

STATES OF ALDERNEY
BILLET D'ETAT FOR
WEDNESDAY 20TH OCTOBER 2010 AT 17:30

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 20th October 2010. This will be preceded by the People's Meeting, which will be held on Wednesday 13th October 2010 at 7:00 p.m. in the Island Hall.

Mr C Williams
Vice President

Item I Chief Pleas – deferred from 22 September 2010

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 Companies (Alderney) Law 1994 - Fees Ordinance 2010 – deferred from 22 September 2010 (see attachment 1)

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

“The prescribed fees of the above law have been reviewed on an annual basis since they were comprehensively reviewed in 2007 following an interval of several years. Although any revised fees are not effective until the following calendar year, fees are now reviewed earlier in the year in order to allow maximum notice for Company Administrators.

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 fees which have been increased by RPIX at 2.4% (rounded), as recommended by the Company Registrar and subsequently agreed by the Policy and Finance Committee.

Section 107(7) – Late Filing Fees

Subsection	Current Fee	Proposed Fee
(a) First Month	£55	£57
(b) Second Month	£110	£113
(c) Every Month thereafter	£165	£169

Section 108(4)(b) – Fee for Restoration to Register

Current Fee	Proposed Fee
£165	£169

Section 159 (1) - Fees

Subsection	Current Fee	Proposed Fee
(a) Application to Register	£110	£113
(b) Issue of certificate of registration	£35	£36
(c) Declaration of compliance by Public Company	£35	£36

Subsection	Current Fee	Proposed Fee
(d) Notice of new registered office	£23	£24
(e) Order to remove company from Registered Office	£23	£24
(f) Full Annual Return	£55	£57
(g) Abbreviated Annual Return	£55	£57
(h) Special Resolution to change company name	£35	£36
(i) Notice of Strike Off	£35	£36
(j) Failure to comply with direction to change registered office	£23	£24
(k) Failure to comply with direction to change company name	£23	£24
(l) Service of written demand to pay a debt	£55	£57
(m) Issue Certificate of Good Standing	£40	£41

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	£30	£31
(b) Resolution altering share capital	£30	£31
(c) Redemption of redeemable preference shares	£30	£31
(d) Lodging Inspectors Report	£30	£31
(e) Directors Certificate of shares with no par value	£30	£31
(f) Filing of Court Order	£30	£31
(g) Filing of Special Resolution	£30	£31
(h) Company Search	£10	£11
(i) Photocopying	£1.10	£1.15
(j) Company Search by facsimile – in addition to (h)	£12	£13
(k) Change of Director or Company Secretary	£23	£24

I therefore enclose a draft Ordinance entitled “The Companies (Alderney) Law (Fees) Ordinance 2010” and should be grateful if you would place this before the States with appropriate proposition.

R G Willmott
Chairman”

The States is asked to approve “The Companies (Alderney) Law (Fees) Ordinance 2010”.

Item III Ordinary Elections – deferred from 22 September 2010

The following dates for the Ordinary Elections, 2010 are proposed:-

Nominations will be received during the
Seven days ending at 4.00pm on Tuesday 16th November 2010

Polling day be on Saturday 27th November 2010

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

Sir Norman Browse
President

The States is asked to approve of the above dates for the Ordinary Elections, 2010.

Item IV Plebiscite for the Alderney Representatives in the States of Deliberation, Guernsey – deferred from 22 September 2010

The following letter has been received from the 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, 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 will expire at the end of 2010.

Therefore, at the annual meeting in January 2011, 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 11th December 2010 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 1st December 2010. (States membership for 2011 and 2012 will have been decided by the States election on 27th November 2010).
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 X's 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 2012.
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 11th December 2010

Sir Norman Browse
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 **Wednesday 1st December 2010**

That the polling day be on **Saturday 11th December 2010**

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

Item V **The Mental Health (Bailiwick of Guernsey) Law, 2010 – deferred from 22 September 2010 (see previous Attachment from September Billet)**

The following letter has been received from the President:-

“Please find enclosed a letter from the Bailiff, dated 3rd September 2010 seeking approval of the above law.

I would therefore be obliged if you would debate this matter at your meeting on 22nd September 2010 and give your approval as set out in the letter.

Sir Norman Browse
President”

The States is asked to approve of “The Mental Health (Bailiwick of Guernsey) Law, 2010.

