

BILLET D'ETAT FOR 20-10-2004

Date: 20th October, 2004

Members of the States:

I have the honour to inform you that the Meeting of the States will be held at 5.30p.m. on Wednesday, 20th October, 2004.

Sir Norman Browse
President

Item I Budgets for 2005 and Expected Outturn 2004

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

1. As required by section 58 of the Government Law, I enclose the budget estimates of income and expenditure for 2005 and the expected outturn for 2004.
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 agreed net revenue cash allocation from the States of Guernsey, which makes it necessary to prioritise the areas of public services that can be provided from the finite resources available. The existence of an annual cash allocation emphasises that 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. They are nonetheless clear indicators of expected income and expenditure.
4. In preparation of the annual budgets, Committees have had to consider: -
 - a) Is the service necessary in the present economic situation?
 - b) Is the level of service appropriate?
 - c) Is there an alternative, possibly more efficient, way of providing the service?
 - d) Are charges and fees adequate? When were they last reviewed?
5. Revenue Account - Expected Outturn 2004

Under the financial procedures, the agreed net revenue cash allocation for 2004 was set at £1,335,000, but has since been increased by £115,000 to cover the increased cost of the employers contribution to the staff pension scheme, following the actuarial review, and by a further £3,000 in respect of higher than estimated pay increases. This is shown in the following table: -

	Budget	Probable Outturn
Non-Formula Led Cash Limit 2004	£1,310,000	£1,428,000
Formula Led Estimate 2004	£25,000	£25,000
Cash Limit 2004	£1,335,000	£1,453,000

The Probable Outturn for 2004 shows revenue income to be about £31,000 more than the original estimate, mainly due to increased income from numismatic sales by the Royal Mint. Revenue expenditure is approximately £82,000 more than the original estimate, but as £115,000 is taken up by the pension increase this shows that net savings of £33,000 have been made in other areas. The net result is that an estimated shortfall of £52,000 is expected to turn into a small surplus.

6. Budget Estimates for 2005

6.1 The Treasury and Resources Department of the States of Guernsey has set the net revenue cash allocation for the year 2005 at £1,444,000 as shown below: -

	£
Non-Formula Led Cash Limit 2005	1,420,000
Formula Led Estimate 2005	24,000
Cash Limit 2005	1,444,000

The cash limit has now effectively been frozen for four years whilst wages and other costs have continued to increase roughly in line with inflation. Through a combination of increased income and savings wherever possible we have been able to limit the amount we have had to draw from the accumulated reserve, but if the predicted shortfall of £130,000 in 2005 proves correct it will reduce the reserve by half and leave very little to fund any future shortfall. Wages and other costs have risen year on year by at least RPI, averaging in the region of 4% and whilst as reported in the next paragraph we are meeting the cost of waste disposal by increasing rates, there is little scope for any other substantial increases in income to meet the remaining shortfall of £130,000. Some of our major items of income, for example the numismatic royalties, depend almost entirely on factors outside our influence.

The major income streams of Income Tax, Impôt Duties and Motor Tax arising in Alderney are collected by the States of Guernsey and help finance Education, Health and Social Services etc. However my Committee will before long have to seek an increase in the annual allocation to offset the ever increasing costs of the services which have to be provided by the States of Alderney.

6.2 The increase in the cost of dealing with municipal solid waste by export to Guernsey is expected to cost in the region of £140,000 in a full year. Having been advised by Treasury and Resources that no addition allocation of funds would be available to fund this, it will be necessary to substantially increase Occupiers Rate in 2005 in order to meet this additional cost.

7. Salaries, Wages and Pensions

7.1 The staff costs for 2005 have been increased in accordance with known pay changes and a provision made for pay awards not exceeding 4.0%. This will constitute the major part of the increase in expenditure compared with 2004. When the final pay awards for both manual staff and civil servants are agreed, the States of Guernsey will adjust the cash allocation accordingly, thus ensuring

that if a higher rise is agreed that additional funds will be provided to the States of Alderney, and vice versa if the increase is lower.

7.2 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 net cash allocation. With effect from 2004 the monies raised from Congé and other property transfer duties is being retained by Alderney as capital income. A request for a further allocation for 2004/5 has been lodged with Treasury and Resources but the outcome will not be known until the States of Deliberation discuss the Guernsey budget. It would not be possible to carry out all the projects in the budget as presented here if our request is refused. The allocation at present is: -

	£
- Balance of Allocation at 30.6.04	90,860
- Plus budgeted Capital Income 1.7.04 to 31.12.05	527,805
-Total	618,665
Total new Capital expenditure in the budget for 2004 amounts to	320,000*
and for 2005 is -	701,000*
Overspending on open votes may be -	272,274
Total	£1,293,274

It will be seen from the above figures that there is a large shortfall in funding which we have been told is unlikely to all be funded by a additional capital allocation, and it is therefore my Committees intention to transfer a sum of £500,000 from the Gambling reserve towards the cost of replacing the Vallee sewer.

