



STATES OF ALDERNEY

AND

STATES OF ALDERNEY WATER BOARD

BUDGET REPORT 2019

BUDGET REPORT 2019

EXECUTIVE SUMMARY

The Budget for 2019, shown on the attached 2 pages, has been prepared in line with the agreed budget process. The budget was considered and approved at the September Policy & Finance Committee Budget Meeting. The main points to note are as follows:-

- 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.
- The States of Alderney receives an annual cash allocation for the revenue account from the States of Guernsey, which together with its own income makes it necessary to prioritise the areas of public services that can be provided from the finite resources available.
- The 2019 revenue cash allocation from Guernsey is set at £1,895k. Which equates to the 2018 rate of £1,891,250 with an increase for pay awards. This will be adjusted later in 2019 in order to take into account the 2019 pay awards once known.
- The capital programme is mainly funded by Alderney Gambling Control Commission (AGCC) surpluses, together with locally raised revenue from asset sales etc. The surplus for 2019 is expected to be in the region of £2M, from which transfers to Alderney eGambling Limited (AeGL), Economic Development Reserve Fund (EDRF) will be made. It is important to note that there is no cash allocation received from Guernsey in respect of capital funding.
- The Water Board revenue account is expected to raise £700k from water rates and charges, which in 2019 will cover its operating costs, with a small surplus towards reserves.
- The Water Board capital programme continues successfully, funded by grants from the States of Alderney amounting to £2.6 million since 2008, with a further grant of £775k anticipated for 2019.
- The Economic Development Reserve Fund (EDRF), established in 2014 continues to be funded from AGCC reserves at £300k per annum in order to finance the research and development of initiatives to improve the economy, some of which will attract inward investment by way of direct and indirect revenue. As this does not form part of the revenue account any unspent balances each year are rolled forward. Each initiative is subject to an approvals process via the Policy & Finance Committee, and will require application of measurement standards and regular updates, however holding this in a separate reserve fund allows additional flexibility without affecting the revenue account which is constantly under pressure. Further details of the individual initiatives and associated workstreams are shown in detail on pages 2, 3 & 4 of this report.

ECONOMIC DEVELOPMENT

In the face of continuing fiscal challenges the States of Alderney and the States of Guernsey have continued their close working on the economic and social challenges and opportunities faced by both Islands. Coordination with Guernsey is at both officer and political levels and includes meetings of the Alderney Liaison Group.

Although the Economic Development Reserve Fund does not feature in the main part of this budget (as mentioned on page 1) it is shown in the year end accounts as a separate fund. The main initiatives and current work streams are outlined as follows:-

Air Transport & Alderney Airport

Air Transport has remained very high on the States' agenda throughout 2018. With increasing pressure on Aurigny to reduce its escalating losses, the schedules for 2018 were less favourable than those operated in 2017. This affected numbers of flights, availability of seats and timings of the flights, all of which were negatively impacted to some degree this year. This change also resulted in it being far more difficult, and expensive, to work with Aurigny to add further flights to the schedules at specific times.

The performance of the airline on the Alderney routes has come under both financial and operational scrutiny in both Guernsey and Alderney, and this has led to some well publicised, but less than helpful, statements being made in the media on the future of the routes. While the Alderney-Guernsey route has been accepted by the States of Deliberation in Guernsey as a lifeline route, which will require some subsidy to operate, there has been considerably more debate on the future of the Alderney-Southampton route.

Extensive work was done by the States of Alderney to provide the evidence base for declaring the Alderney-Southampton route as the Island's second lifeline link (primarily for economic reasons), and it has now been agreed in both islands to market test both of Alderney's primary routes. In the meantime, the States of Alderney have declared it a lifeline.

Nevertheless, the authorities in Guernsey and Alderney are now working co-operatively to invite bids on both the ACI-GCI and ACI-SOU routes. This has involved very detailed work between the respective States, and it is currently envisaged that Public Service Obligations (PSOs) on both routes will be tendered in early October, with a view to the successful bidder commencing operations next year (between 01 April and 30 September).

The resultant PSOs will replace the Memorandum of Understanding between the Policy & Finance Committee, the States Trading Supervisory Board and Aurigny, which was put in place in 2016 very much as a temporary measure. This is considered to be a very welcome step forward in providing certainty with Alderney's key air transport routes.

The air licensing legislation was amended in Guernsey this year, resulting in a more "Open Skies" approach where only routes designated as "Lifeline" will need route licences. All other routes would fall outside the need for such a licence. Alderney has followed suit, although further consideration is currently being given to retaining a third category of routes designated as "Strategic" where a licence would also be necessary, such a route may be the ACI-JER route.