(Note: A copy of the Projet de Loi can be seen at the Library and the General Office Island Hall.)

Item VI **Appointment of Alternative Alderney Representative to sit in the Guernsey States of Deliberation**

The States is asked to elect a member to sit in the Guernsey States of Deliberation as an Alternative Representative for 2010.

Item VII **Alderney Land Use Plan Enquiry (see attachment 2)**

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

“Under the terms of the Building & Development Control (Alderney) Law, 2002, as amended, where the Building & Development Control Committee is disposed to approve an application for permission to carry out any development or work involving a departure from a Land Use Plan, or where re-zoning is required to facilitate utilities' operational development, the Committee may request the President of the States to appoint an Inspector to hold a Planning Inquiry. Mr Anthony Whitehead, Dip TP, MRTPI was appointed on 7th July 2010 as Inspector to consider proposals for alteration to and addition to the Alderney Land Use Plan and to hear any representations or objections made or offered thereto.

The Inquiry was held over a 2 day period on the 10th and 11th of August 2010 and the scope of the Inquiry was to consider 5 proposed alterations and additions to the LUP for the island.

The statutory background for the Review and procedures derives from Part IV of the Building and Development Control (Alderney) Law, 2002.

I attach a copy of the Inspector's Report (dated 31st August 2010). The Committee has given this full consideration and, as required by section 29 of the Law, now lays the Report before the States, and asks that the States approve the Inspector's recommendations.

I shall be obliged if you place this matter before the States at its next meeting with an appropriate proposition.

G Sargent
Chairman"

The States is asked to approve the following alterations to the Land Use Plan:-

1. Land adjacent to Rue de La Saline & Le Petit Val (Zone 14A) – Proposed sub-division into two separate zones, to enable the development of the western side of the Zone to proceed.

The States is asked to approve the proposed modification of the LUP Key Map by the creation of Zones 14A and 14, as shown on the attached plan.

2. Land at Butes Field / York Hill (Zone 4) - Proposed re-zoning to enable certain commercial activity, if essential to a community scheme's funding and development.

The States is asked to accept the Inspector's recommendation that the alteration for Zone 4 as submitted to the Inquiry be withdrawn and not proceeded with.

3. Grand Hotel Site, Butes (Zone 2A) – Proposed re-zoning to facilitate higher density development.

The States is asked to approve the modification of the LUP policy for Zone 2A to: -

"This area is reserved for residential development including social housing. Consideration should be given to the effect of any proposal on the skyline.

An overall development plan for the whole site will need to be approved prior to consideration of any application for development.

The overall development plan and individual plans for new dwellings should demonstrate that the proposed development fits in with the topography of the site and its surround and include landscape proposals for the finished project.

Applications for new development must fall within applicable defined policy guidelines for this zone.

Reason: To make the most efficient use of the limited land resources available in this key location."

4. Land adjacent to Battery Quarry / Rue de Beaumont – Proposed re-zoning to Public Utility Zone for future essential development by the Alderney Water Board.

The States is asked to approve the re-zoning of land at Battery Quarry / Rue de Beaumont from Agricultural to Public Utility Zone as shown on the attached plan.

5. Land off Windy Corner, La Marette – Proposed re-zoning to Public Utility Zone for construction of a water storage facility by the Alderney Water Board.

The States is asked to approve the re-zoning of land at Windy Corner, La Marette from Agricultural to Public Utility Zone, as shown on the attached plan, and to take into account the Inspector's recommendation that the site be reduced in area to enable a suitable landscaping area to be created outside the zone at the easterly end of the site.

Item VIII Registration of Buildings and Conservation Areas under the Building and Development Control (Alderney) Law, 2002.

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

"Under the provisions contained in Section 50(2) of the above mentioned Law the Building and Development Control Committee are required to publish in a Billet d'État, at least once every three years, a list of all buildings and conservation areas appearing in the Register of Historic Buildings and Ancient Monuments. This list is given below:-

