

States of Guernsey Budget 2010



XXXII
2009



BILLET D'ÉTAT
WEDNESDAY 9TH DECEMBER, 2009

CONTENTS

Budget Report

Summary	5
Section 2: Economic Position	6
Section 3: Financial Position	9
Section 4: Income Proposals	14
Section 5: Expenditure Proposals	19
Section 6: Other Matters	26

Appendices

Appendix I: Movements on the Capital Reserve	37
Appendix II: Movements on the General Revenue Account Reserve	38
Appendix III: Summary of Recent Budget Proposals – Indirect Taxation	39
Appendix IV: Summary of 2010 Budget Proposals – Indirect Taxation	40
Appendix V: Unspent Balances	41
Appendix VI: Superannuation Fund – Proposed Permitted Investment Rules	42
Appendix VII: Aurigny & Anglo Normandy: Trading Position (To September 2009)	44
Appendix VIII: Use of Delegated Financial Authority	45

Appendix IX: Budgets

Revenue Income and Expenditure Summary	48
---	----

Departmental and Committee Budgets

Policy Council	54
Treasury and Resources Department	56
Courts and Law Officers	58
Commerce and Employment Department	60
Culture and Leisure Department	62
Education Department	64
Environment Department	66
Health and Social Services Department	68
Home Department	71
Housing Department	73
Public Services Department	75
Social Security Department	78
Public Accounts Committee	79
Scrutiny Committee	80
States Assembly and Constitution Committee	81
Capital Reserve	82

Other Budgets

Corporate Housing Programme	83
Ports	88
Guernsey Water	85
Guernsey Dairy	97
States Works	99
Guernsey Registry	101
Beau Sejour	103

States of Alderney	104
--------------------	-----

Ladies' College	105
-----------------	-----

Propositions	106
---------------------	------------

BILLET D'ÉTAT

TO THE MEMBERS OF THE STATES OF THE ISLAND OF GUERNSEY

I have the honour to inform you that a Special Meeting of the States of Deliberation will be held at **THE ROYAL COURT HOUSE, on WEDNESDAY, the 9th DECEMBER, 2009**, at 9.30am, for the purpose of considering the States Budget for 2010 which has been submitted for debate by the Policy Council.

G.R. ROWLAND
Bailiff and Presiding Officer

The Royal Court House
Guernsey
20th November 2009

The Chief Minister
Sir Charles Frossard House
St. Peter Port
Guernsey
GY1 1 FH

6 November 2009

Dear Sir,

2010 BUDGET REPORT

I enclose a copy of the above Report which I should be grateful if you would lay before the States.

This Budget Report has been compiled against a backdrop of the forthcoming review of the States Fiscal Strategy, which has cast uncertainty over the outlook for States Finances. Therefore, in light of the planned revision of the corporate tax system and being mindful of the current economic climate, these Budget proposals are deliberately conservative with some targeted indirect taxation rises and continuance of expenditure restraint.

However, the States is operating an annual structural deficit of approximately £40million, which is in excess of the forecast for 2010 set out in the States Strategic Plan. If this rate of drawdown on the Contingency Reserve were to be maintained, the portion previously allocated to fund the planned shortfall during Phase I of the Implementation of the Economic and Taxation Strategy would be substantially exhausted by the end of 2012.

As you are aware, the Fiscal and Economic Policy Group (a sub-group of the Policy Council) will be bringing forward proposals, after full consultation and discussion, to restore the States Finances to a position of long-term fiscal balance. Until these proposals are developed and implemented, it is essential that all Departments and Committees of the States show the utmost expenditure restraint.

Yours faithfully,



C N K Parkinson
Minister
Treasury and Resources Department

2010 BUDGET REPORT

- 1.1 In October 2009, the States resolved that “*the current, planned review of taxation (‘Fiscal and Economic Plan’, Billet XVIII, July 2009) shall proceed on the presumption of a 10% general rate of corporate tax.*” It is intended that the Policy Council will be bringing forward proposals for a revision of the corporate tax system, after full consultation and discussion, as early as possible in 2010.
- 1.2 At this early stage, it is not possible to model the likely short-term effect on States income – either when the new regime is introduced or in the lead-up to it. However, there may be an impact on the 2010 income estimates. In the longer-term, the States financial position could improve with the presumed movement from a limited to a general corporate tax rate of 10%. The review of taxation will be comprehensive and, in addition to corporate income tax, also consider all other taxes, etc.
- 1.3 This Budget recommends targeted indirect tax increases and continuance of expenditure restraint and has been prepared with due regard to the Fiscal and Economic Plan, in particular, to comply with the following corporate objectives:
- Long run fiscal balance: spending within constraints of the Fiscal Framework and taxation at 21% of GDP.
 - Real term freeze on aggregate States revenue expenditure.
 - Public capital investment averaging 3% of GDP.
- 1.4 The States are operating an annual structural deficit of approximately £40million, which is in excess of the forecast for 2010 set out in the States Strategic Plan. If this rate of drawdown on the Contingency Reserve were to be maintained, the portion previously allocated to fund the planned shortfall during Phase I of the Implementation of the Economic and Taxation Strategy would be substantially exhausted by the end of 2012.

Summary

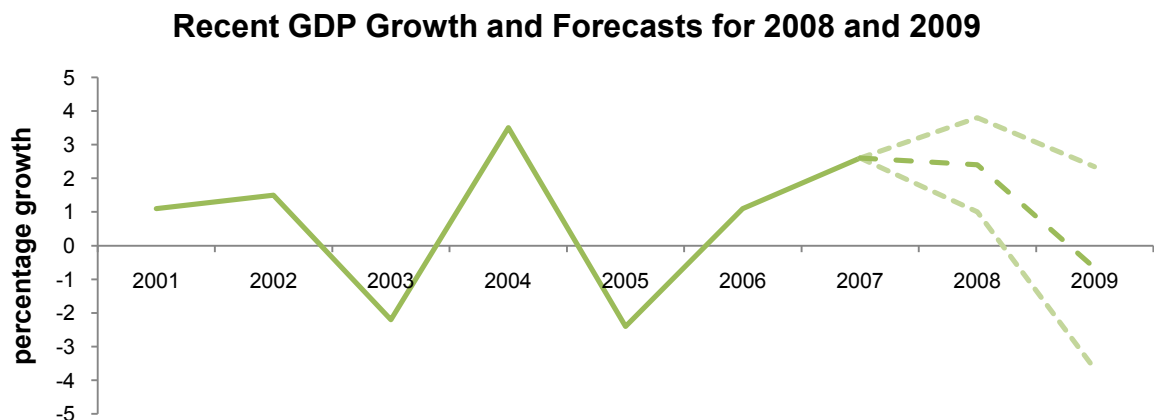
- 1.5 The proposals relating to indirect taxation contained within this year’s Budget Report are as follows:
- A 15% increase in the rate of duty on tobacco.
 - A 15% increase in the rate of duty on spirits. No increase in the rate of duty on beer, cider or wine.
 - Duty on Fuel to increase by 15%.
 - Tax on Real Property rates to increase by 10%.

2010 BUDGET REPORT

Section 2: Economic Position

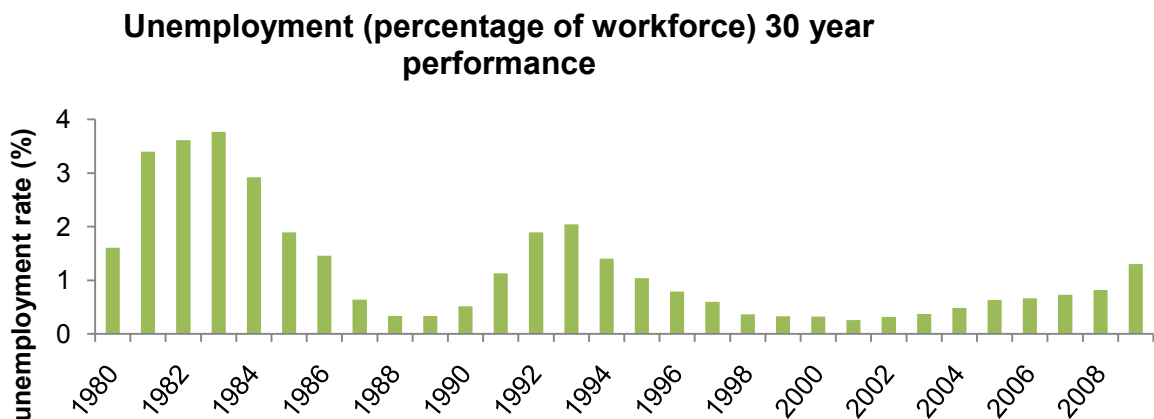
Current Performance

- 2.1 Data for Guernsey's economic output for 2008 is unavailable and we are reliant on forecasts and indications from other economic variables. However, internal forecasts suggest probable growth was around 2.4%. The situation is the same for 2009 GDP and present forecasts suggest at best, a standstill year for Guernsey output and, at worst, a possible slight contraction due to the risks to profitability of the finance sector and the historically witnessed lag. The fan chart below illustrates the range of probable outcomes:



Labour Market

- 2.2 ETI collections in the first quarter of 2009 demonstrated growth of 4%. The receipts in quarter two, however, were static. After applying an adjustment for the increases in income tax allowances in 2009, aggregate wages demonstrated nominal growth of 2%, clearly indicating a softening of earnings growth.



