

## Budget Overview

	2022 Budget £m	2021 Estimate £m	2021 Budget £m
Total Income	550	508	462
Revenue Expenditure	519	452	453
Specific COVID costs	8	33	17
Operating Surplus/(Deficit)	23	23	(8)
Provision for Aurigny loss	1	16	14
Provision for Ports overdraft	-	12	-
<b>Surplus/(Deficit)</b>	<b>22</b>	<b>(5)</b>	<b>(22)</b>

Medium term outlook is that the baseline position will improve by £5-10m compared to that in the F&IP

## 2022 Summary

- + Strong economic bounce back due to strength in the economy – income tax nearly 5% above 2019 levels
- + Raising £1m extra in real-terms through above inflation increases in TRP, Alcohol and Fuel Duty
- + Guernsey Health Service Fund income (net £30m) and expenditure (net £37m) now included
- + Funding of £22m for service developments / delivery of GWP priorities
- + Aurigny's losses fall due to ending of travel restrictions
- + Overall surplus estimated at £22m (compared to £8m in the F&IP) – before any allowance for capital expenditure

## Budget Measures

- + Personal income tax allowances to increase by £300 to £12,175
- + Tobacco duty to increase by 7.5% adding 44p to a packet of 20 cigarettes
- + Alcohol duty to increase by 4% adding 2p to a pint of beer
- + An increase of 2.9p in a litre of fuel (4%)
- + An increase of 4% on domestic and commercial TRP
- + Continuation of increase in TRP for general office accommodation category

## Funding COVID response and recovery

- + Business support estimated to cost £25m this year (compared to £51m in 2020) - payroll co-funding and grants
- + Allowance for continuation of limited business support in 2022
- + Provision made for testing and vaccine costs in 2021 and 2022

## 2021 Position Update

- + Income £46m ahead of budget
- + Income Tax £26m higher - recovery earlier and faster than anticipated
- + Document Duty £8m higher – housing market particularly buoyant
- + Customs Duties £6m higher – reduced access to duty-free
- + Overall expenditure expected to be £15m more than budget, including business support at £20m more than budget
- + Slight increase in the loss for Aurigny of £2m due to travel restrictions, taking loss to £16m
- + £12m provision for funding Ports losses due to COVID restrictions
- + Overall deficit for general revenue £5m, improvement of £17m compared to budget