Reg. No.	Reg. Date	Plot No.	Location
CONSERVATION AREAS			
C/001	18.06.91		Town of St Anne inc.Braye Road
C/002	18.06.91		The Braye & Grosnez Peninsula
C/003	18.06.91		Part of the valley known as "Ladysmith"
C/004	18.06.91		Longis Common & surrounding area
C/005	21.03.06		Stranger's Cemetery, Longis Road
C/006	21.03.06		Fort Quesnard Battery
C/007	21.03.06		Gauvain's Row, Newtown
HISTORIC BUILDINGS			
B/001	24.10.91	F227/S.3	Abrevoir Publique, Ladysmith
B/002	24.10.91	F227/S.3	Lavoirette, Ladysmith
B/003	14.02.92	F90/S.4	War Memorial Victoria Street
B/004	14.02.92	F85/S.4	St Annes Parish Church Gateway leading from Victoria Street
B/004a	21.03.06		St Anne's Church
B/005	14.02.92		Victoria Street Commemorative Wall plaque
B/006	14.02.92	F120/S.4	Island Hall, Royal Connaught Square
B/007	14.02.92	F79/S.4	St Annes Vicarage, Royal Connaught Square
B/008	14.02.92	F81/S.4	Alderney Museum, High Street
B/009	14.02.92	F6/S.4	Old Corner House, 6 Le Huret
B/010	14.02.92	F2/S.4	2 Le Huret
B/011	14.02.92	F3/S.4	3 Le Huret
B/012	14.02.92	F4/S.4	4 Le Huret
B/013	14.02.92	F8&9/S.4	8 Le Huret
B/014	14.02.92	F1/S.4	1 Le Huret
B/015	14.02.92	F5a/S.4	The Old Forge, Le Huret
B/016	14.02.92	F3a/S.4	The White Cottage, Royal Connaught Square
B/017	14.02.92	F2/S.4	2 Royal Connaught Square
B/018	14.02.92	F3/S.4	3 Royal Connaught Square
B/019	14.02.92	F4/S.4	4 Royal Connaught Square
B/020	14.02.92	F5/S.4	5 Royal Connaught Square
B/021	14.02.92	F6/S.4	Royal Connaught Residential Care Home, 6 Royal Connaught Square
B/022	14.02.92	F49/S.4	49 Victoria Street
B/023	14.02.92	F90/S.4	18 th Century Church Tower, High Street
B/024	14.02.92	F1/S.4	1 Royal Connaught Square
B/025	04.03.92	F1/S.4	1 Victoria Street/ Victoria Hotel
B/026	06.03.92	F2/S.4	2 Victoria Street