Another piece of good news was the delivery by Aurigny of the second new Dornier 228 at the end of August 2018. With two new Dornier 228s on the routes, the reliability of the small fleet serving Alderney is expected to significantly improve.

News on other routes in 2018 has been disappointing in that the much heralded Alderney-Jersey service is still not operational, and the current policy to license only one operator on the route has now lapsed. It is to be hoped that the matter will be progressed so that the route can become operational in 2019.

Finally, given the lengthy delays in the planning and preliminary stages of the airport rehabilitation project, it has proven necessary for Guernsey Airport to apply a specialist surface coat to the full runway, aprons and taxiways. This treatment does not address the structural integrity of the runway, but it will provide the temporary repairs necessary to enable the continued operation of the airport until the final delivery of the fully rehabilitated runway, which includes restoration of the width to 23m. This project is due to be debated in the States of Guernsey Deliberation before the end of the year, so that detailed designs and tenders can be sought and analysed in 2019, with a start date for the work of Spring 2020.

Sea Transport

In respect of sea transport it was hoped that Alderney may have been able to secure a regular seasonal ferry service from 2018 onwards as a result of the Jersey and Guernsey initiative to enhance the inter-island sea passenger connectivity in 2018. Unfortunately, this opportunity did not materialise.

With the withdrawal of the Bumblebee service which provided two double rotations twice each week (April-September inclusive), the island was faced with the possibility of having no sea passenger service at all for 2018. Therefore, it was heartening to report that Alderney Shipping, operating through The Little Ferry Company, commenced a daily 12-seater ferry service between Alderney and Guernsey from the middle of July through to the end of September. Although the company received a subsidy from the States of Alderney for this operation, the services proved immensely popular with many sailings being fully booked and resulting in extra rotations having to be provided on a number of occasions.

In light of this year's operation, it is intended that a review of the service will be undertaken in October and a decision taken as to what can be offered for 2019.

Digital Connectivity – Following a tendering process at the end of 2017, an agreement was entered into with Sure telecom to enable all properties/businesses in the island to connect to superfast Broadband and to encourage a high level of uptake in this initiative.

This project is designed to stimulate a number of economic and social opportunities within the information technology sector. These cover a range of issues in areas such as home-working, e-health, virtual training, and increased connectivity for the island's business community as a whole.

This is an ongoing project. At the time of writing (September 2018), around one third of Island properties have been connected with around half this number already electing to be upgraded to superfast broadband. There is a continuing monitoring process to ensure that Sure telecom provide the superfast speeds that they are obligated to provide.

Review of Governance – A Good Governance Group has been formed to engage with the population to ensure the Islands best interests are protected. Involvement and discussion with the public in regard to the process will take place in the coming months. The intention is to enable the States of Alderney to obtain balanced feedback on the way forward and to hear views from all areas within the community. The Good Governance Group is committed to minimising expenditure until a way forward has been clearly established.

Small Business Start-up Scheme – There has been renewed interest by applicants for possible grants (up to a maximum of £2k) to assist with new small start-up businesses. As a result, the modest budget allocation for this initiative will need be reviewed again in 2019.

Maximising the Benefit from Sustainable Management of Territorial Waters (including the seabed) - Due to the delay in Brexit negotiations (and therefore the still unconcluded extension of Alderney's territorial waters), the Alderney Marine Forum has not progressed objectives under the marine plan as expediently as it envisaged in 2018. Important issues will be progressed in 2019.

Visitor Economy – The long term development of the Island's visitor economy is a priority. A Development Plan is currently being prepared for wider consultation.

In the meantime, a number of initiatives and projects are being actioned. These include:

- **Fort Tourgis Hotel Development** - A new approach has been made to redevelop Fort Tourgis. This is now being progressed as a matter of priority. The project, if it proceeds, is likely to have a major positive impact on all aspects of the island's economy. It should, amongst other things, boost traffic on the Alderney-Southampton route, reducing any need for financial support on this link.
- **Island Infrastructure** - The civic pride initiative which was launched in April is focusing on measures to improve the wider attractiveness of the island.

There are also initiatives:- to enhance other infrastructure and facilities including at the airport and at the harbour; for assistance to those providing accommodation for visitors; and within the retail sectors.

- **Marketing and Information Services** - The focus on marketing and the resources required to implement an effective programme are changing. More day-to-day management and administration is needed in order to effectively use social media and to analyse the increasingly available feedback. Funds have been allocated to ensure that both essential IT resources are available together with the skills needed to ensure all demands are met at the appropriate level.

Market intelligence is paramount and, to this end, essential data gathering and survey work is underway.

