



## **BILLET D'ETAT FOR 19-12-2007**

**Date: 19th December, 2007**

Members of the States:

I have the honour to inform you that a Meeting of the States will be held at 4:30pm on Wednesday 19th December 2007. This will be preceded by the People's Meeting, which will be held on Wednesday 12th December 2007 at 7:00pm in the Island Hall.

Sir Norman Browse

President

### **Item 1 Proposed Increase in Harbour Dues, Pilotage Dues and Mooring Charges**

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

"Braye Harbour is an essential part of the island's infrastructure, but is always likely to require a subsidy from general revenue due to income generated by users being insufficient to cover operating costs which has been the case for many years. This has been exacerbated in 2007 by the reduction in the numbers of visiting yachts due to the poor summer weather, together with a reduction in passenger ferry sailings. While accepting the need for a subsidy my Committee believes an increase in charges of more than RPI is now justifiable on the "user pays" principle. The operating deficit for 2007 is likely to exceed £100k and whilst it is intended that a complete review of harbour operations and associated costs will take place in 2008 it is considered unlikely that this in itself will be sufficient to reduce costs to a level that would enable only limited increases to be imposed. My Committee has also reviewed the charges made by other harbours in the Channel Islands and surrounding waters and considers that the charges proposed are reasonable taking into account the local circumstances. My Committee very much regrets the size of the increases and assures users that the States will work very hard to ensure that future increases will be kept as low as possible.

This matter has been considered in detail by the Finance Advisory Group, together with the General Services Committee and the following proposals put forward.

#### **1. Harbour and Pilotage Dues**

Under the provisions of the Harbour Dues, Fees and Charges (Alderney) Law, 1984, as amended in 1987, charges may not be increased to more than 400% of those in force when the Law came into being. It is therefore proposed that Harbour Dues on cargo vessels with the exception of those operating under the inter-island shipping agreement should be increased to the maximum permitted level, which is effectively a 50% increase on current charges. Charges for passenger vessels and vessels operated under the inter-island shipping agreement should be increased by 4.9% in line with the Guernsey Index of Retail Prices. During the course of 2008 it is proposed to introduce a new law which will permit further increases

and give the Committee the option to change the basis of charging from one related to the gross registered tonnage of vessels to one based on tonnage of cargo landed or loaded.

It is proposed that Pilotage Dues should also increase in line with the Guernsey Index of Retail Prices.

## 2. Mooring Charges

The General Services Committee is recommending that local mooring charges be increased substantially and that the charges for the inner harbour be brought up to parity with those for the outer harbour. As an example a 10 meter boat in the inner harbour would increase from £435 to £585, but in the outer harbour the current charge of £485 would also become £585. The effect of these changes is shown on the attached appendix A.

No increase in the mooring charge for visiting yachts is proposed, in order to remain competitive with other harbours in the region which offer better facilities.

If accepted the revised charges are estimated to increase income from Harbour Dues by £9,300 and from Mooring Charges by £12,000. In addition the General Services Committee will be increasing crane charges by RPI and introducing a new sliding scale based on boat length for hire of the hydraulic boat lift which together will produce a further £4,000.

My Committee agrees with these proposals and recommends their acceptance.

The three Statutory Instruments required to bring the new fees into force have been drafted and are enclosed herewith. They are as follows: -

Statutory Instrument No 8 of 2007 relating to Harbour Dues and Fees

Statutory Instrument No 9 of 2007 relating to Pilotage Dues and Fees

Statutory Instrument No 10 of 2007 relating to Mooring Charges

I would be grateful if you would place these Statutory Instruments before the States with appropriate propositions.

R G Willmott

Chairman"

The States are asked to approve of: -

1. Statutory Instrument No 8 of 2007
2. Statutory Instrument No 9 of 2007
3. Statutory Instrument No 10 of 2007

## **Item II The Occupiers' Rate (Level for 2008) Ordinance, 2007**

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

"You will be aware that at the end of each year the States must, by Ordinance, set the level at which the Occupiers' Rate is to be charged for the following year.

As I reported in the Budget report in October, Occupiers' Rate now accounts for 30% of local revenue and that "with waste disposal costs in Guernsey increasing substantially in 2007 and staff and other costs continuing to rise, a further increase of 5% will be necessary in 2008".

It was further anticipated that with the change in the basis of calculating rates (from TRV to TRP) that the 2008 rates, although collecting an overall total of 5%, would require further adjustments within the categories in order to reflect this.

However at the time of preparing this submission the Alderney data has not been completely entered on the Cadastre database in Guernsey, leaving us no option but to calculate the categories for 2008 using the existing TRV records.