B/027	06.03.92	F3/S.4	3 Victoria Street
B/028	06.03.92	F4/S.4	4 Victoria Street
B/029	06.03.92	F5/S.4	5 Victoria Street
B/030	06.03.92	F6/S.4	6 Victoria Street
B/031	06.03.92	F7/S.4	7 Victoria Street
B/032	06.03.92	F9/S.4	9 Victoria Street
B/033	06.03.92	F54/S.4	54 Victoria Street
B/034	03.04.92	F10/S.4	10 Victoria Street
B/035	03.04.92	F11/S.4	11 Victoria Street
B/036	03.04.92	F12/S.4	12 Victoria Street
B/037	03.04.92	F13/S.4	13 Victoria Street
B/038	03.04.92	F14/S.4	14 Victoria Street
B/039	03.04.92	F15/S.4	15 Victoria Street
B/040	03.04.92	F16/S.4	16 Victoria Street
B/041	03.04.92	F17/S.4	17 Victoria Street
B/042	03.04.92	F97/S.4	North Star, Victoria Street
B/043	03.04.92	F21/S.4	21 Victoria Street
B/044	03.04.92	F22/S.4	22 Victoria Street
B/045	03.04.92	F23/S.4	23 Victoria Street
B/046	03.04.92	F24/S.4	24 Victoria Street
B/047	03.04.92	F25/S.4	25 Victoria Street
B/048	03.04.92	F26/S.4	26 Victoria Street
B/049	03.04.92	F35/S.4	35 Victoria Street
B/050	03.04.92	F36/S.4	36 Victoria Street
B/051	03.04.92	F37/S.4	37 Victoria Street
B/052	03.04.92	F38/S.4	38 Victoria Street
B/053	03.04.92	F39/S.4	39 Victoria Street
B/054	10.04.92	F40/S.4	40 Victoria Street
B/055	10.04.92	F42/S.4	42 Victoria Street
B/056	10.04.92	F47/S.4	47 Victoria Street
B/057	10.04.92	F46/S.4	46 Victoria Street
B/058	10.04.92	F50/S.4	50 Victoria Street
B/059	10.04.92	F53/S.4	53 Victoria Street
B/060	10.04.92	F53a/S.4	53a Victoria Street
B/061	10.04.92	F54a/S.4	54a Victoria Street
B/062	10.04.92	F55/S.4	55a Victoria Street
B/063	10.04.92	F55b/S.4	55b Victoria Street
B/064	10.04.92	F56/S.4	56 Victoria Street
B/065	10.04.92	F31/S.4	31 Victoria Street
B/066	10.04.92	F20/S.4	20 Victoria Street
B/067	10.04.92	F41/S.4	41 Victoria Street
B/068	16.04.92	F147/8/9	Les Mouriaux House
B/070	16.04.92	F6B/7/S.4	7 Queen Elizabeth II St
B/071	16.04.92	F2,2a,2b,55	Sauchet House, 2 Venelle de Sauchet
B/073	16.04.92	F9/S.4	9 Queen Elizabeth II Street
B/074	16.04.92	F11/S.4	11 Queen Elizabeth II Street
B/075	16.04.92	F5/S.4	5 Queen Elizabeth II Street
B/076	16.04.92	F4/S.4	4 Queen Elizabeth II Street
B/077	16.04.92	F2/S.4	2 Queen Elizabeth II Street
B/079	16.04.92	F164/S.4	1720 House, Church Street
B/080	16.04.92	F4/S.4	4 Church Street
B/090	30.04.92	F10/S.4	10 High Street
B/091	30.04.92	F38/S.4	38 High Street
B/092	30.04.92	F39/S.4	39 High Street
B/093	30.04.92	F28/S.4	28 High Street
B/094	30.04.92	F29/S.4	29 High Street
B/095	30.04.92	F30/S.4	30 High Street
B/096	30.04.92	F1/S.4	1 St Martins Annex
B/097	30.04.92	F242/S.4	Val des Portes
B/098	30.04.92	F189a/S.4	Uncle Tom's Cabin, Les Rocquettes
B/099	30.04.92	F235/6/S.4	The Presbytery, Les Rocquettes
B/100	10.04.92	F80/S.5	Mount Hale Battery and Arsenal
B/101	10.04.92	F163/S.5	Essex Castle,
B/101a			The Pepper Pot, Essex Castle
B/102	16.04.92	F161/S.5	Chateau de Longis/The Nunnery
B/103	16.04.92	F1/S.6	Fort Ile de Raz
B/104	16.04.92	F43/S.6	Fort Houmet Herbe

B/105	16.04.92	F55/S.6	Fort Quesnard Barracks
B/106	16.04.92	F67/S.6	Fort Les Homeaux Florains
B/107	16.04.92	F76/S.6	Fort Corblets
B/108	16.04.92	F245/S.3	Fort Clonque
B/109	16.04.92	F160/S.6	Fort Chateau a L'Etoc
B/114	16.04.92	F56/S.6	Fort Quesnard Battery
B/120	30.04.92	F238/S.4	Sundial House, Les Rocquettes
B/124	20.07.93	F395/S.3	Telegraph Tower
B/125	21.03.06		Masonic Hall
B/126	21.03.06		The Odeon
B/127	21.03.06		The Water Tower (Mouriaux)
B/128	21.03.06		Alderney Farmers Memorial
B/129	21.03.06		Iron Age Burial Site
B/130	21.03.06		Marais Pond
B/131	21.03.06		Marais Hall
B/132	21.03.06		St Michael's Cottage, Valongis
B/133	21.03.06		Hillside, Rue des Butes
B/134	21.03.06		Le Vallon, Fontaine David
B/135	21.03.06		The Vines, Longis Road
B/136	21.03.06		Corblets Barracks SWD Shed
B/137	21.03.06		Corblets Barracks, Sharpes Farm
B/138	21.03.06		Mannez Lighthouse and outlying buildings
B/139	21.03.06		Fort Doyle
B/140	21.03.06		Fort Albert and outlying buildings
B/141	21.03.06		Fort Grosnez
B/142	21.03.06		Fort Tourgis, Barracks and Batteries
B/143	21.03.06		Archway at Arch Bay
B/144	21.03.06		Archway at Crabby

I would be obliged if you could place this matter before the States with an appropriate proposition.