- 2.3 As illustrated in the chart above, unemployment has been gradually rising since the beginning of the decade but remains at extremely low levels by any international comparison. During 2009, the first two quarters showed employment growth although the third quarter indicated a slight fall year on year, which is probably a negative signal of past conditions. Conversely, evidence from advertising and recruitment suggested that employment prospects were beginning to improve in late summer.
- 2.4 The latest figures suggest, that whilst unemployment rose significantly from mid 2008 to early 2009 this rate of growth has currently levelled out. Overall, the labour market is probably weaker than it has been for some time in Guernsey terms.

2010 BUDGET REPORT

Other Areas

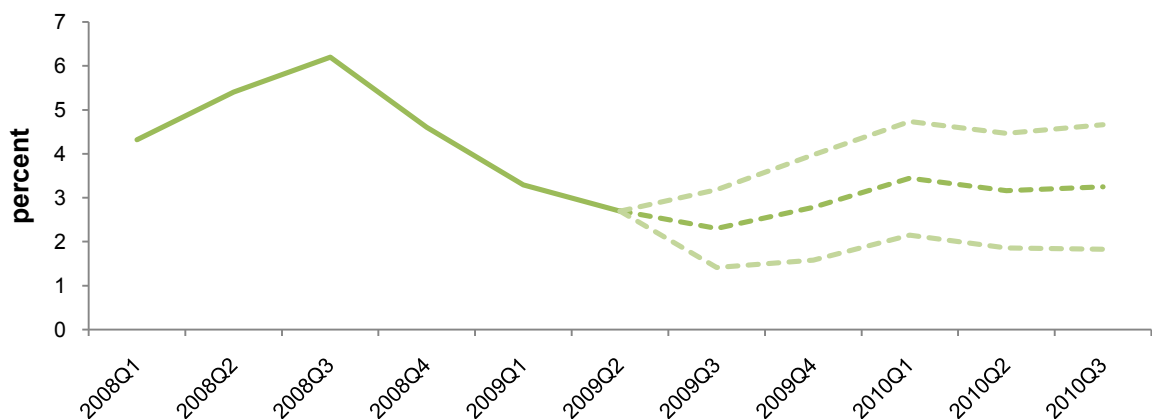
- 2.5 Signals from other areas of the economy remain mixed. There was a steep decline in passenger numbers at the airport at the beginning of the year, although the most recent figures demonstrate a year on year increase. Reports suggest that tourism had a buoyant year, with summer visitor numbers being well up on last year. The housing market witnessed a significant slowdown in sales volumes at the beginning of the year but volumes rebounded in the second and third quarters. All of these indicators suggest that the economic conditions were at their worst at the turn of the year and point to conditions having improved during the course of the late spring and summer.
- 2.6 The scope for house price growth appears weak in the short to medium term as the prospect for earnings growth is likely to be subdued in the near term given the relative (to Guernsey's recent performance) weakness of the labour market and, as the tighter lending conditions introduced last year remain in place, it is likely that housing sales volumes (despite their improvement in quarter two this year) will remain below their (very recent) historic levels. Whilst this may reduce transaction related spending, given the relative strength of Guernsey consumer balance sheets, a slowdown in housing inflation is unlikely to translate significantly to reduced general consumer expenditure.

Inflation

- 2.7 Guernsey's rate of RPI has moved in line with the UK, turning negative in the first quarter. More significant, however, was the performance of RPIX (which reflects core inflation following the removal of the effects of interest rate movements) which remained positive throughout the year but continued on a downward trend to reach levels of 2.4% by the end of the third quarter. However, the difference between UK RPIX and the Guernsey RPIX widened over the same period.

The chart below provides a range of forecasts into 2010, with the central forecast in line with the target of 3% set in the Fiscal and Economic Plan and agreed by the States in July. This budget has, for the first time, adopted RPIX as its measure of inflation.

RPIX Recent Historic Performance and 2010 Forecasts



2010 BUDGET REPORT

Outlook

2.8 Guernsey appears to have escaped relatively unscathed from the worst of the financial crisis but the outlook remains mixed with some risks on the downside. In summary:

- RPIX is expected to be in line with target during 2010 and ranging between 3% and 3.4% by the end of the second quarter.
- GDP is much more challenging to predict given the starting point is 2007 GDP. However, estimates point to no growth in output in 2010.
- The housing market is indicating easing prices but volumes rising from recent historic low levels. Overall, this signals a robust, if slightly weaker than historically, market which gives a positive outlook for growth in 2010.

2010 BUDGET REPORT

Section 3: Financial Position

3.1 The financial position can be summarised as follows:

	2010 Estimate £m	2009 Current Estimate £m	2009 Budget Estimate £m	2008 Actual £m	2007 Actual £m
Revenue Income	326	324	320	349	365
Revenue Expenditure	(331)	(315)	(311)	(297)	(294)
Revenue Surplus / (Deficit)	(5)	9	9	52	71
Capital Allocations /					
Routine Capital Expenditure	(16)	(17)	(17)	(17)	(18)
Capital Income	2	-	3	5	-
Transfer from Housing	-	-	-	10	-
Development and Loans Fund	-	-	-	-	-
Operating Surplus / (Deficit)	(19)	(8)	(5)	50	53
Transfers:					
Capital Reserve	(23)	(42)*	(23)	(35)	(17)
Contingency Reserve (Tax	40	8	8	-	(15)
Strategy)	-	-	-	(1)	-
Strategic Property Purchase Fund	-	-	-	-	-
Transfer to / (from) General	(2)	(42)	(20)	14	21
Revenue Account Reserve	(2)	(42)	(20)	14	21

* £20million transfer approved in Budget Report 2009 and £22million transfer approved in June 2009 (Capital Prioritisation States Report).

The 2009 improvement in income of £4million is offset by a projected overspend of £3.2million in Health and Social Services Department's budget for Out of Island expenditure (para. 5.21), a £400,000 increase in Formula Led expenditure estimates and funding of £300,000 for the Road Transport Strategy (approved by the States in February 2009).

The operating deficits are within the Fiscal Framework limit that the maximum annual operating deficit of the States may not exceed 3% of gross domestic product (£50million based on the 2007 GDP) but due to a reduction in ETI receipts, the 2010 operating deficit is greater than that included in the States Strategic Plan.