In view of the above the Policy and Finance Committee agreed at its meeting on 27th November 2007,

that for the transitional year of 2008 Occupiers" Rate will continue to be based on TRV, transferring to TRP as the basis for calculating from 2009 onwards.

I therefore enclose a draft Ordinance entitled "the Occupiers" Rate (Level for 2008) Ordinance, 2007" and should be grateful if you would place this before the States with appropriate propositions.

R.G. Willmott  
Chairman"

The States are asked to approve of "The Occupiers" Rate (Level for 2008) Ordinance, 2007".

### **Item III The Fees (Amendment)(Alderney) Ordinance, 2007**

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

"The current Fees (Amendment) (Alderney) Ordinance, 2006 sets out the prescribed fees payable by virtue of a variety of Laws and Ordinances. The Policy and Finance Committee in consultation with the General Services Committee and the Building and Development Control Committee has recently reviewed the level of charges with the intention of introducing a new scale of fees to come into effect from 1st January 2008.

The increase in the Retail Price Index since the last increase will be in the region of 5%, and the majority of fees have been increased by that percentage. However there are some fees which are considered to be so low as to be insufficient to meet the administration costs, and in these cases a higher increase is proposed. In most cases fees have been rounded to the nearest 50p or £1.00. The separate sections and the increases proposed for each are listed below: -

#### **PART I**

##### **Employment Permits**

The present fees are very low and do not reflect the amount of administration involved. It is therefore proposed to increase first application and renewal fees by £5 and the grant of an indefinite permit from £25 to £50. A full review of the charging system will be carried out during the course of the next year.

##### **Import and Export Control Law and Orders**

Fees charged on the importation of motor vehicles, have been increased by 10%, plus £10 per cwt between 20 and 30 cwt, and £15 per cwt over 30 cwt.

Licences issued for the import or export of flora and fauna protected by CITES have been increased to £10 and £20.

##### **Building and Development Control Law**

A full review of the charging method in respect of building fees has been carried out during the year.

Currently there is a combined fee, usually based on floor area, which covers both the planning and the building control element of any application. Not all applications require building regulations and not all applications result in development. The effort required to approve building regulations and monitor building work is substantial. It is therefore proposed to introduce a two tier charging system, for planning fees and regulation approval. It is also proposed that for minor planning items such as satellite dishes, small garden sheds etc that no application, and therefore no fee, will be necessary or payable.

This should result in a more efficient system with the planning office staff dealing with the minor works at staff level, leaving the Committee to focus on the larger more complicated projects.

It is also proposed to introduce additional categories in order to reflect the true cost of the work involved with larger projects. This will include charging for preliminary declarations which will be deducted from the cost of the full application if the project comes to fruition. This should deter any applications made on a speculative basis, or those which have little chance of success in relation to the policies of the BDCC.

## PART II

### Hawkers Licences

A 5% increase is proposed.

## PART III

### Fees payable under the Tourist (Alderney) Law

The fee per bed does not cover administration costs and is increased from £8.00 to £10.00.

Liquor Licences ) An increase of 5% is proposed.

Dangerous Weapons )

Public Service Vehicles )

Hired Motor Vehicles ) All fees under the relevant Ordinances are

Passenger Boats ) increased by 10%.

Water Boreholes and Wells )

## PART IV

### Marriage Fees

A full review of marriage fees etc was carried out last year, therefore a 5% increase is proposed, with the exception of the approved buildings category which remains the same.

## PART V

### Residential and Nursing Homes

An increase of 5% is proposed.

The new Fees Ordinance entitled The Fees (Amendment)(Alderney) Ordinance, 2007 has been prepared and is attached. If approved this will come into force on 1st January 2008.

I would be grateful if you would place this before the States with an appropriate proposition.

R.G. Willmott

Chairman"

The States is asked to approve of "The Fees (Amendment)(Alderney) Ordinance, 2007".

## **Item IV The Companies (Alderney) Law, 1994 - Fees Ordinance, 2007**

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

" The prescribed fees of the above law have not been changed since 3rd May 1995 when a Fees Ordinance was passed. At that time both Guernsey and Alderney were in the process of setting up new Company Registry systems under their prospective laws. Alderney"s fees were set to ensure that it had the competitive edge on Guernsey, indeed some of the fees were reduced to zero to encourage Companies to register here.

Guernsey is about to introduce a new company registry, which means that their fees will increase dramatically. It is therefore proposed to increase Alderney"s fees without affecting the amount of applications submitted here to register companies.

