



Date of Vote: 16 February, 2016

Billet d'État: III of 2016
Article: 10
Department: Policy Council
Subject: The Review of the Financial Relationship between Guernsey and Alderney
Propositions: 1-12

1. *To endorse the contents of that Policy Letter.*
2. *To agree, subject to Proposition 3 below, that the current implementation of the 1948 Agreement between Guernsey and Alderney should continue to be the basis for the financial and political relationships between Guernsey and Alderney.*
3. *To approve the changes to the current financial procedures in regard to the financial relationship between Guernsey and Alderney, as set out in that Policy Letter, such that with effect from the financial year 2016 separate figures are kept for memorandum purposes by Committees and Departments for income and expenditure in relation to public services provided by Guernsey for Alderney; but to direct the Treasury and Resources Department (and its successors) to continue to present the formal accounts of the States of Deliberation in consolidated form.*
4. *To direct the Treasury and Resources Department (and its successors) (in liaison with Departments and Committees) to produce and publish annually best estimate figures for the income derived from sources based in Alderney, and expenditure incurred from the Guernsey Budget on public services provided for Alderney in the same manner as provided in the Taylor Report included as Appendix B to that Policy Letter.*
5. *Consequent to Proposition 4 above, to further direct the Treasury and Resources Department (and its successors) to work with the Alderney Policy and Finance Committee to establish a simple formulaic method to estimate annually in arrears with effect from December 2016 the contributions to both islands of the e-Gaming sector in Alderney.*
6. *To agree in principle, subject to the necessary further detailed work, that the current implementation of the 1948 Agreement between Guernsey and Alderney be modified such that:*
 - a) *Guernsey retains responsibility to fund all Transferred Services, and the Social Security Funds, through the pooled income sources of Income Tax and Social Security Contributions;*
 - b) *the States of Alderney is responsible for funding all other public services in Alderney (including the harbour, drainage (foul and surface water), roads, coastal defence, water and electricity), from all other levies, rates, taxes, fees, rents, duties and other income collected from sources based in Alderney (such as tax on real property, occupiers' rates, import duties and excise duties, fees in lieu of Congé, document duty, numismatic and philatelic profits, and company registration fees).*
7. *To direct the Treasury and Resources Department (and its successors) to work with the Alderney Policy and Finance Committee to progress the further work resulting from Proposition 6 above, and to report back to the States of Deliberation in the budget report for 2017 (i.e. October 2016) with proposals to implement any changes, including (at least in principle) recommendations on how each of the large cost items (including the deficit on operating Alderney Airport, the (public service) subsidy to the airline operating the Alderney – Guernsey and Alderney-Southampton routes, the breakwater, the Alderney Housing Association loan facility, legal aid and Law Officers' costs) are to be treated in the financial relationship and how future capital provision is to be made for Alderney.*



8. *To direct the Education Department, Health and Social Services Department, Home Department, Public Services Department and Social Security Department (and their successors) in Guernsey, which provide Transferred Services for Alderney, to review the services provided (including how they are provided) in line with Section 4 of Appendix A to that Policy Letter, and to reach outcome focused agreements with the appropriate authorities in Alderney, having due regard to cost effectiveness and efficiency for such services, and on a timescale to be agreed between the Policy Council (and its successors) and the Alderney Policy and Finance Committee.*
9. *To direct the Treasury and Resources Department (and its successors) to continue to work with the Alderney Policy and Finance Committee to progress the appropriate recommendations in the Taylor Report (Appendix B to that Policy Letter), which fall within its mandate, and to implement the agreed changes as soon as practicable, referring only such matters as may need States Resolutions back to the States of Deliberation for further debate.*
10. *To note the Alderney Policy and Finance Committee's intention to progress a political governance review and to align any conclusions and recommendations, with the changes recommended in that Policy Letter in regard to the implementation of the 1948 Agreement between Guernsey and Alderney.*
11. *To direct the Commerce and Employment Department (and its successors) in Guernsey to continue to work as progressively and proactively as possible with the authorities in Alderney to help stimulate and develop economic activity in Alderney.*
12. *To direct the Treasury and Resources Department (and its successors) to consider further tax measures (including targeted tax relief schemes), and other relocation incentives, which could be useful tools in increasing economic activity in Alderney and encouraging population growth, particularly in the younger age groups, and to report back to the States of Deliberation on any such measures in the Budget Report for 2017 (i.e. October 2016).*

**2016/17****CARRIED:** **Pour: 41 Contre: 0 Ne vote pas: 0 Absent: 6****St. Peter Port South**

Deputy Peter A. Harwood **P**
Deputy Jan Kuttelwascher **P**
Deputy Barry L. Brehaut **P**
Deputy Roger Domaille **P**
Deputy Allister H. Langlois **P**
Deputy Robert A. Jones **P**

St. Peter Port North

Deputy Michelle K. Le Clerc **P**
Deputy John A. B. Gollop **P**
Deputy Peter A. Sherbourne **P**
Deputy Richard Conder **P**
Deputy Charles Parkinson **P**
Deputy Elis G. Bebb **A**
Deputy Lester C. Queripel **P**

St. Sampson

Deputy Gavin A. St. Pier **A**
Deputy Kevin A. Stewart **P**
Deputy Peter L. Gillson **P**
Deputy Paul R. Le Pelley **P**
Deputy Scott J. Ogier **P**
Deputy Lyndon S. Trott **P**

Vale

Deputy Matthew J. Fallaize **A**
Deputy David B. Jones **A**
Deputy Laurie B. Queripel **P**
Deputy Mary M. Lowe **P**
Deputy Andrew R. Le Lièvre **A**
Deputy Anthony Spruce **P**
Deputy Garry M. Collins **P**

Castel

Deputy Darren J. Duquemin **P**
Deputy Christopher J. Green **P**
Deputy Mark H. Dorey **P**
Deputy Barry J. E. Paint **P**
Deputy Jonathan P. Le Tocq **P**
Deputy Sandra A. James, MBE **P**
Deputy A. Hunter Adam **P**

West

Deputy Roger A. Perrot **A**
Deputy Alvord H. Brouard **P**
Deputy Arrun M. Wilkie **P**
Deputy David de G. De Lisle **P**
Deputy Yvonne Burford **P**
Deputy David A. Inglis **P**

South-East

Deputy Heidi J. R. Soulsby **P**
Deputy Robert W. Sillars **P**
Deputy Paul A. Luxon **P**
Deputy Michael G. O'Hara **P**
Deputy Francis W. Quin **P**
Deputy Michael P. J. Hadley **P**

Alderney Representative Louis E. Jean **P**
Alderney Representative S. D. Graham McKinley, OBE **P**