- **Aviation Fuel Subsidy** - As reported last year the Committee is determined to retain both AvGas and Jet A-1 at the airport to ensure that Alderney remains "Open for Business". The re-tendering of the fuel concession towards the end of 2017 proved to be successful with Rubis taking over the fuelling service and facility very early in 2018. The new arrangements do not require a subsidy from the States of Alderney.

STATES OF ALDERNEY REVENUE ACCOUNT

The consolidated format provides a summary of expenditure and income from operational areas as well as highlighting sources of revenue. The upper section of the report shows the operational activities (both income and expenditure) by the 3 Committees, which shows the net cost of service in each area. This is followed by "other operating income", "property and other grant income" (including the cash allocation from Guernsey), followed by transfers, finally showing the surplus for the year.

As previously reported, Senior Managers from each Department are delegated with full responsibility for their budgets as the Principal Budget Holder, and in turn have been given the authority to sub delegate to their staff where appropriate. Each Department is therefore responsible for ensuring that there is sufficient funding available in order to reach the objectives outlined in their departmental business plan.

2018 Revised Budget - The main headline for this year is that the “routine budget” is balanced, resulting in a small surplus of £11.3k. The additional funding from AGCC reserve (as per the budget reserve application last year) has been allocated against Brexit costs together with legal fees relating to ACRE.

The total revised cash allocation from Guernsey for 2018 is £1,891,250 which has been increased from original Budget to meet known pay awards.

2019 Budget - Is based on the locally raised income in addition to the cash allocation from Guernsey at £1,895k. The expected out turn for 2019 shows a modest surplus of £18.9k.

The sections are listed below including breakdown by Committee, together with the main assumptions or items for note identified throughout the budget.

Building & Development Control

Income – Income from planning fees slightly lower than anticipated, which has been reflected in 2019.

Expenditure – The high costs in 2017 have now ceased as the work on the LUP has reached fruition therefore expenditure levels returning to normal.

General Services

States Works – Main increases relate to increased insurance costs throughout (as per revised premiums), and increased property maintenance costs due to the Connaught & Jubilee.

Staff – PSE staff numbers throughout remain relatively consistent with additional support from bank staff where necessary. SWD administration staff includes provision for an additional post to assist the Technical Services Officer role in 2019.

Harbour – Overall the harbour deficit has increased slightly against original budget in 2018, and is expected to continue into 2019. Income is relatively static, due to the good weather visitor mooring fees are slightly higher despite the introduction of 3 nights for 2 for July & August. The full effect of this promotion will be reported to GSC by the Harbour Office at the end of the season.

Policy & Finance

Corporate & Democratic Services – Expenditure within this heading includes P&F staff and recruitment costs which have been increased in 2019 to reflect additional resource requirements, however any increase has been offset by savings in other areas. Legal & consultancy costs have been reduced to normal levels following the additional requirement in 2017/2018 relating to FABlink advice (with the exception of indirect legal costs incurred by ACRE). Also included within this heading are Insurance reserve costs relating to the Insurance Deductable Fund which has been established over the last few years in order to “self-insure” up to the maximum liability which potentially could be claimed for previous years. The calculation formula now provides for the maximum potential liability of current year plus the previous ten years, resulting in a one off saving in 2019.

Income within this section includes permits and licences, and assumes an increase in some of these fees to ensure that the administration costs are covered. The necessary amendments to the Fees Ordinance will be brought before the States before the end of the year.

Grants & Subsidies – This heading includes the ACRE subsidy, which has been increased to reflect legal fees as mentioned above, together with the Alderney Ambulance Grant which has been included at the reduced level of £21k as part of the 2 year amendment approved last year, following scrutiny of their accounts and minimum reserve policy.

Other operating income

Property and land rents GSC – This amount has slightly reduced to reflect any vacancies and changes within lease terms etc.

Vehicle Import Licence fees – Income in 2018 has reduced compared to original budget as the increase has not materialised within the expected timeline. An increase has been assumed for 2019, however the necessary Fees Ordinance amendments will be brought to the States for approval once they have been received.

Numismatic & philatelic profits – Income increased to reflect the improved contract terms agreed.

Property and other taxation/grant income

Includes the cash allocation from Guernsey (as mentioned above), duty free concession, and property transfer duty (Conge) etc.

Occupiers Rates 2019 – Following the review last year when the categories were streamlined, the Policy & Finance Committee is recommending that only minimal adjustments are made for 2019 at RPIX (2.4%) pending the proposed introduction in 2020 of the single property rate. In addition a reduction to the regulated finance industry category (to equate to the non-regulated category), is being proposed to encourage new business to the Island, any loss in income being offset by removing the subsidy for buildings under development in order to encourage completion of partially completed properties on the Island.