This budget deals only with the period up to the end of 2005, but capital spending requirements for essential upgrading of the sewerage system, church repairs, harbour office and property renovations etc amount to a further estimated expenditure in excess of £2,000,000 over the next four to five years. A spur on the breakwater, which our consultants have advised would greatly improve conditions in the harbour for visiting boats would cost a further £4,000,000, but unless this could be funded from Guernseys capital reserve this project is unlikely to proceed in the foreseeable future.

*These sums do not include the cost of renovations and improvements to the Commercial Quay, which are expected to be funded from the Guernsey Capital Reserve.

8.2 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.

8.3 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 estimated deficit on Revenue Account of £23,500 in 2004 and £29,700 in 2005. Although the Board holds a sizeable reserve it cannot sustain continued deficits and once the actual outturn for 2004 is known the Board will have to consider an increase in Water Rate in order to reduce or eliminate any deficit.

11. The draft budgets have been displayed on the States Office public notice board for several weeks in order to allow interested parties to make comments.

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

P. F. Walter

Chairman

The States is asked, after consideration of the Budget Reports -

- to accept the Revenue Budgets for 2005
- to accept the Capital Budgets for 2005
- to accept the Water Board Budget for 2005.

Item II The Government of Alderney Law, 2004

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

At the December 2003 meeting of the States (Item VI refers) the Chairman of the Policy & Finance Committee tabled a submission entitled "Review of Civil Service Establishment - Senior Officers". The submission detailed the recommendations contained in the Report prepared by Mr Graham Robinson of Kennedy Robinson Business Development, a consultancy firm situate in Guildford, Surrey. The full report was previously circulated to Members of the States.

The Report dealt with the roles of the three senior civil servants - the Clerk, the States Treasurer and the States Engineer.

The main recommendation was that the three senior roles should be restructured and re-designated as follows :-

1. Chief Executive - Clerk of the States and Head of the Civil Service
2. States Treasurer - Head of Finance and Administration
3. States Engineer - Head of Technical Services and Development

The Chief Executive would be the senior civil servant with the States Treasurer and States Engineer reporting to this post-holder.

The States then resolved, inter alia, to authorise the Policy & Finance Committee to implement the recommendations of the "Robinson Report".

During 2004, the Policy & Finance Committee have considered how best to implement the report and have been in consultation with both the Court of Alderney and Crown Advocates.

A result of these deliberations was that the Committee concluded the old office of Greffier should be re-established - the first recorded Greffier being Abraham Masson appointed in 1652 with the Greffier having the same duties in Alderney as Her Majesty's Greffier has in Guernsey, that is, he is both Clerk to the Royal Court and to the States of Deliberation. He is not a member of the Civil Service of the Government of Guernsey and, therefore, is able to sit as Clerk when actions involving the States of Guernsey and its committees come before the Court.

In Alderney - to the present time - the Clerk of the States is the senior civil servant of the

Government of Alderney while, at the same time, being Deputy Clerk of the Court. This has led, on many occasions when the Clerk of the Court was on leave, or indeed, during periods of up to three months when the office of Clerk of the Court was vacant, to matters before the Court involving the States not being set down for hearing. This is bad justice.

The creation of the new office of Greffier and Chief Executive requires a revision of the Government of Alderney Law, 1987, and its various amendments. Her Majesty's Procureur was consulted and a draft *Projet de Loi* entitled "The Government of Alderney Law, 2004" was prepared. A copy of that draft Law is annexed hereto.

The Main objective of the re-drafting was to deal with the appointment of Greffier and Chief Executive. At the same time, the legal draftsman had the opportunity of incorporating within the Law, by way of consolidation, the various amendments made to the Law since 1987, together with some amendments.

In view of the imminent retirement of the Clerk of the States, and the date of arrival of the new Chief Executive to take office, the Committee did not think, in view of the time constraints, that a full revision of the Law was appropriate at this time. It is expected, however, that at some time during the next session of the States, a "green paper" will be prepared and debated on constitutional matters. At that time a full review of the Law can be undertaken.

The main changes to the Law are as follows: -

Section 20: This section deals with the appointment of a Greffier as Clerk of the Court and Clerk of the States (in the legislature only). It also provides for the Lieutenant Governor to approve the appointment in the stead of the Secretary of State as has happened in the past. This is for the reason that the Secretary of State for Constitutional Affairs no longer wishes to be involved.

Section 20(3): This deals with the constitution of the Alderney Appointments Board which will make the appointment of Greffier. The Board comprises the Chairman of the Court of Alderney and his Deputy, the President of the States and his Deputy and one member appointed by the Lieutenant Governor.

The States Employment Board (Civil Service Board) would not be competent to make the appointment as it only has authority to appoint civil servants to the States as Government.

Section 21: Deals with the appointment of Deputy Greffier by the Appointments Board.

Section 22: This section makes it clear that a Greffier can sit in Court when cases involving the States are heard.

Section 25(1)(f): Confirms the Greffier's functions in the States when acting as a legislative assembly.

Section 25(2) and (3): Deals with the delegation of the Greffier's functions when necessary.

Section 28: Sets the dates in November and December between which an Ordinary Election is to take place. A whole month is now available. In the past, only two weeks were available. This will give the States greater flexibility.