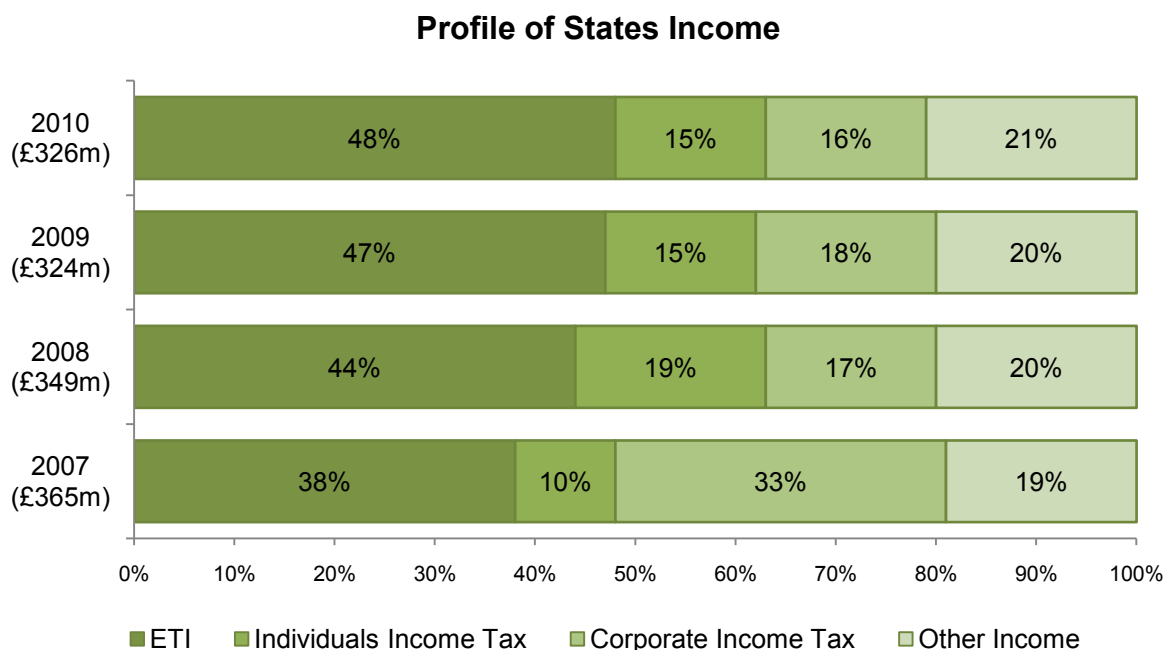
2010 BUDGET REPORT

3.2 Income can be summarised as follows:

	2010 Estimate £m	2009 Current Estimate £m	2009 Budget Estimate £m	2008 Actual £m	2007 Actual £m
<i>Income Tax</i>					
Individuals - ETI	157	154	160	152	137
Individuals – Other	49	49	50*	66	38
Companies (excl. Banks)	12	16	3*	23	81
Banks	25	25	17	24	40
Distributed Profits	9	7	11	8	-
Transitional Company Tax	5	9	8	4	-
	257	260	249	277	296
<i>Indirect Taxes</i>					
Customs Duties	31	28	30	28	18
Document Duty (conveyancing)	15	13	15	15	24
Company Fees / Duty	6	5	8	6	8
Tax on Rateable Values / Tax on Real Property	14	12	12	11	6
Motor Tax	-	-	-	-	5
<i>Miscellaneous Income</i>	3	6	6	12	8
Total Income	326	324	320	349	365

* The 2009 Budget Estimate misclassified approximately £8million of taxation income as Companies (excl. Banks) instead of Individuals – Other.

3.3 This graph illustrates the change in the profile of States income in recent years:

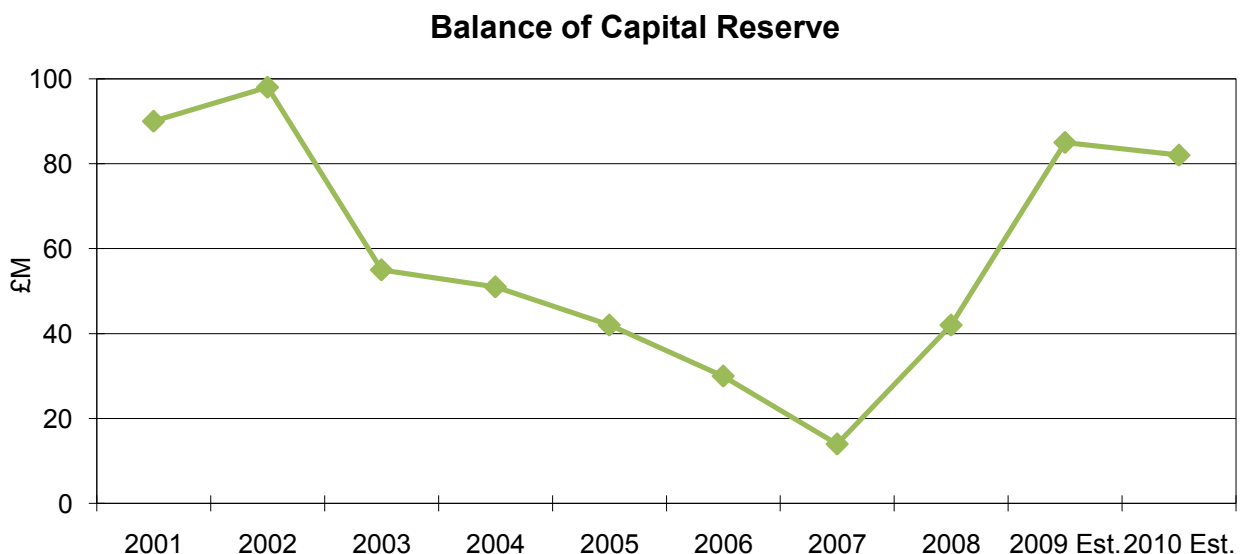


2010 BUDGET REPORT

- 3.4 In previous Budget Reports, the difficulty in forecasting income tax revenues, particularly from companies, has been highlighted. Following the introduction of the Zero-Ten tax regime, this difficulty has been compounded for a number of reasons including the short time that the new regime has been in place which has meant that there is no historic data on which to base projections, especially in respect of banks where different tax rates are applied to profits from different activities. In addition, prior year and transitional tax receipts in respect of pre-2008 are still anticipated to be received in 2010.
- 3.5 The ETI receipts forecast for 2010 of £157million includes an allowance for real terms growth of just under 1% in line with the most recent economic forecast but below the 1.9% growth included in the States Strategic Plan.
- 3.6 Income Tax estimates from Companies and Banks in 2009 and 2010 include one-off receipts relating to prior years but the recurring receipt projections are in line with previous estimates.
- 3.7 Income from distributions is expected to be somewhat volatile as it is wholly dependent on investment income and the timing of withdrawals from company profits. However, in the short-term at least, it is anticipated that future years' collections will show a real-terms increase as pre-2008 profits (on which income tax has already been paid) become fully distributed.
- 3.8 Transitional Income Tax reflects the fact that, for income tax assessment purposes, all companies have been deemed to have ceased trading on 31 December 2007. Therefore, income tax in respect of profits generated in 2007 (relating to the period from the last accounting date to 31 December 2007) will be assessed in 2008 and future years. The timing of the receipt of this income is dependent on the submission and assessment of company income tax returns. It is anticipated that a total of £18million of transitional income tax will be received over the period 2008 – 2010.

Capital Reserve

- 3.9 Appendix I provides a summary of the movements on the Capital Reserve since the beginning of 2009 and the anticipated movements up to 31 December 2010 which are in line with those included in the Department's September 2009 States Report on Capital Prioritisation.
- 3.10 The following graph shows the balance of the Capital Reserve over the past ten years:



2010 BUDGET REPORT

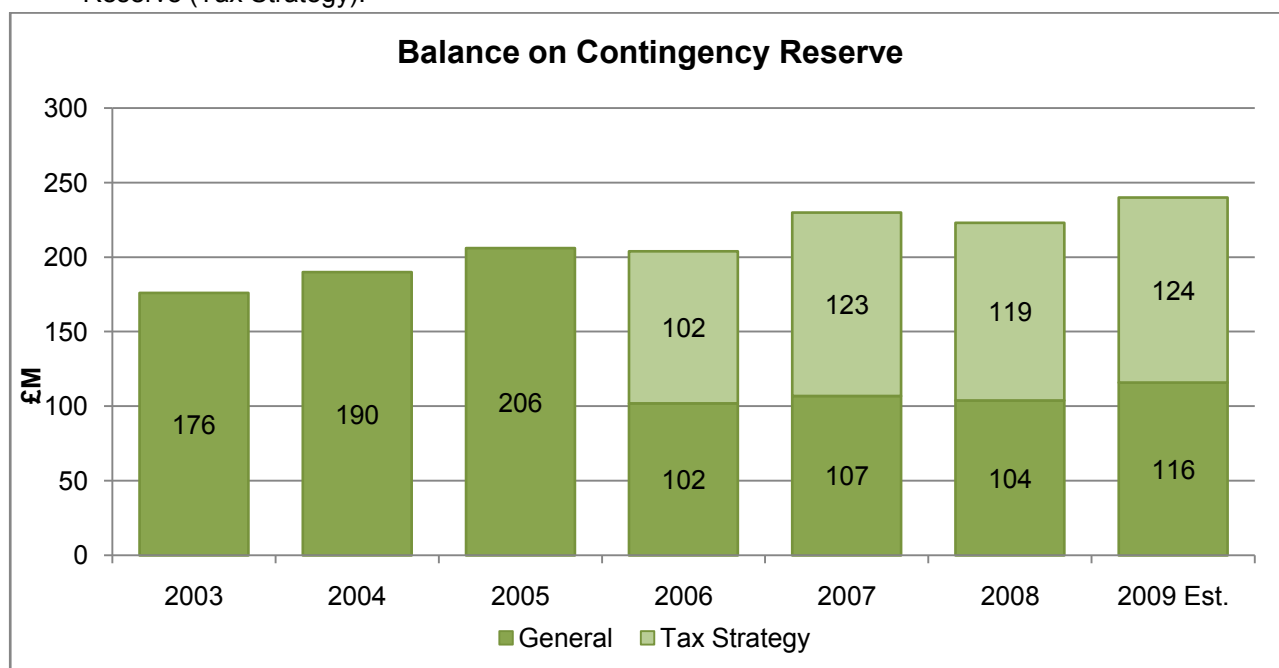
- 3.11 The States Fiscal Framework assumes a „norm’ for permanent capital expenditure of 3.0% of Gross Domestic Product (i.e. £50million per annum based on the 2007 GDP of £1,666million). The capital programme totals £310million over the five year period up to 31 December 2014 (i.e. averages £62million per annum) plus routine capital allocations of £16-17million per annum. In order to fund the capital programme, an appropriation to the Capital Reserve from General Revenue of £20million per annum starting in 2009 and maintained in real terms is required.
- 3.12 **The Treasury and Resources Department is recommending that £20.6million is transferred to the Capital Reserve on 1 January 2010.**
- 3.13 If the States Fiscal Framework target is to be achieved for 2015 and future years, the annual transfers to the Capital Reserve would need to increase by approximately £10million per annum.
- 3.14 The capital programme is also funded, from 2010 onwards, by a transfer to the Capital Reserve from the Ports Holding Account of the annual operating surplus before depreciation. The modelling of the capital programme assumed that this transfer would be £3million per annum (over the previous seven years, the operating surplus before depreciation has averaged £3-3.5million per annum). **However, the budget submission from Public Services Department indicates that the 2010 surplus will only be £223,000. This could lead to a need at a future date to delay one or more capital projects within the programme.**

Contingency Reserve

- 3.15 The purpose of the Contingency Reserve is to provide protection against major emergencies including significant economic downturns having a severe adverse effect on the Island. In June 2006 the States resolved that up to half of the Contingency Reserve (interest and capital) may be used to fund the shortfall in public sector expenditure during the first stage of the implementation of the Economic and Taxation Strategy. At that time the Contingency Reserve had a balance of approximately £200million. Therefore, £100million of that balance, plus any new monies transferred into the Reserve, plus the interest accumulated on such sums is available to be used to fund public services during the first phase.
- 3.16 As a result of the stronger than originally projected outturn for 2005 and 2006, and the phased introduction of increased indirect taxes and social security contributions in 2007, as approved in the 2007 Budget Report, a transfer of £15million to the Contingency Reserve was made on 1 January 2007 and it was not necessary to make a withdrawal from the Contingency Reserve in 2008. As part of the 2009 Budget Report, a transfer from the Contingency Reserve of £8million on 1 January 2009 was approved to part fund the 2009 operating deficit and transfer to Capital Reserve. The balance on the Contingency Reserve as at 30 September 2009 was £238.6million with £123.3million being available to fund the shortfall in public sector expenditure during stage one of the Economic and Taxation Strategy.
- 3.17 **It is recommended that a new fund called “Contingency Reserve (Tax Strategy)” is established by a transfer of £119,209,626 from the Contingency Reserve back-dated to 1 January 2009.** It is emphasised that this is purely a presentational issue and the Fund will continue to be invested as part of the Contingency Reserve.

2010 BUDGET REPORT

3.18 The following graph shows the balances on the Contingency Reserve (General) and Contingency Reserve (Tax Strategy):



3.19 **A transfer of £40million from the Contingency Reserve (Tax Strategy) on 1 January 2010 is recommended to part fund the 2010 operating deficit and transfer to Capital Reserve.**

Strategic Property Purchase Fund

3.20 As part of the 2008 Budget Report, the States approved the establishment of a Strategic Property Purchase Fund with an initial balance of £1million. The purpose of this Fund is to purchase land or property that may be of future strategic importance to the States but no funding for its purchase is readily available. When the land or property is transferred to an individual Department, it is required to reimburse the Fund with the full market value of the property.

3.21 Only one property has been purchased from this Fund. In March 2008, "Misty Isles" situated at the junction of Les Banques and Victoria Avenue was purchased for £250,000. The acquisition of this site could, in the long-term, improve the road safety at this junction and assist in resolving access difficulties for other developments in the area. The property is currently tenanted at a full market rent.

Restructuring and Reorganisation Fund / Fundamental Spending Review Fund

3.22 In October 2009, the States resolved *"To direct the Treasury and Resources Department to rename the Restructuring and Reorganisation Fund [which is substantially exhausted] as the Fundamental Spending Review Fund with a sum of £10million to be transferred from the General Revenue cash pool to be used solely in connection with Phase 3 of the Fundamental Spending Review"*.

General Revenue Account Reserve

3.23 Appendix II sets out the movements on the General Revenue Account Reserve which is anticipated to have a balance (net of Unspent Balances) of £6.4million at 31 December 2009 and £4.3million at 31 December 2010.

3.24 A balance of approximately £5million is maintained within the General Revenue Account Reserve to fund minor variations in income receipts and any unanticipated / „emergency' expenditure.

2010 BUDGET REPORT

Section 4: Income Proposals

Personal Income Tax Allowances

- 4.1 The annual Budget Report usually includes recommendations for personal income tax allowances for the year of charge which is two years hence – i.e. last year's (November 2008) Budget Report included proposals for the 2010 personal income tax allowances.
- 4.2 However, the Department is not intending to recommend changes to personal income tax allowances for 2011 as part of this Budget Report. Instead, it is the Department's intention to place proposals before the Assembly during the latter part of 2010. This will enable the decision to take into account, inter alia, the existing States financial position and the inflation rate.

Excise Duty on Tobacco

- 4.3 In March 2008 (Billet d'Etat III) the States directed that increases in the rate of excise duty on tobacco and tobacco products should be *"a minimum of RPI plus 3% annually for the five years 2009 - 2013."*
- 4.4 However, for fiscal reasons, the Treasury and Resources Department is recommending **an increase in excise duty in respect of tobacco of 15%** as follows:

Description of Goods	Present Rate of Duty Per Kilogram	Proposed Rate of Duty Per Kilogram
Cigarettes	£183.21	£210.69
Cigars	£170.12	£195.64
Hand rolling tobacco	£158.42	£182.18
Other manufactured tobacco	£137.42	£158.03
Tobacco leaf – unstemmed	£152.53	£175.41
Tobacco leaf – stemmed	£154.07	£177.18

- 4.5 The excise duty on an average packet of 20 cigarettes would increase from £2.69 to £3.09 (compared to £3.26 in Jersey and £3.69 plus VAT in the UK).
- 4.6 There is strong world-wide evidence that the demand for tobacco is price-sensitive. Furthermore, the continuing real-terms increases in the duty on tobacco are a powerful motivator for smokers to quit and to deter young people from starting smoking. Therefore, it is estimated that this proposal will raise approximately an additional £500,000 per annum (i.e. the 15% duty increase will lead to a 7.5% reduction in import levels).
- 4.7 However, the decrease in import volume (2009 level is expected to be about 70% of that in 2003) could also indicate that there is an increasing amount of tobacco products that are being consumed in the Island on which no duty has been paid.

Excise Duty on Alcohol

- 4.8 As part of the Bailiwick Alcohol Strategy, as agreed by the States in October 2005, the Treasury and Resources Department is required to take into account the aims and objectives of the Strategy when making recommendations to the States on the rates of duty on alcohol. As part of the 2005 and 2006 Budgets, the rate of duty on alcohol was increased by 10% and, for fiscal reasons, as part of the 2007 and 2008 Budgets the rate of duty on alcohol was increased by 20%. The 2009 Budget included an increase of 5.5% in the duty on alcohol. Therefore, over a period of five years, the duty on alcohol has increased by 84%.