STATES OF ALDERNEY CAPITAL BUDGET

It is important to recognise that approval by the States of the overall capital budget does not mean that any individual project can proceed without further approval under the financial procedures, and should therefore be recognised as an indication of probable projects as opposed to a firm schedule. All new projects will require individual costings and necessary approvals as per the financial procedures. Any project in excess of £100k requires approval by the full States of Alderney.

Capital Income

The Capital Programme continues to be mainly funded by Alderney Gambling Control Commission surpluses which are expected to continue at approximately £2m in 2019, from which the transfers of £665k to AeGL (significant savings achieved in 2018), and £300k to the Economic Development Reserve Fund will be made. Other minor income relates to the sale of States assets including Le Banquage freeholds.

Capital Expenditure

The General Services Committee anticipate £5.4m capital expenditure during 2019 covering a wide variety of projects including:-

- Connaught Care Home Extension
- Coastal Defences
- Property Refurbishments
- Road and Pavement Improvements
- Sewerage, Recycling & Waste Projects
- Various Recreational projects
- SWD & Agricultural Vehicle & Plant replacements
- Harbour Plant & Vehicles
- Harbour Quays, Moorings & Infrastructure incl Fort Gronez
- Water Board Grants (as outlined below)

The Policy & Finance Committee is also predicting to spend £195k on projects including:-

- IT upgrades, Replacements & Improvements
- Data Protection Security
- Land Registry Upgrade

Overall this reflects an ambitious capital programme for the year ahead, and capital expenditure on some major projects may extend into 2020. Significant capital slippage has occurred in previous years, mainly due to staff turnover as opposed to financial constraints, the backlog of which is now being addressed. The shortfall between income and expenditure required to fund the proposed capital program will be funded by capital reserves, which have mainly been accumulated due to the project slippage in previous years.

There may also be the requirement for an additional grant towards the Swimming Pool & Sports Centre, which has not been included at this stage as the final costs are unknown.

The consolidated 5 year capital programme is as an attachment for information, however it should be noted that only 2018 revised and 2019 are subject to approval as part of this budget (subject to individual business cases and approvals as previously mentioned).

WATER BOARD REVENUE BUDGET

The budget achieves the key objective that the Board should meet its operating costs in any given year in order to build a reserve to fund future capital liabilities and the associated increases in depreciation. It should be noted that each time a capital project is approved the associated ongoing opex costs i.e. depreciation, maintenance contracts, replacements, TRP etc are charged to the revenue account.

Operational activities:-

The anticipated expenditure for 2018 is slightly lower than original budget, with a slight increase in expenditure for 2019 mainly due to depreciation on capital projects/purchases as mentioned above.

Wage costs are partially offset by recovery from the in-house labour and supervision on capital projects (at £25k for 2019).

The administration charge is being incrementally increased annually in order to remove the subsidy over time, as previously approved. However this is only reflecting staff costs and does not include other overheads.

Operating income:-

Water Rates & Charges – As approved last year charges the hose pipe charge has been eradicated in 2018. For 2019 it is proposed that a 5% increase in rates is applied in order to cover the operating costs for the year and to assist in building reserves equivalent to at least one year's operating costs. This will increase the minimum charge from £67 to £70 per quarter, and will produce an overall surplus for the year of £25k in 2019. Meanwhile the overall surplus for 2018 revised budget is similar to the original budget.

WATER BOARD CAPITAL BUDGET

The Water Board continues to be supported by substantial capital investment from the States of Alderney, in the form of capital grants, currently in excess of £2.6M, since 2008. The projects to date have significantly improved the water collection, filtration, treatment, storage and distribution. The more recent distribution improvements have been arranged in order to take the opportunity to trench share with AEL, thereby saving on costs and disruption.

Grant funded capital expenditure for 2019 is anticipated at £775k, which comprises the annual amount for distribution improvements together with £500k for the standby filtration plant which has been deferred for several years. From 2020 onwards the grant level will revert back to £275k per annum. All of which are pending the identification, prioritisation and costings of the individual schemes. The remaining minor capital expenditure in 2019 of £55k, relating to replacement vehicle, pumps, meters & membranes etc, will be funded by Water Board reserves.

CONCLUSION

2017 and 2018 have been exceptional years. The demands of the Land Use Plan, and negotiations in respect of FABlink, put unprecedented pressure on both resources and staff. There was of course also the recruitment process to secure a new Chief Executive. All have resulted in additional revenue costs, the extent of which were unknown at the time of compiling the original budgets.

