

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

5th November, 2019

Proposition No. P.2019/104

POLICY & RESOURCES COMMITTEE

THE STATES OF GUERNSEY ANNUAL BUDGET FOR 2020

AMENDMENT

Proposed by: Deputy J S Merrett

Seconded by: Deputy S T Hansmann Rouxel

To insert, after Proposition 29, the following Propositions:

"29A. In order to fund the services listed in the second table of Appendix VI to the Budget, to agree to (some or all of) the following measures to raise or reallocate revenue:

- a. In addition to Proposition 18, to increase, by a further 5% above their 2019 value, the duties levied on alcohol, and to replace "The Excise Duties (Budget) Ordinance, 2019" set out at pages 79 to 84 of the policy letter with the version appended to this amendment;

and/or

- b. To increase the ratio at which personal allowances and withdrawable deductions are removed, from £1 for every £5 above the limit, to £1 in every £4, and, in sub-paragraph (iii) on page one of the First Schedule approved as part of Proposition 17(a), to revise "£5" to "£4";

and/or

- c. To reallocate £700,000 from the sum transferred to the Capital Reserve as a result of Proposition 5 (and any amendments thereto);

and/or

- d. To further increase the ratio at which personal allowances and withdrawable deductions are removed, to £1 in every £3 above the

limit, and, in sub-paragraph (iii) on page one of the First Schedule approved as part of Proposition 17(a), to revise "£5" to "£3";

and/or

- e. To reallocate £700,000 of the funding previously approved by the States for the Participatory Budgeting Fund;

and/or

- f. To reallocate £700,000 or the remaining unallocated balance (whichever is the smaller) from the Transformation & Transition Fund;

and to agree that any additional funding made available as a result of these measures shall be applied to Committee budgets in the following order:

- i. First, to the four items marked with an asterisk (*) in the second table of Appendix VI; and
- ii. Then, pro rata to all other initiatives listed in the second table to Appendix VI,

except that no funding shall be allocated in respect of any initiatives for which an alternative funding source has already been approved, or for which the relevant Committee no longer requires funding in 2020.

AND

- 29B. To agree that, if the measures approved amount to more than the total amount required to fund the unfunded initiatives in the second table to Appendix VI, they shall be implemented in the order in which they were approved, and no more shall be implemented than are required."

EXPLANATORY NOTE

This amendment offers a range of options for funding the unfunded elements of Committee budgets ('service developments') set out in the second table in Appendix VI to the Budget.

These service developments amount to £3.35m (reducing to £2.5m if Proposition 23 is approved in full). The measures set out in a-f above would raise an estimated £700,000 **each**, meaning that 4-5 measures would be necessarily to fund all the initiatives in full.

Options which would provide a recurring source of income (such as higher excise duties) have been put first. However, one-off options (such as reallocating existing funding) are also included because the proposers of this amendment recognise that

the States may need to provide a short-term solution to a pressing need, while the January Debate should lead to longer-term, more sustainable solutions.

The Excise Duties (Budget) Ordinance, 2019

THE STATES, in pursuance of their Resolution of the 5th November 2019 and in exercise of the powers conferred on them by sections 23C(3) and 23K of the Customs and Excise (General Provisions) (Bailiwick of Guernsey) Law, 1972, as amended^a, and all other powers enabling them in that behalf, hereby order:-

Amendment of Fourth Schedule to the Law.

1. In the Fourth Schedule to the Customs and Excise (General Provisions) (Bailiwick of Guernsey) Law, 1972, as amended, for the tables in paragraphs 1 to 7 under "GOODS LIABLE TO EXCISE DUTY; & RATES OF EXCISE DUTY" substitute the following-

"1. Tobacco and tobacco products -

(a)	Cigarettes	£390.16 per kilo
(b)	Cigars	£390.16 per kilo
(c)	Hand rolling tobacco	£378.76 per kilo
(d)	Other manufactured tobacco	£328.53 per kilo
(e)	Tobacco leaf – unstemmed	£364.71 per kilo
(f)	Tobacco leaf – stemmed	£368.36 per kilo

^a Ordres en Conseil Vol. XXIII, p.573; as amended by Vol. XXIV, p.87; Vol. XXXI, p. 278; Vol. XXXIII, p. 217; Order in Council No. X of 2004; No. XIV of 2007; No. II of 2010; No. XV of 2012; Recueil d'Ordonnances Tome XXIX, p. 406; Tome XXXII, pp. 607 and 668; Tome XXXIII, p. 38; Ordinance No. XLIII of 2013; Nos. IX and XXXI of 2016; No. XXXI of 2017; No. XXX of 2018.