2010 BUDGET REPORT

- 4.9 The Treasury and Resources Department is aware that some of the alcohol duty levels are above those in Jersey which also levies GST on these products. Therefore, in order to remain competitive, it is not proposed to increase the duty levels on beer, cider or wine. **However, it is recommended that the duty on spirits is increased by 15%** (equivalent to £1.26 on a 25-50% ABV [alcohol by volume] litre bottle) which would raise in the region of £250,000 additional income per annum.
- 4.10 The Treasury and Resources Department intends, in consultation with the Home Department, to investigate the introduction of a higher duty rate for higher strength beer and cider. In Jersey, beer and cider which is over 4.9%ABV strength has a premium to the duty level of approximately 50%. It is also intended to investigate the replacement of the existing wide bandings for levying duty on spirits to a system based on ABV.

Excise Duty on Motor Spirit

- 4.11 In February 2009, following consideration of the Environment Department's States Report on Paid Parking, *"an increase of 1.2p per litre in the duty on petrol and gas oil other than fuel used for air or marine navigation"* was approved. This will increase the duty on motor spirit to 32.2p per litre (concessionary rate on petrol for marine use remains at 17p per litre).
- 4.12 The Department believes that there are sound environmental, social and fiscal reasons for increasing the duty on motor spirit. It is therefore recommended that **excise duty on motor spirit is increased by a further 4.8p per litre (15%) to 37p per litre**. The concessionary rate of duty on petrol for marine use will be 21.8p per litre. This would raise approximately an additional £1.7million per annum.

Tax on Real Property (TRP)

- 4.13 The June 2006 States Report on the Future Economic and Taxation Strategy highlighted that there was considerable scope for increasing revenue from property, in particular from commercial property. Since the 2007 Budget, there have been substantial increases on commercial property tariffs (income is predicted to rise from £2.5million in 2006 to £10.2million in 2009 with the greatest increase applied to Office and ancillary accommodation [regulated finance industries] buildings and land and approved development site land as they are the main beneficiaries of the Zero-Ten regime). During the same period there have been modest increases on domestic property tariffs (income is predicted to rise from £1.8million in 2006 to £2.3million in 2009).
- 4.14 **It is recommended that all TRP tariffs are increased by 10%** which will raise approximately an additional £1.2million per annum. The following table details the 2009 TRP rate per unit, the proposed change and the proposed 2010 TRP rate per unit.

2010 BUDGET REPORT

	2009 TRP rate per unit	Proposed increase	Proposed 2010 TRP rate per unit
<i>Buildings (all zero-rated for Herm)</i>			
Domestic (whole unit) Local Market	57p	10%	63p
Domestic (flat) Local Market	57p	10%	63p
Domestic (glasshouse) Local Market	5p	-	5p
Domestic (outbuildings) Local Market	28p	10%	31p
Domestic (whole unit) Open Market	57p	10%	63p
Domestic (flat) Open Market	57p	10%	63p
Domestic (glasshouse) Open Market	5p	-	5p
Domestic (outbuildings) Open Market	28p	10%	31p
Domestic (whole unit) Social Housing	Zero	-	Zero
Domestic (flat) Social Housing	Zero	-	Zero
Domestic (glasshouse) Social Housing	Zero	-	Zero
Domestic (outbuildings) Social Housing	Zero	-	Zero
Hostelry and food outlets	£3.59	10%	£3.95
Self-catering accommodation	£2.22	10%	£2.44
Motor and marine trade	£3.04	10%	£3.34
Retail	£6.63	10%	£7.29
Warehousing	£3.27	10%	£3.60
Industrial and workshop	£2.62	10%	£2.88
Recreational and sporting premises	£1.52	10%	£1.67
Utilities providers	£25.64	10%	£28.20
Office and ancillary accommodation (regulated finance industries)	£23.93	10%	£26.32
Office and ancillary accommodation (other than regulated finance industries)	£7.98	10%	£8.78
Horticulture (building other than a glasshouse)	5p	-	5p
Horticulture (glasshouse)	5p	-	5p
Agriculture	5p	-	5p
Publicly owned non-domestic	Zero	-	Zero
Exempt (Buildings)	Zero	-	Zero
Buildings – Penal Rate	Zero	-	Zero

2010 BUDGET REPORT

	2009 TRP rate per unit	Proposed increase	Proposed 2010 TRP rate per unit
<i>Land (all zero-rated for Alderney and Herm)</i>			
Communal (flat) Local Market	9p	10%	10p
Communal (flat) Open Market	9p	10%	10p
Hostelry and food outlets	19p	10%	21p
Self-catering accommodation	19p	10%	21p
Motor and marine trade	19p	10%	21p
Retail	19p	10%	21p
Warehousing	19p	10%	21p
Industrial	19p	10%	21p
Recreational and sporting premises	19p	10%	21p
Office and ancillary accommodation (regulated finance industries)	68p	10%	75p
Office and ancillary accommodation (other than regulated finance industries)	23p	10%	25p
Utilities providers	19p	10%	21p
Approved development site	68p	10%	75p
Domestic Local Market	9p	10%	10p
Domestic Open Market	9p	10%	10p
Horticulture	9p	10%	10p
Agriculture	9p	10%	10p
Domestic Social Housing	Zero	-	Zero
Publicly owned non-domestic	Zero	-	Zero
Exempt (Land)	Zero	-	Zero
Land – Penal Rate	Zero	-	Zero

- 4.15 The Treasury and Resources Department is firmly of the view that Tax on Real Property is significantly more transparent, objective, equitable and simpler to administer than the Tax on Rateable Value system. However, it recognises that there is scope for improvements in the current tariff structure for commercial property as initial TRP rates were set to raise an equivalent rate from each category as was raised under the TRV system. It does not believe that tariffs should be based on the performance of businesses operating from such premises as TRP should fundamentally be based on the amount of resource used, rather than how profitably that resource is used.
- 4.16 The Department intends to investigate the merits of combining some / all of the following commercial categories into one tariff rate: Hostelry and food outlets, self-catering accommodation, motor and marine trade, retail, warehousing, industrial and workshop and recreational and sporting premises. This investigation will include research on equivalent charges in other jurisdictions and a consultation process.

Impact of Indirect Taxation Proposals

- 4.17 Appendix IV is a summary of the impact of the indirect taxation proposals in terms of total additional revenue raised, the impact on inflation and the impact on individuals.

2010 BUDGET REPORT

Implementation of Budget Proposals

- 4.18 Under its existing powers, the Treasury and Resources Department will make an Order bringing the recommended changes in the rates of excise duty into effect on the date of publication of the Billet d'Etat containing this Report.
- 4.19 The Order will cease to have effect at the conclusion of the States Budget meeting and the Department accordingly **recommends the States to approve by Ordinance that from that date the rates of excise duty shall be varied as set out in this Report.** These arrangements are the same as in previous years.

2010 BUDGET REPORT

Section 5: Expenditure Proposals

- 5.1 One of the objectives within the Strategic Plan for Fiscal and Economic Policy is a “*Real term freeze on aggregate States revenue expenditure*”. In accordance with past practice, the Department has interpreted this to exclude Formula Led expenditure.
- 5.2 The Treasury and Resources Department is concerned that the annual budget process has no control over the levels of Formula Led expenditure – the vast majority of which relates to Social Security Non-Contributory Services benefit payments (e.g. Supplementary Benefit and Family Allowances) and the grants to the Social Insurance and Health Service Benefit Funds which were agreed by the States in September 2009. The 2010 estimate for the Social Security Department’s Formula Led expenditure at £46.85million is £2.95million (6.7%) more than the 2009 budget estimate.
- 5.3 The Treasury and Resources Department hopes that its concerns regarding Formula Led expenditure are addressed as part of the next review of the Strategic Plan for Fiscal and Economic Policy.
- 5.4 The Policy Council’s forecast (as at October 2009) for RPIX for mid-2010 is 3.0–3.4%. Therefore, for the purposes of this Budget, 3% has been used as the inflation forecast.
- 5.5 In November 2008, the States agreed increased employer contribution rates to the States of Guernsey Superannuation Fund with effect from 1 January 2010. These increased rates require additional General Revenue funding of £6.9million in 2010. As set out in the Department’s States Report, irrespective of the amount of employer contributions that are made to the Fund, Members will accrue benefits which there will be a future obligation to pay.
- 5.6 **Therefore, the Department is recommending that 2010 total Cash Limits are set on the basis of an additional £6.9million in respect of the increased employers’ Superannuation Fund contributions and an increase in Non Formula Led expenditure of inflation.** The total Cash Limits of £347.2million have been calculated as follows:

	£m
2009 Non Formula Led Cash Limits	281.4
Plus increased employers’ Superannuation Fund contributions	6.9
Plus 2010 inflation allowance (3.0%)	8.4
2010 Non Formula Led Cash Limits	296.7
2010 Formula Led estimates	50.5
2010 Recommended Cash Limits	347.2

- 5.7 The allowance for 2010 pay awards (£4.0million) will not be allocated to individual Cash Limits but reserved centrally and budgets adjusted when the pay awards are actually settled. The 2010 effect of 2009 pay awards (for example the 2009 established staff pay award covers the period May 2009 to April 2010) totals £1.4million and this has been included in individual Cash Limits. Therefore, of the total inflation allowance of £8.4million, £3.0million is available to be allocated to Departments for inflation on non-pay costs and other increases.
- 5.8 Within their agreed Cash Limits, Departments have to consider very carefully their own priorities. The Treasury and Resources Department does not seek to ‘micro-manage’ individual Department’s budgets as it considers that this is the responsibility of the Departments concerned.