As I reported last year, the pressures on the revenue budget will continue to be our greatest challenge. As was the case last year, there remains little flexibility for any extraordinary expenditure. The States of Alderney must therefore continue to look closer and harder at opportunities to create direct home grown revenue streams together with creating efficiencies wherever possible.

The challenges in capital spending remain the capacity, resources and capability to deliver what is budgeted, and some additional resource is therefore being incorporated to achieve this. Greater focus has to be placed not so much on the cost, but on the benefits derived from the capital projects. The States of Alderney is determined to be prudent in their expenditure. Obtaining value-for-money and competitive transparent tendering must be key future priorities. We will, however, not stint on expenditure that is deemed of economic benefit to the Island.

Workstreams on the initiatives relating to the Review of the Financial Relationships still continue and at an appropriate pace. It is, however, expected that these will result in no significant change to the budget figures for 2019. Any changes that do occur will be in 2020 and beyond.

Lastly, we now have the prospect of a review of the 1948 Agreement and where that will lead us we do not know. We are pressing for a holistic approach and independent chairmanship. Others would have it concentrate on transactional financial matters only. Defending our corner will be key to our future prosperity and we must not shirk from that responsibility.

All that remains for me to do is to thank Kerry and her staff in the Treasury for their hard work. I would like to think that 2019 will be easier. I suspect it won't.

J. Dent

Chairman Policy & Finance Committee

September 2018

STATES OF ALDERNEY BUDGET 2019

Budget - page 1

States of Alderney Revenue Budget

2017 Actual Net		Budget 2018			Revised Budget 2018			Budget 2019		
		Exp.	Inc.	Net	Exp.	Inc.	Net	Exp.	Inc.	Net
£		£	£	£	£	£	£	£	£	£
335,524	Operational activities	141,000	38,000	103,000	91,750	33,000	58,750	102,135	36,000	66,135
	Building and Development Control Services									
	General Services									
1,247,921	States Works	1,432,750	25,900	1,406,850	1,436,080	23,400	1,412,680	1,471,730	26,700	1,445,030
5,972	Recreation	32,200	20,960	11,240	33,000	21,680	11,320	34,000	22,195	11,805
47,476	Fire Brigade	54,900	-	54,900	49,650	-	49,650	50,900	-	50,900
22,300	Civil Emergency	25,350	-	25,350	22,600	-	22,600	24,100	-	24,100
28,999	Grants & Subsidies	42,480	-	42,480	31,180	-	31,180	41,360	-	41,360
37,514	Harbour	379,100	306,150	72,950	396,950	309,075	87,875	404,550	309,800	94,750
	Policy and Finance Services									
962,036	Corporate and democratic services	963,325	26,200	937,125	894,678	28,750	865,928	910,500	30,500	880,000
83,445	Court	176,400	62,500	113,900	187,400	66,800	120,600	186,400	64,000	122,400
204,449	Tourism and marketing	221,100	12,000	209,100	222,800	13,500	209,300	211,000	13,500	197,500
32,010	Education and health	32,900	-	32,900	30,900	-	30,900	26,900	-	26,900
16,451	Social and welfare services	20,300	-	20,300	16,300	-	16,300	17,500	-	17,500
118,692	Grants & Subsidies	115,500	-	115,500	289,780	-	289,780	152,850	-	152,850
3,142,788	Cost of services	3,637,305	491,710	3,145,595	3,703,068	496,205	3,206,863	3,633,925	502,695	3,131,230
	Other operating income									
156,412	Property and land rents - GSC	-	177,841	177,841	-	157,397	157,397	-	159,550	159,550
42,574	Rents - PFC	-	43,890	43,890	-	45,100	45,100	-	45,100	45,100
22,365	Interest receivable	-	22,800	22,800	-	57,500	57,500	-	54,800	54,800
46,893	Vehicle import licence fees	-	53,750	53,750	-	45,000	45,000	-	54,000	54,000
135,572	Numismatic and philatelic profits	-	156,800	156,800	-	161,000	161,000	-	161,500	161,500
	Property and other taxation/grant income									
1,847,400	Allocation from States of Guernsey	-	1,840,000	1,840,000	-	1,891,250	1,891,250	-	1,895,000	1,895,000
498,916	Occupiers Rates	-	532,000	532,000	-	532,500	532,500	-	544,190	544,190
277,307	Property Transfer Duty	-	232,000	232,000	-	200,000	200,000	-	212,000	212,000
25,000	Duty free concession	-	25,000	25,000	-	25,000	25,000	-	25,000	25,000
(90,351)	Surplus/(Deficit) on provision of services			(61,514)			(92,116)			19,910
95,855	Transfer from AGCC Reserves			105,000			105,000			-
5,504	Transfer to Currency Reserve			(1,500)			(1,500)			(1,000)
-	Transfer to General Revenue Reserves			-			-			-
0	Surplus/(Deficit) for year			41,986			11,384			18,910