Sections 159 and 164 of The Companies (Alderney) Law 1994 deal with fees and any changes thereto. Section 159 is the section dealing with general fees. Section 164 gives the States the power to make Ordinances to amend certain fees elsewhere in the law and not covered by Section 159. The tables below highlight the current fees, together with the proposed increases, which have been considered in detail by the Finance Advisory Group together with the Company Registrar. Although some figures have not increased in line with inflation, the Company Registrar has taken into account the work actually undertaken in each area in order to calculate the proposed fee.

It is proposed that these fees are reviewed on an annual basis in future in order to avoid significant increases in any one year.

#### Section 107(7) - Late Filing Fees

Subsection	Current Fee	Proposed Fee
(a) First Month	£25	£50
(b) Second Month	£50	£100
(c) Every Month thereafter	£100	£150

#### Section 108(4)(b) - Fee for Restoration to Register

Current Fee	Proposed Fee
£100	£150

#### Section 159 (1) - Fees

Subsection	Current Fee	Proposed Fee
(a) Application to Register	£25	£100
(b) Issue of certificate of registration	£25	£30
(c) Declaration of compliance by Public Company	£25	£30
(d) Notice of new registered office	£15	£20
(e) Order to remove company from Registered Office	£15	£20
(f) Full Annual Return	No Fee	£50
(g) Abbreviated Annual Return	No Fee	£50
(h) Special Resolution to change company name	£25	£30
(i) Notice of Strike Off	£25	£30
(j) Failure to comply with direction to change registered office	£15	£20
(k) Failure to comply with direction to change company name	£15	£20
(i) Service of written demand to pay a debt	£25	£50
(m) Issue Certificate of Good Standing	£25	£35

#### New Fee

Section 159(2)(b) allows the States by Ordinance to prescribe a fee for the provision by the Registrar of such services or documents, whether in relation to the Register of Companies or the records of the Island of Alderney or otherwise, as may be specified by the Ordinance. There is an increase in requests for

Company Searches by telephone and fax from individuals and companies off island. This involves considerable additional work and copying of papers from files to be faxed or posted to those concerned. It is therefore proposed that there is a fee for this situation - an expedited search fee of £10, in addition to the search fee of £10.

The Companies (Alderney) Law Fees Ordinance, 1995

Section 2 of this Ordinance levies certain fees not covered in the above laws.

Subsection	Current Fee	Proposed Fee
(a) Return of Allotment	£15	£25
(b) Resolution altering share capital	£15	£25
(c) Redemption of redeemable preference shares	£15	£25
(d) Lodging Inspectors Report	£15	£25
(e) Directors Certificate of shares with no par value	£15	£25
(f) Filing of Court Order	£15	£25
(g) Filing of Special Resolution	£15	£25
(h) Company Search	£10	£10
(i) Photocopying	£1 or 50 pence	£1 and delete the words "described in paragraph (j)" and "(for the first five sides in respect of any one company) and 50 pence per A4 side thereafter

I therefore enclose a draft Ordinance entitled "The Companies (Alderney) Law (Fees) Ordinance, 2007" and should be grateful if you would place this before the States with appropriate propositions.

R.G. Willmott  
Chairman"

The States is asked to approve of "The Companies (Alderney) Law (Fees) Ordinance, 2007".

## **Item V Suspension of New Dwellings Profits Tax**

The following letter has been received from Mr Willmott, Chairman of the Policy and Finance Committee: "The New Dwellings Profits Tax was introduced with the intention of preventing speculation in new dwellings by holders of C permits. So far no tax has ever been paid under the Law. This can either be interpreted that the Law is working successfully in that no individuals have sold their properties within the specified five year period or that it is ineffectual and that individuals have found ways around the

legislation.

There is evidence to support the latter observation. Furthermore the Law did nothing to prevent other abuses of the C permit system which the current BDCC Committee has been considering for some time. At present proposals to adopt a "points" system for the award of C permits are with the Law Officers and it is felt these might be a more satisfactory way of dealing with the problem.

What is certain is that the Law has had some unintended consequences and has prevented some perfectly legitimate sales of property where individuals' circumstances have changed, following death, illness, marriage break up and so on. In these circumstances the distress has been exacerbated by the threat of the application of the New Profits Dwellings Tax.

The Policy and Finance Committee has considered the matter at its October and November 2007 meetings and has recommended the legislation be repealed. To do so will require a Projet. This will take some time to come back from the Privy Council so as an interim measure it is proposed to suspend the Law indefinitely with immediate effect- which is allowed for under the existing legislation.