G Sargent
Chairman"

The States is asked to take note of the list of properties appearing in the States Register of Historic Buildings and Ancient Monuments as required by The Building and Development Control (Alderney) Law, 2002.

Item IX Alderney Gambling Control Commission: Appointment of Commissioner

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

"At its meeting held on 27th September 2010 the Policy and Finance Committee considered the recruitment of a new Gambling Control Commissioner following the departure of John Clitheroe in June 2010. With the Commission now comprising only three commissioners the Policy and Finance Committee has decided to recommend the appointment of Mr Jeremy Thompson as a further Commissioner. The appointment is for a period of five years in the first instance (which may be extended).

The position was advertised locally, in Guernsey and Jersey and in the United Kingdom and interviews were conducted in Alderney. Account was not only taken of the strength of individual experience and qualifications of those interviewed but also of the balance of these, having regard to the expertise of the existing Commissioners, required to meet the needs of the Commission in the immediate and medium term future of the Commission. Mr Thompson's experience in the telecommunications industry was considered to provide that balance.

The approval of the States to the appointment of Mr Thompson as a Member of the Commission is sought in accordance with the provisions of the Gambling (Alderney)

Law, 1999. I would be obliged if this is placed before the States at its next meeting together with an appropriate proposition.

R G Willmott
Chairman”

The States is asked to approve, on the recommendation of the Policy and Finance Committee and in accordance with the Gambling (Alderney) Law, 1999, the appointment for a period of five years of Mr Jeremy Thompson as a Member of the Alderney Gambling Control Commission.

Item X Budgets for 2011 and Expected Outturn 2010 (see attachment 3)

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

“As required by section 58 of the Government of Alderney Law, I enclose the budget estimates of income and expenditure for 2011 and the expected outturn for 2010.

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.

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.

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?

Revenue Account - Expected Outturn 2010

Under the financial procedures, the revenue cash allocation from Guernsey for 2010 was set at £1,600,000. It was also agreed that in order to meet the shortfall created by loss of rental income on the expected formation of the Alderney Housing Association that the £200,000 annual capital allocation could be transferred to the revenue account, which in the event was not required due to delays in the formation of the Association. This then left a balance of £76,600 to be met from Alderney's accumulated unspent balances, which at 1st January 2010 amounted to £116,330. However in March it was agreed that the remainder of the unspent balances should be put towards the roads resurfacing budget in order to enable Ronez to carry out a full program of works during the year.

Revenue Account - Budget Estimates for 2011

The Treasury and Resources Department of the States of Guernsey has set the revenue cash allocation for 2011 at £1,615,000. In addition a submission was made to Treasury & Resources under the States Strategic Plan for £165,000 additional

funding in respect of States properties in order to redress the net loss of annual rental income which will be experienced on the formation of the Alderney Housing Association. A similar bid was made in 2009, however once again the submission to Guernsey was not considered a high priority item in the list of essential service developments recommended by the Policy Council, therefore requiring the £200,000 capital allocation to be transferred to the revenue account again for 2011 in order to cover this initiative, and other areas of increased expenditure.

As mentioned above the unspent balances are now exhausted which has placed additional pressure to balance within the budget for 2011, and future years. Individual managers have therefore been given greater responsibility, and accountability, for their departmental budgets. Ongoing reviews of expenditure and income will be required to ensure we remain within budget, including a review of States operations. However, some of our major items of income, for example the numismatic royalties, philatelic income, bank interest etc, depend almost entirely on factors outside our control. The current global financial situation is likely to have a further adverse effect on these sources, as has already been apparent over the last two years.

The main items within the revenue budget for highlighting include :-

Occupiers Rates - The Policy & Finance Committee has agreed not to increase the Occupier's Rate in order to give ratepayers some reprieve in 2011 taking into account the 10% Water Rate increases which have been necessary annually since 2006. The matter of the introduction of a payment of a different rate, by those non-residents who do not pay tax to Guernsey, has been under discussion for some time. It was agreed by the Policy and Finance in April 2010 that it wished to proceed with a policy based on granting rebates to full time resident taxpayers and the Law Officers have been requested to draft appropriate legislation, including making Occupiers Rates payable by the owners of properties for consideration by the States. It is likely that this will be brought forward next year but naturally will depend on the then States to make a final decision.