States of Alderney Capital Budget

2017 Actual Net		Budget 2018			Revised Budget 2018			Budget 2019		
		Exp.	Inc.	Net	Exp.	Inc.	Net	Exp.	Inc.	Net
£		£	£	£	£	£	£	£	£	£
1,027,004	General Services Projects	3,124,000	-	3,124,000	1,671,000	-	1,671,000	5,403,000	-	5,403,000
1,153,346	Policy and Finance Projects	418,000	-	418,000	321,000	-	321,000	195,000	-	195,000
300,000	Transfer to Economic Development Fund	300,000	-	300,000	300,000	-	300,000	300,000	-	300,000
95,855	Transfer to Revenue Account	105,000	-	105,000	105,000	-	105,000	-	-	-
2,576,205	Total capital expenditure			3,947,000			2,397,000			5,898,000
	Sources of funding									
1,972,649	AGCC profit transfer	-	1,330,000	1,330,000	-	1,620,000	1,620,000	-	1,335,000	1,335,000
5,000	Asset sales	-	25,000	25,000	-	37,510	37,510	-	36,000	36,000
1,000	Other	-	-	-	-	24,700	24,700	-	-	-
1,978,649	Total capital income			1,355,000			1,682,210			1,371,000
(597,556)	Surplus/(Deficit) for year (funded from reserves)			(2,592,000)			(714,790)			(4,527,000)

STATES OF ALDERNEY WATER BOARD BUDGET 2019

Budget - page 2

Water Board Revenue Budget

2017 Actual Net		Budget 2018			Revised Budget 2018			Budget 2019		
		Exp.	Inc.	Net	Exp.	Inc.	Net	Exp.	Inc.	Net
£	Operational activities	£	£	£	£	£	£	£	£	£
553,400	Operating and maintenance expenses	557,420	-	557,420	551,980	-	551,980	567,000	-	567,000
99,064	Administration and general	105,700	-	105,700	108,050	-	108,050	114,913	-	114,913
652,465	Total expenditure			663,120			660,030			681,913
	Operating income									
654,525	Supply charges	-	670,700	670,700	-	668,000	668,000	-	700,950	700,950
-	Asset sales	-	-	-	-	-	-	-	-	-
654,525	Total operating income			670,700			668,000			700,950
2,060	Operating surplus/(Deficit)			7,580			7,970			19,037
	Other income									
12,183	Rents & interest			6,500			6,700			6,700
14,243	Surplus/(Deficit) for year			14,080			14,670			25,737

Water Board Capital Budget

2017 Actual Net		Budget 2018			Revised Budget 2018			Budget 2019		
		Exp.	Inc.	Net	Exp.	Inc.	Net	Exp.	Inc.	Net
£		£	£	£	£	£	£	£	£	£
178,506	Expenditure	775,000	-	775,000	275,000	-	275,000	830,000	-	830,000
178,506	Total capital expenditure			775,000			275,000			830,000
166,000	Income (funded by States of Alderney Grants)	-	750,000	750,000	-	250,000	250,000	-	775,000	775,000
166,000	Total capital income			750,000			250,000			775,000

CAPITAL PROGRAMME 2018 - 2022 - CONSOLIDATED SUMMARY

STATES OF ALDERNEY

		2018	2019	2020	2021	2022
		£,000	£,000	£,000	£,000	£,000
GSC	Harbour - Plant, Quays, Buildings, Moorings	60	1,185	200	130	50
"	Fire Brigade - Vehicles & Equipment	0	35	30	0	0
"	SWD - Properties	440	2,025	385	280	175
"	SWD - Road & Land Projects	275	400	925	695	620
"	SWD - Coastal & Cliff Erosion	115	440	330	130	80
"	SWD - Waste Disposal & Recycling	60	140	100	100	40
"	SWD - Recreation	90	40	25	10	0
"	SWD - Sewerage projects	60	125	1,190	525	40
"	SWD - Vehicles & Plant	254	213	100	82	125
"	Agricultural - Vehicles & Plant	67	25	44	22	10
"	Water Board Grants	250	775	275	275	275
P&F	Office & IT Requirements	286	195	100	60	140
"	Third Party/Grants	35	0	0	0	0
		1,992	5,598	3,704	2,309	1,555

Excludes any expenditure relating to previously approved votes

WATERBOARD (FUNDED BY WATERBOARD RESERVES)

Vehicle Replacement	0	30	0	0	30
Minor plant, pumps etc	25	25	25	25	25
	25	55	25	25	55

The Occupier's Rate (Level for 2019)

Ordinance, 2018

THE STATES OF ALDERNEY, in pursuance of their Resolution of the 10th October, 2018, and in exercise of the powers conferred on them by section 3 of the Alderney (Application of Legislation) Law, 1948^a, and all other powers enabling them in that behalf, hereby order:-

Level of Occupier's Rate for 2019.