The States is therefore asked to:

1. Repeal the New Dwellings Profits Tax (Alderney) Law 2001 and to request the Law Officers to draft the necessary Projet.
2. To approve the New Dwellings Profits Tax (Alderney) (Suspension) Ordinance, 2007 attached.

R G Willmott  
Chairman"

The States is asked to:

1. Repeal the New Dwellings Profits Tax (Alderney) Law 2001 and to request the Law Officers to draft the necessary Projet.
2. To approve the New Dwellings Profits Tax (Alderney) (Suspension) Ordinance, 2007 attached.

## **Item VI The Alderney eGambling (Amendment) Ordinance, 2007**

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

"I attach a copy of the Alderney eGambling (Amendment) Ordinance, 2007 ("the Ordinance").

The purpose of the Ordinance is twofold. It will insert into the offences provision of the 2006 Ordinance (section 22) an additional offence, which would attract the maximum penalties set out in section 13 of the Gambling (Alderney) Law, 1999, as amended. It is a general offence of contravening a provision in the 2006 Regulations (as they will be amended) which is specified on the face of the Regulations as a "money laundering offence". No such provisions are currently specified, but they will be when the Regulations are amended in the very near future. Financial Action Task Force Recommendations require that there be "effective, proportionate and dissuasive criminal, civil or administrative sanctions" against persons failing to comply with anti-money laundering and counter-terrorism requirements.

The other proposed amendment inserts, if only for the avoidance of doubt, an express enabling power for the Commission's Regulations to impose requirements on eGambling licensees and their associates to comply with international measures that apply to Alderney in respect of the continuing fight against money laundering and terrorist financing activities.

I will be obliged if the Alderney eGambling (Amendment) Ordinance, 2007 is placed before the States at its next meeting together with an appropriate proposition.

R G Willmott  
Chairman"

The States is asked to approve of "The Alderney eGambling (Amendment) Ordinance, 2007".

## **Item VII The Building and Development Control (Exemptions) (Alderney) Ordinance, 2007**

The following letter has been received from Miss Benfield, Chairman of the Building and Development Control Committee:-

"Under section 4(2) of the Building and Development Control (Alderney) Law, 2002 ("the Law") the States may by Ordinance provide that a person shall not require the permission of the Committee under section 4(1) of the Law to carry out any development or other work of a class or description specified in the Ordinance, either generally or in such circumstances, subject to such conditions, and in such areas of the Island as may be specified. The Building and Development Control Committee has concluded that many applications presently coming before the Committee are for minor works which could properly be exempted from the requirement to obtain development permission. This would result in a fees saving for those who presently have to apply for permission and would enable the Committee to concentrate its time and staff resources on development which requires full and proper consideration.

I attach a copy of the Building and Development Control (Exemptions) (Alderney) Ordinance, 2007. If approved, the developments set out in the Schedule will no longer require development permission. It will be noted that the exemptions will not generally apply in a conservation/designated area or where a building was constructed prior to 1900.

I will be obliged if the Building and Development Control (Exemptions) (Alderney) Ordinance, 2007 is placed before the States at its meeting in December together with an appropriate resolution.

B Benfield  
Chairman"

The States is asked to approve of "The Building and Development Control (Exemptions) (Alderney) Ordinance, 2007".

## **Item VIII Policy and Finance Committee - Annual Report for 2007**

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

"In accordance with States Resolution VII(1) of the 4th May, 1977, I attach hereto the Annual Report of the Policy and Finance Committee for 2007.

I would be grateful if you would place this Report before the States with an appropriate proposition.

R G Willmott  
Chairman"

The States is asked to accept the Annual Report for 2007 of the Policy and Finance Committee.

## **Item IX General Services Committee - Annual Report for 2007**

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

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"In accordance with States Resolution VII(1) of the 4th May, 1977, I attach hereto the Annual Report of the General Services Committee for 2007.



I would be grateful if you would place this Report before the States with an appropriate proposition.

W Walden

Chairman"

The States is asked to accept the Annual Report for 2007 of the General Services Committee.

## **Item X Building and Development Control Committee - Annual Report for 2007**

The following letter has been received from Miss B Benfield, Chairman of the Building and Development Control Committee: -

"In accordance with States Resolution VII(1) of the 4th May, 1977, I attach hereto the Annual Report of the Building and Development Control Committee for 2007.

I would be glad if you would place this Report before the States with an appropriate proposition.

B Benfield

Chairman"

The States is asked to accept the Annual Report for 2007 of the Building and Development Control Committee.

## **Item XI Questions and Reports**

Issued Friday 7th December 2007