2010 BUDGET REPORT

Fundamental Spending Review / States Strategic Plan

5.9 In October 2009, the States agreed that *“all the savings from the Fundamental Spending Review (FSR) in the first three years (i.e. 2010 – 2012 inclusive) of the programme should be made available to fund prioritised service developments through the States Strategic Plan Process.”* Phase Two of the Fundamental Spending Review has identified potential savings, both departmental and corporate, of £1.753million in 2010.

5.10 The States has agreed in principle the following list of service developments for 2010 totalling £1.753million:

	£'000s
Airport Firefighters' Dispute Inquiry	250
Safeguarding Vulnerable Groups	155
Improving Mental Health Services	75
Child and Adolescent Intensive Outreach Service	275
Children and Young People's Plan	108
BIC Developments to meet External Obligations	125
External Relations Initiatives in the EC	200
Employment of Lawyers	365
Domestic Abuse Strategy	100
Drug and Alcohol Strategy	50
Disability Officer	50
Total service developments agreed in principle	1,753

5.11 Departments are required to prepare detailed business cases in order to secure the release of the additional funds into their 2010 budget. As there is not sufficient time for Departments whose bids were approved in October 2009 to produce a business case ahead of the 2010 Budget debate, a general allocation for service developments has been made within the 2010 Budget.

2010 BUDGET REPORT

5.12 The recommended Cash Limits for 2010 are:

	Non-Formula Led Revenue £'000s	Routine Capital £'000s	Non-Formula Led Cash Limit £'000s	Formula Led £'000s	Total Cash Limit £'000s
Policy Council					
General	6,000		6,000	1,500	7,500
External Affairs	1,200		1,200		1,200
Treasury and Resources	*				
General	15,500	1,200	16,700	1,850	18,550
Courts and Law Officers	7,250	200	7,450		7,450
States of Alderney	1,800		1,800		1,800
Commerce and Employment	*	100	11,650		11,650
Culture and Leisure	*	250	3,875		3,875
Education					
General	61,150	1,000	62,150		62,150
Higher and Advanced	6,500		6,500		6,500
Grants to Colleges and Libraries	6,650		6,650		6,650
Environment	8,350	250	8,600		8,600
Health and Social Services					
General	101,250	3,000	104,250		104,250
St John Ambulance & Rescue	2,050		2,050		2,050
Home	*	1,000	31,600	300	31,900
Housing	*	8,000	9,675		9,675
Public Services	*	1,000	9,565		9,565
Social Security	2,370		2,370	46,850	49,220
Public Accounts Committee	*	285	285		285
Scrutiny Committee	*	210	210		210
States Assembly and Constitution Committee	*	120	120		120
	276,700	16,000	292,700	50,500	343,200
Provision for 2010 Pay Awards (centrally held)	4,000		4,000		4,000
	280,700	16,000	296,700	50,500	347,200
FSR anticipated savings	(1,753)				(1,753)
Service Developments	1,753				1,753
	280,700	16,000	296,700	50,500	347,200

* The recommended revenue Cash Limits for these Departments / Committees include only allowance for increases in employers' Superannuation Fund contributions and the effect of 2009 pay awards – i.e. there is no growth in their base Cash Limits

Full line by line details of the 2010 budgets are included as Appendix IX.

2010 BUDGET REPORT

Policy Council

- 5.13 In recent years, the Policy Council has used its Unspent Balances to fund the increasing level of expenditure on external affairs. However, these Unspent Balances will be exhausted in 2009 and, therefore, from 2010 it is recommended that this strategically important responsibility is funded from a separate Cash Limit.

Education Department

- 5.14 The overall recommended revenue Cash Limit for the Education Department of £75.35million is £2.725million more than the 2009 Cash Limit of £72.625million.
- 5.15 The recommended General Cash Limit for 2010 includes a full inflation allowance on non-staff costs.
- 5.16 In respect of Higher and Advanced Education, the recommended Cash Limit remains at £6.5million, i.e. the same as 2008 and 2009 and in line with the most recent projections. Any adjustment to the 2010 Cash Limit will be dependent on the number of students, parental contributions and courses studied and would be made retrospectively as part of the December 2010 Budget Report. A similar arrangement had been put in place in respect of 2008 and 2009 but will not be required as the Cash Limit and Unspent Balances will be sufficient.
- 5.17 In June 2005 (Billet d'Etat IX), the States approved a new model of funding for the Colleges (Blanchelande College, Elizabeth College and Ladies College) from September 2005. The Treasury and Resources Department was directed to *"take into account these proposals when recommending to the States revenue allocations for 2006 and subsequent years"*. The proposed Cash Limit which largely relates to Colleges funding (£4.795million) is in line with this direction.

Environment Department

- 5.18 The proposed 2010 revenue Cash Limit for the Environment Department includes a reduction of £200,000 in respect of the anticipated full-year income from planning application fees.
- 5.19 In February 2009, following consideration of the Environment Department's States Report on Paid Parking, the Treasury and Resources Department was directed to *"take account of the cost and income associated with the Road Transport Strategy when recommending to the States cash limits for the Environment Department for 2010 and subsequent years."* The recommended Cash Limit includes specific funding of £385,000 for this Strategy.

Health and Social Services Department

- 5.20 The proposed revenue Cash Limit for the Health and Social Services Department - General is £101.25million - £85.85million for 'on-island' services and £15.4million for Out of Island Treatment. Overall, the Health and Services Department proposed revenue 2010 Cash Limit is £5.35million (5.6%) more than the 2009 Cash Limit of £95.9million and represents 36.6% (2009: 36.3%) of the total allocated Non-Formula Led revenue Cash Limits. In respect of 'on-island' services, the Health and Social Services Department's latest forecast is an overspend in 2009 of approximately £1million which would be funded from its accumulated routine capital allocations.
- 5.21 In respect of Out of Island Treatment, this portion of the Health and Social Services Department's Cash Limit is 'ring-fenced' in 2009 with a Cash Limit of £14million (which was supplemented by the use of £200,000 of Unspent Balances). However, the Health and Social Services Department has advised that expenditure will be significantly in excess of this provision as the need for unanticipated and expensive treatment can occur without warning and budgeting for these areas is difficult. **The most recent estimate is that expenditure will be in the region of £17.4million; some £3.2million more than the amount budgeted. Therefore, it is recommended that the Treasury and Resources Department is given delegated authority to increase the 2009 revenue expenditure**

2010 BUDGET REPORT

budget of the Health and Social Services Department to fund the additional costs of Out of Island Treatment.

- 5.22 The Treasury and Resources Department is very concerned at the continued growth in expenditure in this area:

	£'000s	Increase	
2005	10,129		
2006	11,691	15.4%	
2007	13,116	12.2%	
2008	13,641	4.0%	(net of repayment of £1,166,000 in respect of prior years)
2009	17,390	27.5%	

However, it is understood that there are a number of on-island initiatives which will reduce off-island expenditure currently being investigated.