Salaries, Wages and Pensions - In the budgets of each department the costs of salaries, wages, employer's pension and Social Security contributions are combined into the heading of "Staff". There were no increases in salaries and wages in the 2010 pay awards, and no increase in staff numbers. In 2011 we have been advised to allow 1.5% increase for Established Staff, with the Public Service Employees award still to be negotiated.

As reported to the States in December 2009, a review of the States Pension Scheme is currently underway, and it is hoped to report back to the States before the end of the year. The Pension fund deficit is a problem that will require further difficult decisions to be made. Guernsey has similar difficulties with its own pension fund and Alderney is maintaining close contact with Guernsey so that any significant changes to pension arrangements in both Islands are made at the same time. In the meantime Alderney will continue to make changes that it considers essential to prevent the deficit escalating further.

Refuse Collection, Separation and Disposal – The 2011 budget for waste disposal has once again been limited to £500,000, with all aspects of waste disposal under continual review. This is the largest item of States expenditure and it is a credit to all those involved that for the fourth year running we are able to set this target of no increased expenditure. All residents have a part to play in this and it is only by continuing to recycle a larger proportion of our waste that we can further reduce the cost of managing the Island's waste.

Harbour Budget – The revised method of charging in relation to hydrocarbons, coupled with additional shipping movements which have been made possible by the

larger Commercial Quay, will produce a surplus on the Harbour account in 2010, with a reduced deficit budgeted for 2011.

Capital Account 2010 & 2011

Capital income and expenditure, as with the revenue account, has been subject to a small cash allocation from Guernsey. As explained earlier in the report this allocation is now available to subsidise the revenue account. 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 2010 continue to reduce compared to previous years, and it is difficult to forecast any improvement in 2011. The 2010 figures represent a 66% reduction on 2007 figures. The figures contained on pages 10 to 12 reflect the actual and budgeted amounts charged to the accounts in each year for capital projects and do not include the opening balances of funds available.

It is now policy that Alderney Gambling Control Commission surpluses should be used to fund items on Alderney's capital programme. The annual surplus from AGCC is expected to reduce in 2010 to £1.1m, with £1.6m expected for 2011. These reserves together with income from Congé and some property sales, will be used to finance the majority of the capital programme.

The Commercial Quay Project is now nearing completion, and despite early delays construction of the New Connaught Care Home is well underway, with an expected completion date of Spring 2011.

An up to date summary of the States capital income and expenditure forecast, and the annual balances on the capital allocation account, for the next four years is attached as Appendix 1 for information purposes.

Going forwards the Policy & Finance Committee has agreed that the priority capital projects for 2011 should be the Water Board Phase 3 relating to storage facilities, together with a new sewerage main from Mouriaux to Platte Saline.

Work has commenced on a new strategic plan, an update of the Island Plan, which a small P&F subcommittee has been working on for some time. It is anticipated that a draft plan will be available for the new States to discuss, amend and approve early in their term of office.

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

Water Board

The estimates for the Water Board show an operating surplus on the Revenue account of £33,300 in 2010. This is an improvement over the past two years, directly brought about by recent increases in charges, together with wage recoveries attributable to the capital projects

In 2011 the deficit on the revenue account is predicted at £75,350, which is mainly attributable to depreciation and increase in fuel and electricity costs associated with the capital projects, together with an extensive maintenance schedule shown under mains & machinery. The 2011 income allows for a further increase in rates with effect from quarter 3, which will be necessary to meet the increasing operating costs. The Water Board is taking a longer term view of the need to maintain a positive balance between operating revenues and costs and is conscious of the need to keep

increases in the current economic climate to the minimum. Nevertheless the significant improvements in both the supply of water and its quality do not come at nil cost and these ultimately have to be borne by consumers.

As the Water Board has no capital funds of its own available for the 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 now completed and Phase 2, relating to centralised filtration costing £700,000, is due to be installed in November. As mentioned earlier the next phase relating to storage facilities will be forwarded to the States for debate in due course.

These budgets have been considered and approved by Guernsey's Treasury and Resources Department, and will appear in summary format as part of the Guernsey budget later this year.

Once again I would like to thank the Treasurer and her staff for the efficient and courteous manner in which they have supported a wide range of States activities during the year, of which the Budget preparation is one small part

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 2011
to accept the Capital Budgets for 2011
to accept the Water Board Budget for 2011.

Item XI **Questions and Reports**

Issued: 6th October 2010