2. Petrol and gas oil -

- | | |
|---|---|
| (a) Petrol other than any fuel used for the purpose of air navigation (and subject to b.) | 71.2p per litre (until the 31 st December 2019) and 72.3p per litre (thereafter) |
| (b) Petrol used for the purpose of marine navigation | 48.1p per litre (until the 31 st December 2019) and 49.2p per litre (thereafter) where supplied by an approved trader except where supplied to an approved trader in which case 71.2p per litre (until the 31 st December 2019) and 72.3p per litre (thereafter) ^b |
| (c) Gas oil | 71.2p per litre (until the 31 st December 2019) and 72.3p per litre (thereafter) |

^b The circumstances in which the different rates may apply shall be specified by the Committee by Order.

3. Other fuels -

Biodiesel	71.2p per litre (until the 31 st December 2019) and 72.3p per litre (thereafter)
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For the purposes of calculating the excise duty applicable to any biodiesel -

- (a) any computation of the volume of biodiesel shall be made in litres as at 15 degrees Celsius, and
- (b) where any colouring matter or substance commonly added for the purpose of improving or modifying the quality or characteristics of biodiesel as a fuel is added to biodiesel prior to its delivery, then the volume of that biodiesel shall be determined by reference to the total volume including such additives.

4. Beer –

- (a) Beer brewed by an independent small brewery exceeding 1.2 per cent volume but not exceeding 2.8 per cent volume **27p per litre**

- | | | |
|-----|---|-----------------|
| (b) | Beer, other than beer brewed by an independent small brewery, exceeding 1.2 per cent volume but not exceeding 2.8 per cent volume | 57p per litre |
| (c) | Beer brewed by an independent small brewery exceeding 2.8 per cent volume but not exceeding 4.9 per cent volume | 45p per litre |
| (d) | Beer, other than beer brewed by an independent small brewery, exceeding 2.8 per cent volume but not exceeding 4.9 per cent volume | 91p per litre |
| (e) | Beer brewed by an independent small brewery exceeding 4.9 per cent volume but not exceeding 7.5 per cent volume | 58p per litre |
| (f) | Beer, other than beer brewed by an independent small brewery, exceeding 4.9 per cent volume but not exceeding 7.5 per cent volume | £1.14 per litre |
| (g) | Beer exceeding 7.5 per cent volume | £1.32 per litre |

5. Spirits -

Spirits	£41.18 per litre of alcohol contained in the liquor, calculated in accordance with section 23D
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6. Cider -

- | | |
|---|-----------------|
| (a) Cider produced by an independent small cider-maker exceeding 1.2 per cent volume but not exceeding 2.8 per cent volume | 27p per litre |
| (b) Cider, other than cider produced by an independent small cider-maker, exceeding 1.2 per cent volume but not exceeding 2.8 per cent volume | 57p per litre |
| (c) Cider produced by an independent small cider-maker exceeding 2.8 per cent volume but not exceeding 4.9 per cent volume | 45p per litre |
| (d) Cider, other than cider produced by an independent small cider-maker, exceeding 2.8 per cent volume but not exceeding 4.9 per cent volume | 91p per litre |
| (e) Cider produced by an independent small cider-maker exceeding 4.9 per cent volume but not exceeding 7.5 per cent volume | 58p per litre |
| (f) Cider, other than cider produced by | £1.14 per litre |

an independent small cider-maker,
exceeding 4.9 per cent volume but
not exceeding 7.5 per cent volume

(g) Cider exceeding 7.5 per cent volume **£1.32** per litre

7. Wines -

(a) Light wines not exceeding 5.5 per cent volume **71p** per litre

(b) Light wines exceeding 5.5 per cent volume but not exceeding 15 per cent volume (including sparkling wines) **£2.90** per litre

(c) Other wines **£4.63** per litre".

Extent.

2. This Ordinance shall have effect in the Islands of Guernsey, Alderney, Herm and Jethou.

Repeals.

3. The Excise Duties (Budget) Ordinance, 2018^c is repealed.

Citation.

4. This Ordinance may be cited as the Excise Duties (Budget) Ordinance, 2019.

Commencement.

5. This Ordinance shall come into force on the 5th November, 2019.

^c Ordinance No. XXX of 2018.