- 5.23 The Health and Social Services Department has requested funding of £15.9million in 2010 for this heading. If the 2009 Cash Limit was increased by inflation, the 2010 Cash Limit would be £14.4million. The Treasury and Resources Department recognises that there needs to be time to implement efficiency measures and so the recommended Cash Limit includes a „one-off’ increase of £1million. Although this Cash Limit is slightly less than that requested by the Health and Social Services Department, efficiency measures and the introduction of a Child and Adolescent Intensive Outreach Service which is „pump-primed’ by additional funding of £275,000 prioritised in the States Strategic Plan will be required to „close the gap’.
- 5.24 The Treasury and Resources Department does not intend to treat this heading as ring-fenced from 2010 because it is of the view that the current arrangement does not facilitate the most rigorous financial control over this budget and it should, in future, be managed and prioritised as part of the overall Health and Social Services Department’s responsibilities. Therefore, any overspend would reduce the funding available for providing „on-island’ services.
- 5.25 The grant for St John Ambulance and Rescue Service is calculated in accordance with a formula and the proposed Cash Limit of £2.05million is in line with this mechanism.

Social Security Department

- 5.26 As requested by the Social Security Department, the recommended non-formula led Cash Limit of £2,370,000 includes allowance for independent tests of the capacity for work of some people receiving supplementary benefit (£10,000) and an increase in grants to Charities (£6,000).
- 5.27 The Social Security Department has requested that its non-formula led Cash Limit is increased (on a temporary basis) by a further £75,000 (3.2%) to fund two temporary staff members who have been employed because of the current increased Job Centre workload due to the continuing higher levels of unemployment.
- 5.28 The Treasury and Resources Department is not recommending that this requested increase is approved as it believes that the Social Security Department should fund these temporary contracts by reprioritising its existing budget or seeking additional budget through the States Strategic Plan.

2010 BUDGET REPORT

Routine Capital Allocations

5.29 Routine Capital Allocations have been set at the same level as in 2009 for the following Departments:

- Treasury and Resources Department
- Commerce and Employment Department
- Culture and Leisure Department
- Education Department
- Environment Department
- Health and Social Services Department
- Home Department
- Housing Department

Housing Department

5.30 The rent rebates paid to tenants of social housing (both in States Houses and nominated tenants in Guernsey Housing Association properties) are funded by a transfer from General Revenue to the Corporate Housing Programme Fund.

5.31 The 2010 estimate for rent rebates is £9.86million. However, the Housing Department has indicated that an allocation of £8million in 2010 would enable it to fund its short and medium-term projects in the Corporate Housing Programme.

5.32 The Housing Department will be presenting a States Report in the first half of 2010 detailing the five-year workstreams, priorities and financial projections of the Corporate Housing Programme.

Public Services Department

5.33 The recommended capital allocation for the Public Services Department is £1million to continue the Network Extension Plan. For 2010 only, there is no requirement for a routine capital allocation for other projects (e.g. sewage tanker replacements and pumping station upgrades) as the Public Services Department has accumulated sufficient from prior years allocation to fund its programme of projects.

Unspent Balances

5.34 Departments started 2009 with £23.5million in Unspent Balances and budgeted to use £10million in 2009. It is anticipated that approximately £11million of Unspent Balances will remain at the start of 2010 with £6million budgeted to be used, of which approximately £4million relates to recurring expenditure.

5.35 The Treasury and Resources Department has requested that all Departments consider returning to General Revenue any Unspent Balances which are surplus to their anticipated 2010 requirements. It is very pleased to report that the Commerce and Employment Department is returning £1.2million and the Environment Department is returning £500,000. These will be used to part-fund the 2010 deficit. In addition, a number of Departments / Committees have committed to review their level of Unspent Balances at the end of 2009.

2010 BUDGET REPORT

- 5.36 Therefore, it is estimated that in the region of £5million of Unspent Balances remains unallocated. In October 2009, as part of the States Strategic Plan, the States resolved to *“agree that the current system of unspent balances being retained by Departments / Committees is unsustainable, and direct the Treasury and Resources Department to review this process as part of the 2011 Budget and report back to the States accordingly.”*
- 5.37 Appendix V details Unspent Balances available to individual Departments / Committees.

2010 BUDGET REPORT

Section 6: Other Matters

Operations of the States Treasury

- 6.1 The following loans, with interest payable at the States Treasury rate have been made as at 30 September 2009:
- Commerce and Employment Department – Company Registry fit-out (£0.2million) and IT system (£0.5million).
 - Health and Social Services Department Accommodation Fund: £2.7million (30.09.08: £2.8million).
 - Health and Social Services Department MRI Scanner Fund: £0.6million (30.09.08: £0.7million).
 - JamesCo750 Limited (holding company for the oil tankers): £16.1million
- 6.2 It is emphasised that, as a general principle, loan arrangements are only entered into where there is an income stream which can be used to support the repayment of the loan and associated interest charges.

Investment Rules – Superannuation Fund

- 6.3 The Treasury and Resources Department keeps its investment policies and procedures under continuous review. As part of this process, the Department, having taken professional advice from its highly qualified and experienced advisors, is recommending that the investment rules (last updated in October 2006) are updated as set out in Appendix VI. The Department believes that its proposed investment rules are appropriate and will assist in ensuring that it continues to carry out its investment activities in a manner designed to maximise returns within an acceptable risk framework. These changes are very similar to those made for the Contingency Reserve in December 2007.

Aurigny Group

- 6.4 In June 2005, the States agreed the Treasury and Resources Department's recommendations that *"the retention of the Aurigny Group is in the overwhelming public interest, and represents the best strategic option for the Island at the present time."* and the Treasury and Resources Department was authorised to *"facilitate (if necessary by providing guarantees) the Aurigny Group's borrowing from third parties"*.
- 6.5 In July 2005 Cabernet Limited (the holding company of Aurigny and Anglo-Normandy Engineering) obtained a loan facility from a local financial institution at normal commercial terms and rates. The Treasury and Resources Department, acting on behalf of the States in accordance with the above Resolution, is the guarantor of that facility up to £4.2million which as at 30 September 2009 is fully utilised. In addition, the Group has entered into a short-term borrowing arrangement with Royal Bank of Scotland International of up to £1.75million, guaranteed by the Treasury and Resources Department of which, as at 30 September 2009, £1.25million was drawn-down.
- 6.6 At its meeting in June 2007, the States agreed *"To endorse the Treasury and Resources Department's conclusion that the purchase of two new ATR72-500 aircraft by the Aurigny Group at a cost of \$37million is the best strategic and financial option"* and *"To authorise the Treasury and Resources Department to facilitate, if necessary by providing guarantees, the Aurigny Group's borrowing from third parties to finance the purchase of the aircraft"*.
- 6.7 It is emphasised that the States did **not** provide the funds to purchase the aircraft but instead facilitated, through the provision of guarantees, the Aurigny Group borrowing the necessary funds from the private sector.

2010 BUDGET REPORT

- 6.8 In September 2009, the States resolved “*to note the delay in the recapitalisation of Cabernet Limited will lead to a requirement to extend guarantees currently given by the States and authorise the Treasury and Resources Department to enter into such arrangements as necessary.*”
- 6.9 Appendix VII sets out the most recent (unaudited) financial results of the Cabernet Group and it is anticipated that the Group will record a significant loss in 2009. However, the Group Directors are predicting that the financial position will improve in future years.

Use of Delegated Authority

- 6.10 In order to speed up decision making and to avoid the States having to spend considerable amounts of time on routine financial matters, the Treasury and Resources Department has been delegated authority for certain financial matters.
- 6.11 The Department is required to report on the use of delegated powers to the States twice a year (Appendix VIII).
- 6.12 The Treasury and Resources Department has delegated authority to approve the following:
- An increase in an individual Department’s revenue expenditure budget by the greater of £250,000 or 2% in any one financial period.
 - Capital votes for straightforward replacements.
 - Capital overspends up to £250,000.
 - Property purchases and sales.
- 6.13 It is emphasised that just because the Treasury and Resources Department has delegated authority does not mean that it cannot, or will not, refer specific instances to the States.
- 6.14 In addition, as approved as part of the 2008 Budget Report, with effect from 1 January 2008, all States Departments have delegated authority to “*approve capital votes up to £250,000*”.
- 6.15 The Department also has the delegated authority to allow Departments to borrow temporarily by way of overdraft from banks or from the States Treasury and to make loans or grants to registered charities and similar organisations.