Section 31(2): Applies the provisions of Schedule I which relate to absent voters, votes by proxy and the destruction of ballot papers.

Section 32(2): This section clarifies the situation, where there may have been election offences, and confirms the validity of the election as such but does not validate the election of a particular candidate who has been elected but who was at the time of the election not qualified to stand.

Sections 38(7) and 39(1): Greffier substituted for Clerk of the States as the person to whom letters of resignation must be addressed.

Section 41(3): Qualified privilege extended to include committee meetings.

Section 41(4): Makes it clear that the Greffier shall attend every States meeting and be its Clerk.

Section 46(9): This allows the States to include in Ordinances a provision that the States and all elected members and staff shall not be liable for anything done or omitted to be done in the discharge of

their respective functions unless whatever was done, was done in bad faith.

Section 52: This deals with the appointment of the Chief Executive with the approval of His Excellency the Lieutenant Governor in the appointment.

Section 53: Deals with the appointment by the States of a temporary or deputy Chief Executive.

Section 54: Appointment of States Treasurer. His Excellency the Lieutenant Governor is substituted for the Secretary of State as the person who must approve the appointment. There is now a requirement that the States Treasurer resides full time in Alderney. In the past, the Treasurer could reside in Alderney or Guernsey.

Section 55: Appointment of States Engineer. The Engineer must now reside in Alderney full time and not, as in the past, have the option of living in Guernsey.

Section 64: These are the transitional provisions to ensure that all appointments etc. made before this Law comes into place, continue as if made under the new Law and deals with the appointment of Greffier and Chief Executive.

In various appropriate places in the Law, the title Chief Executive appears in place of Clerk of the States.

I can tell the States that the Court has been kept up-to-date with the drafting of this new Law, and are content.

I shall be obliged if this matter can be placed before the next meeting of the States with an appropriate proposition.

P. F. Walter

Chairman

The States is asked to approve of "The Government of Alderney Law, 2004".

(Note: A copy of the Law may be seen in the Office of the Clerk of the States and the Alderney Library. Copies may also be purchased from the Clerk of the States office on request.)

Item III Proposed acquisition of land adjoining the Jubilee Home

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

For several years my Committee has been anxious to obtain possession of a small field which adjoins the Jubilee Home on its northern boundary. The field measures approximately 11¾ perches and a six feet wide pathway connecting to an access to Victoria Street has an area of a further 3½ perches all referred to as title number AY1067 in the Alderney Land Registry.

This is the logical site for any future extension of the Jubilee Home, and has the added advantage of providing private pedestrian access from the Home to Victoria Street.

The owners of the field, Mr and Mrs Nick Winder, wish to maintain Mr Winders family connection with the island, and rather than selling this site, which they accept would prove very difficult to build on, have expressed a willingness to exchange it for States land or property on which they could build or convert a dwelling for holiday use and eventual retirement.

The States is owner of title number AY683 situated at the junction of the Marais Square and the Mare Jean Bot. This consists of three separate stores plus a small yard, measuring in total about 3¾ perches. The large store is used by the Works Department as a cement store and mixing area, but this use could easily be relocated. The smaller stores have recently been vacated by the Fire Brigade.

Mr and Mrs Winder believe these stores would be suitable for conversion into a dwelling and would

be willing to exchange their land adjoining the Jubilee Home for these stores.

While it appears from valuations obtained on behalf of the Committee that the Winders may be gaining a more valuable site by this proposed exchange, the value to the States of the Jubilee site for future development far outweighs any such consideration.

My Committee therefore recommends that it should be authorised to proceed with the proposed exchange. The Policy and Finance Committee has been consulted and supports this proposal.

Extracts from the Land Register showing the two properties are enclosed for information.

B. Pengilley

Chairman

The States is asked to agree to the exchange of their parcel number AY683 at Marais Square for parcel number AY1067 adjoining the Jubilee Home, no money changing hands.

Item IV Matters affecting Children, Young People and their Families

The following letter dated 10th September, 2004 has been received from the Health and Social Services Minister:-

I enclose a copy of the States Report that has been submitted by the Health and Social Services Department, for the States Meeting in October.

I would be grateful if this could be presented to the States of Alderney.

The States is asked to note the Report regarding matters affecting children, young people and their families, as submitted by the Health and Social Services Department.

(Note: A copy of the Report may be seen in the Office of the Clerk of the States and the Alderney Library. Copies may also be purchased from the Clerk of the States office on request.)

Item V Presidential Election, 2004

The following dates for the Presidential Election, 2004 are proposed:-

Nominations will be received during the seven days ending at 4.00 pm on Tuesday, 9th November, 2004

Polling Day to be Saturday, 20th November, 2004

Sir Norman Browse

The States is asked to approve of the above dates for the Presidential Election, 2004.

Item VI Ordinary Elections

The following dates for the Ordinary Elections, 2004 are proposed:-

Nominations will be received during the seven days ending at 4.00 pm on Tuesday, 30th November, 2004

Polling day to be Saturday, 11th December, 2004

Sir Norman Browse

The States is asked to approve of the above dates for the Ordinary Elections, 2004.

Item VII Questions and Reports

Issued: 8th October, 2004

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