1. The Occupier's Rate to be levied on real property in the calendar year 2019, pursuant to section 3 of the Alderney (Application of Legislation) Law, 1948, shall be levied, in respect of real property falling within a property description/usage specified in column 2 of the Schedule, at the rate per assessable unit specified in relation to that property description/usage in column 3 of the Schedule in respect of each assessable unit of the real property in question.

Interpretation.

2. (1) In this Ordinance, unless the context requires otherwise -

"**assessable unit**", in relation to real property, means the assessable units of the real property within the meaning of, and calculated in accordance with, the TRP Ordinance,

"**property description/usage**" shall be construed in accordance with the TRP Ordinance,

^a Ordres en Conseil Vol. XIII, p. 448 as amended by Vol. XVI, pp. 124 and 126; Vol. XXIV, p. 210; Vol. XXIX, p. 299; Vol. XXX, p. 224 and Vol. XXXVII, p. 251, Guernsey Ordinance No. XXXIII of 2003, No. XXXIII of 2007 and No. IX of 2016. See also Order in Council No. X of 2006.

"property reference", in column 1 of the Schedule, shall be construed in accordance with the TRP Ordinance, and

"the TRP Ordinance" means the Taxation of Real Property (Guernsey and Alderney) Ordinance, 2007^b.

(2) The Interpretation (Guernsey) Law, 1948^c applies to the interpretation of this Ordinance.

(3) Any reference in this Ordinance to an enactment is a reference thereto as from time to time amended, re-enacted (with or without modification), extended or applied.

Citation.

3. This Ordinance may be cited as the Occupier's Rate (Level for 2019) Ordinance, 2018.

Commencement.

4. This Ordinance shall come into force on the 1st January, 2019.

^b Ordinance No. XXXIII of 2007 as amended by Order in Council No. XIII of 2010 and Guernsey Ordinance Nos. X and LVI of 2008, No. XLV of 2009, No. LIII of 2010, No. XLVIII of 2011, No. XIII of 2012, No. LI of 2012, No. XXVII of 2013, No. XLI of 2014, No. XLI of 2015, No. IX of 2016 and No. XXXII of 2016, No. XXXII of 2017 and G.S.I. No. 54 of 2008; No. 109 of 2010; No. 40 of 2011 and No. 51 of 2013.

^c Ordres en Conseil Vol. XIII, p. 355.

SCHEDULE

Sections 1 and 2(1)

PROPERTY REFERENCES, PROPERTY DESCRIPTION/USAGES

AND RATE PER ASSESSABLE UNIT

1 PROPERTY REFERENCE	2 PROPERTY DESCRIPTION/USAGE	3 RATE PER ASSESS ABLE UNIT
B1.1A	Domestic (whole unit)	£1.33
B1.2A	Domestic (flat)	£1.33
B1.3A	Domestic (glasshouse)	£0.67
B1.4A	Domestic (outbuildings)	£0.67
B1.5A	Domestic (garaging and parking) (non-owner-occupied)	£1.33
B3.1A	Domestic (whole unit) Social Housing	£1.33
B3.2A	Domestic (flat) Social Housing	£1.33
B3.3A	Domestic (glasshouse) Social Housing	£0.67
B3.4A	Domestic (outbuildings) Social Housing	£0.67
B3.5A	Domestic (garaging and parking) (non-owner-occupied) Social Housing	£1.33
B4.1A	Hostelry and food outlets	£1.33
B4.2A	Self-catering accommodation	£1.33
B4.3A	Motor and marine trade	£1.33
B4.4A	Retail	£1.33
B4.5A	Warehousing, storage facilities and hangars	£1.33
B4.6A	Industrial and workshop	£1.33
B4.7A	Recreational and sporting premises	£1.55
B4.8A	Garaging and parking (non-domestic)	£1.33
B5.1A	Utilities providers	£27.08
B6.1A	Office and ancillary accommodation (regulated finance industries)	£2.43
B6.2A	Office and ancillary accommodation (other than regulated finance industries and legal services)	£2.43
B6.3A	Office and ancillary accommodation (legal services)	£2.43
B7.1A	Horticulture (building other than a glasshouse)	£0.29
B8.1A	Horticulture (glasshouse)	£0.29
B9.1A	Agriculture	£0.29
B10.1A	Publicly owned non-domestic (paragraphs (a) to (d))	£2.43
B10.1A	Publicly owned non-domestic (paragraphs (e) and (f))	Zero
B11.1A	Exempt (buildings)	Zero
B12.1A	Buildings – Penal Rate	Zero
B13.1A	Development building (domestic)	£1.33
B13.2A	Development building (non-domestic)	£1.33

