the scheme started. The following table illustrates the changes during this period since 2007:-*

	2011	2010	2009	2008	2007
	£	£	£	£	£
Plan Assets	3,752,000	3,244,000	2,672,000	2,318,000	3,009,000
Obligations	5,514,000	4,875,000	3,970,000	2,686,000	3,181,000
Surplus /(Deficit)	(1,762,000)	(1,631,000)	(1,298,000)	(368,000)	(172,000)

*The next actuarial valuation is due later this year, however given the above situation the Trustees are aware that the situation is unlikely to improve in the short term, and as discussions with PSRC have yet to be concluded, are recommending that matters need to be addressed sooner rather than later.*

*The Policy & Finance Committee considered the issue at its December and January meetings, and having been aware for some time that the matter requires addressing, with the deadline for closing the final salary scheme already having been extended for a further year than originally anticipated, agreed to :-*

- Close the existing final salary scheme to new members with effect from 31<sup>st</sup> December 2011, but to allow those staff already in service to join at the relevant anniversary date.*
- Direct the current trustees to investigate an alternative scheme, for members employed after 1<sup>st</sup> January 2012. At the time of writing no new staff have commence employment, although one person is in the process of being recruited, and therefore no one has been promised entry to the pension scheme or disadvantaged by this decision. The Committee stated its preference for a compulsory money purchase scheme and directed the current Trustees to report back in due course with recommendations.*
- Deposit £100K from 2011 revenue account surplus to partially offset the current deficit (due to timing difference not included in above figures for 2011).*

*I would therefore request the States to endorse the decisions of the Policy and Finance Committee, and would be grateful if you could place this matter before the States with appropriate propositions.*

*J. Beaman  
Chairman, Policy and Finance Committee"*

The States is therefore asked to resolve, with effect from 1<sup>st</sup> January 2012 :-

1. To close the existing final salary scheme to new entrants with effect from 31<sup>st</sup> December 2011, but to allow those staff already in service at that date to join at the relevant anniversary date.
2. To direct the Trustees to investigate an alternative compulsory scheme and produce recommendations for further consideration by the Policy & Finance Committee.
3. To continue to fund the pension of retiring members by drawdown from the Scheme, or from General Revenue for up to the first five years of entitlement, to be considered by the Policy & Finance Committee on a case by case basis in future.
4. To continue to reduce the deficit by annual payments on account, as and when funding permits.

**Item III**      **Harbour Dues and Fees**

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

*“The rate of harbour dues, passenger fees and additional harbour dues may be determined, from time to time, by the States under sections 1 and 2 of the Harbour Dues, Fees and Charges (Alderney) Law, 1984, as amended. The current rates, set out in a document entitled S.I. No. 1 of 2011, were approved by the States by resolution on 20<sup>th</sup> April, 2011 and include dues calculated per gross registered ton of the vessel entering the harbour.*

*The General Services Committee have recommended to the States some reductions to the rates of harbour dues for categories B to E (cargo vessels entering the harbour) and of additional harbour dues for cargo vessels not carrying hydrocarbon oils or gas in bulk. The reductions are for larger vessels so that the current dues will only apply to the first 1500 tons. Other rates of harbour dues, additional harbour dues and passenger fees remain the same. These recommendations were endorsed by the Policy and Finance Committee on 24<sup>th</sup> January, 2012.*

*J Beaman  
Chairman, Policy and Finance Committee”*

The States is asked to -

- (a) approve the rates of harbour dues, passenger fees and additional harbour dues set out in the Table and notes attached with effect from and including 1<sup>st</sup> April, 2012, and
- (b) revoke its resolution of 20<sup>th</sup> April 2011 with effect from 1<sup>st</sup> April, 2012, as set out in a document entitled S.I. No. 1 of 2011, setting the rates for harbour dues, passenger fees and additional harbour dues.

**Item IV**      **The Speed Trials (Alderney) Ordinance, 2012**

**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 14<sup>th</sup> and 15<sup>th</sup> 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 have 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, 2012' is placed before the States at its March meeting together with an appropriate proposition.*

*W Walden  
Chairman, General Services Committee"*

**The States is asked to approve "The Speed Trials (Alderney) Ordinance, 2012".**

**Item V**      **Ordinary Elections 2012**

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

*"Section 28(2) of the Government of Alderney Law, 2004, as amended, (the Law) states that the States shall appoint a day in November, not less than 2 days before the last day, on which an ordinary presidential election shall be held for the purpose of electing a President of the States in place of the President whose term of office expires in that year.*

*Section 28(1) of the Law states that the States shall appoint a day not earlier than 14<sup>th</sup> November and no later than 14<sup>th</sup> December on which an ordinary election shall be held for the purpose of electing members of the States in place of the members whose terms of office expire in that year.*

*The following dates have been identified and are proposed for the whole of the Election process for 2012:*

**Presidential Election**

*Nominations to be received during the seven days ending at 4pm on Tuesday 23<sup>rd</sup> October.*

*Polling day to be on Saturday, 3<sup>rd</sup> November 2012*

**Ordinary Election**

*Nominations to be received during the seven days ending at 4pm on Tuesday 6<sup>th</sup> November.*

*Polling day to be on Saturday, 17<sup>th</sup> November 2012*

*Plebiscite*

*Nominations to be received during the seven days ending at 4pm on Tuesday 27<sup>th</sup> November.*

*Polling day to be on Saturday, 1<sup>st</sup> December 2012*

*The polling room will be the Members Room at the Island Hall.*

*J Beaman  
Chairman, Policy and Finance Committee"*

**The States is asked to approve that the dates for the Election process for 2012 be as follows:**

**Presidential Election: Saturday 3<sup>rd</sup> November 2012;  
Ordinary Election: Saturday 17<sup>th</sup> November 2012; and  
Plebiscite: Saturday 1<sup>st</sup> December 2012.**

**Item VI Alderney Commission for Renewable Energy: Appointment of Commissioner**

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

*"The appointment of Captain Robert Barton as a Commissioner for the Alderney Commission for Renewable Energy was confirmed at the meeting of the States in March 2010; the Policy and Finance Committee has received a letter from the Chairman of the Alderney Commission for Renewable Energy advising that Captain Barton's current contract expires on the 31<sup>st</sup> March 2012. Captain Barton has indicated that he would be prepared to undertake another two year contract as a Commissioner and the Chairman has stated that the renewal of his contract as Commissioner would be supported by the Commission, as he is an invaluable member of the team and has made significant contributions to the overall development of the Commission and its work.*

*The approval of the States to the appointment of Captain Barton as a Member of the Commission is sought in accordance with the provisions of section 6 of the Renewable Energy (Alderney) Law, 2007. I will be obliged if this is placed before the States at its next meeting together with an appropriate proposition.*

*J Beaman  
Chairman, Policy and Finance Committee"*

**The States is asked to approve, on the recommendation of the Policy and Finance Committee and in accordance with section 6 of the Renewable Energy (Alderney) Law, 2007, the appointment for a further period of two years of Captain Robert Barton as a Member of the Alderney Commission for Renewable Energy.**

**Item VII Questions and Reports**

**Issued: 9<sup>th</sup> March 2012**