The States Water Supply (Rates of Charge) (Alderney) Ordinance, 2018

THE STATES OF ALDERNEY, in pursuance of their Resolution of the 10th October, 2018, and in exercise of the powers conferred upon them by sections 14 and 39A of the Alderney Water Supply Law, 1954^a, and all other powers enabling them in that behalf, hereby order: -

Water supplied otherwise than by measure.

1. The quarterly charge for the supply of water to any property (except where the property is supplied by measure), from and including 26th December, 2018, shall be the sum of the following -

- (a) £0.45 per assessable unit of the property as calculated for the purposes of property tax under the provisions of the Taxation of Real Property (Guernsey and Alderney) Ordinance 2007^b, subject to a minimum charge per supply of £70.50, and
- (b) in respect of the supply, use or event described in the first column of the Schedule to this Ordinance, such

^a Ordres en Conseil Vol XVI, p 129; as amended by Vol. XXI, p. 310; Vol. XXIII, p. 523; Vol. XXIV, p 59; Vol. XXXI, p. 306; Vol. XXXIX, p. 124; and Alderney Ordinance No. II of 1997.

^b Ordinance No. XXXIII of 2007; there are amendments not relevant to this Ordinance.

additional charge as is set out in the second column of the Schedule.

Water supplied by measure for domestic use.

2. (1) The charge for the supply of water to any property by measure for domestic use, from and including 26th December, 2018, shall be £2.04 per cubic metre subject to a minimum quarterly charge determined in accordance with subsection (2).

(2) The States General Services Committee may determine a minimum quarterly charge for the supply of water to any property for domestic use by measure except that such charge shall not exceed a quarter of the total annual charge estimated by the Committee, in accordance with section 1, for the supply of water in respect of the property if it were supplied otherwise than by measure.

Water supplied by measure for other than domestic use.

3. (1) The charge for the supply of water to any property by measure for any use other than domestic use, from and including 26th December, 2018, shall be the sum of the following -

(a) a standing quarterly charge of £66.85, and

(b) £2.04 per cubic metre.

(2) For the avoidance of doubt, where water is supplied to property during the course of demolition, rebuilding, construction or development of any dwelling or other building at that property, the supply shall be deemed to be for a use other than domestic use.

(3) Where the circumstances described in subsection (2) apply -

(a) a water meter shall be fitted by the States Water Board,
and

(b) the charges provided for under subsection (1) shall
apply.

Interpretation.

4. (1) Unless the context requires otherwise, the terms and expressions used in this Ordinance shall have the same meaning as in the Alderney Water Supply Law, 1954.

(2) The Interpretation (Guernsey) Law, 1948^c applies to the interpretation of this Ordinance.

(3) Any reference in this Ordinance to an enactment is a reference thereto as from time to time amended, re-enacted (with or without modification), extended or applied.

Repeal.

5. The States Water Supply (Rates of Charge) (Alderney) Ordinance, 2017^d is hereby repealed.

^c Ordres en Conseil Vol. XIII, p. 355.

^d Alderney Ordinance No. XIV of 2017.

Citation.

6. This Ordinance may be cited as the States Water Supply (Rates of Charge) (Alderney) Ordinance, 2018.

Commencement.

7. This Ordinance shall come into force on the 26th day of December, 2018.

SCHEDULE

Section 1(b)

ADDITIONAL CHARGES IN RELATION TO THE NON-METERED USE OF WATER

1. Supply to properties with swimming pools.	£66.85 per quarter
2. Supply to cafes, chip shops, licensed premises or takeaway food outlets	£66.85 per quarter
3. Supply to guesthouses, self catering units or hotels	£23.00 per head of approved accommodation per year payable quarterly
4. Supply to hairdressers or dentists	£66.85 per quarter
5. Service connection	£605.00 minimum charge per connection, payable on installation. (Quarterly rates subsequently payable in accordance with section 1 commencing from date of installation.)
6a. Minimum charge per commercial/ domestic supply	£70.50 per quarter
6b. Minimum charge per supply (other)	£35.25 per quarter
7. Disconnection or re-connection fee	£208.50 per supply on disconnection or re-connection