Draft Ordinance Entitled

The Excise Duties (Budget) Ordinance, 2009

THE STATES, in pursuance of their Resolution of 9th December 2009 and in exercise of the powers conferred on them by section 23C(3) of the Customs and Excise (General Provisions) (Bailiwick of Guernsey) Law, 1972 as amended^a, hereby order:-

Increase in excise duties

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, 2 and 4 under "GOODS LIABLE TO EXCISE DUTY; & RATES OF EXCISE DUTY" substitute the following:

"1. Tobacco and tobacco products

a.	Cigarettes	£210.69 per kilo
b.	Cigars	£195.64 per kilo
c.	Hand rolling tobacco	£182.18 per kilo
d.	Other manufactured tobacco	£158.03 per kilo
e.	Tobacco leaf – unstemmed	£175.41 per kilo
f.	Tobacco leaf – stemmed	£177.18 per kilo

2. Petrol and Gas oil –

a.	Petrol other than any fuel used for the purpose of air navigation (and subject to b.)	37p per litre
b.	Petrol used for the purpose of marine navigation	21.8p per litre where supplied by an approved trader except where supplied to an approved trader in which case 37p per litre ^b
c.	Gas oil	37p per litre

4. Spirits

a.	Spirits not exceeding 5.5 per cent volume	51p per litre
b.	Spirits exceeding 5.5 per cent volume but not exceeding 25.0 per cent volume	£7.28 per litre
c.	Spirits exceeding 25.0 per cent volume but not exceeding 50.0 per cent volume	£9.67 per litre
d.	Spirits exceeding 50.0 per cent volume	In the extra proportion to 50.0 per cent volume."

^a Ordres en Conseil Vol. XXIII, p.573; Vol. XXIV, p.87; No XIII of 1991; No.X of 2004; Ordinance Nos. XXXV and XLVIII of 2007; LV of 2008.

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

Extent

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

Citation

3. This Ordinance may be cited as the Excise Duties (Budget) Ordinance, 2009.

Commencement

4. This Ordinance shall come into force on 9th December 2009.

Draft Ordinance Entitled

The Property Tax (Rates) (Guernsey and Alderney) Ordinance, 2009

THE STATES, in exercise of the powers conferred upon them by sections 1 and 2 of the Taxation of Real Property (Enabling Provisions) (Guernsey and Alderney) Law, 2005^a and the Taxation of Real Property (Guernsey and Alderney) Ordinance, 2007^b, and in pursuance of their Resolution of 9th December 2009, hereby order:-

Rates of Property Tax

1. For the tables in Part I of Schedule 1 to the Taxation of Real Property (Guernsey and Alderney) Ordinance, 2007^c substitute the tables in the Schedule to this Ordinance.

Repeal

2. The Property Tax (Rates) (Guernsey and Alderney) Ordinance, 2008^d is repealed.

Extent.

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

Citation and Commencement

4. This Ordinance may be cited as the Property Tax (Rates) (Guernsey and Alderney) Ordinance, 2009 and shall come into force on 1st January 2010.

^a Order in Council No. X of 2006.

^b Recueil d'Ordonnances Tome XXXII p.504.

^c Recueil d'Ordonnances Tome XXXII, p.504, Ordinance No.LVI of 2008.

^d Ordinance No. LVI of 2008.

SCHEDULE
RATES OF PROPERTY TAX

TABLE (A)
GUERNSEY REAL PROPERTY

GUERNSEY BUILDINGS

1 Property Reference	2 Property Description/Usage	3 Tariff Reference	4 Tariff
B1.1	Domestic (whole unit) Local Market	C	63p
B1.2	Domestic (flat) Local Market	C	63p
B1.3	Domestic (glasshouse) Local Market	C	5p
B1.4	Domestic (outbuildings) Local Market	C	31p
B2.1	Domestic (whole unit) Open Market	D	63p
B2.2	Domestic (flat) Open Market	D	63p
B2.3	Domestic (glasshouse) Open Market	D	5p
B2.4	Domestic (outbuildings) Open Market	D	31p
B3.1	Domestic (whole unit) Social Housing	F	Zero
B3.2	Domestic (flat) Social Housing	F	Zero
B3.3	Domestic (glasshouse) Social Housing	F	Zero
B3.4	Domestic (outbuildings) Social Housing	F	Zero
B4.1	Hostelry and food outlets	H	£3.95
B4.2	Self-catering accommodation	H	£2.44
B4.3	Motor and marine trade	E	£3.34
B4.4	Retail	E	£7.29
B4.5	Warehousing	E	£3.60
B4.6	Industrial and workshop	E	£2.88
B4.7	Recreational and sporting premises	E	£1.67
B5.1	Utilities providers	H	£28.20
B6.1	Office and ancillary accommodation (regulated finance industries)	E	£26.32
B6.2	Office and ancillary accommodation (other than regulated finance industries)	E	£8.78
B7.1	Horticulture (building other than a glasshouse)	C	5p
B8.1	Horticulture (glasshouse)	A	5p
B9.1	Agriculture	C	5p
B10.1	Publicly owned non-domestic	F	Zero
B11.1	Exempt (Buildings)	F	Zero
B12.1	Buildings – Penal Rate	G	Zero

GUERNSEY LAND

1 Property Reference	2 Property Description/Usage	3 Tariff Reference	4 Tariff
L1.1	Communal (flat) Local Market	E	10p
L1.2	Communal (flat) Open Market	E	10p
L1.3	Hostelry and food outlets	E	21p
L1.4	Self-catering accommodation	E	21p
L1.5	Motor and marine trade	E	21p
L1.6	Retail	E	21p
L1.7	Warehousing	E	21p
L1.8	Industrial	E	21p
L1.9	Recreational and sporting premises	E	21p
L1.10	Office and ancillary accommodation (regulated finance industries)	E	75p
L1.11	Office and ancillary accommodation (other than regulated finance industries)	E	25p
L1.12	Utilities providers	E	21p
L2.1	Approved development site	E	75p
L3.1	Domestic Local Market	A	10p
L3.2	Domestic Open Market	A	10p
L3.3	Horticulture	A	10p
L3.4	Agriculture	A	10p
L3.5	Domestic Social Housing	F	Zero
L3.6	Publicly owned non-domestic	F	Zero
L4.1	Exempt (Land)	F	Zero
L5.1	Land – Penal Rate	G	Zero

TABLE (B)

ALDERNEY REAL PROPERTY

ALDERNEY BUILDINGS

1 Property Reference	2 Property Description/Usage	3 Tariff Reference	4 Tariff
B1.1A	Domestic (whole unit)	C	63p
B1.2A	Domestic (flat)	C	63p
B1.3A	Domestic (glasshouse)	C	5p
B1.4A	Domestic (outbuildings)	C	31p
B2.1A	Domestic (whole unit) Social Housing	F	Zero
B2.2A	Domestic (flat) Social Housing	F	Zero
B2.3A	Domestic (glasshouse) Social Housing	F	Zero
B2.4A	Domestic (outbuildings) Social Housing	F	Zero
B3.1A	Hostelry and food outlets	H	£3.95
B3.2A	Self-catering accommodation	H	£2.44
B3.3A	Motor and marine trade	E	£3.34
B3.4A	Retail	E	£7.29
B3.5A	Warehousing	E	£3.60
B3.6A	Industrial and workshop	E	£2.88
B3.7A	Recreational and sporting premises	E	£1.67
B4.1A	Utilities providers	H	£28.20
B5.1A	Office and ancillary accommodation (regulated finance industries)	E	£26.32
B5.2A	Office and ancillary accommodation (other than regulated finance industries)	E	£8.78
B6.1A	Horticulture (building other than a glasshouse)	C	5p
B7.1A	Horticulture (glasshouse)	A	5p
B8.1A	Agriculture	C	5p
B9.1A	Publicly owned non-domestic	F	Zero
B10.1A	Exempt (Buildings)	F	Zero
B11.1A	Buildings – Penal Rate	G	Zero

ALDERNEY LAND

1 Property Reference	2 Property Description/Usage	3 Tariff Reference	4 Tariff
L1.1A	Communal (flat)	E	Zero
L1.2A	Hostelry and food outlets	E	Zero
L1.3A	Self-catering accommodation	E	Zero
L1.4A	Motor and marine trade	E	Zero
L1.5A	Retail	E	Zero
L1.6A	Warehousing	E	Zero
L1.7A	Industrial	E	Zero
L1.8A	Recreational and sporting premises	E	Zero
L1.9A	Office and ancillary accommodation (regulated finance industries)	E	Zero
L1.10A	Office and ancillary accommodation (other than regulated finance industries)	E	Zero
L1.11A	Utilities providers	E	Zero
L2.1A	Approved development site	E	Zero
L3.1A	Domestic	A	Zero
L3.2A	Horticulture	A	Zero
L3.3A	Agriculture	A	Zero
L3.4A	Domestic Social Housing	F	Zero
L3.5A	Publicly owned non-domestic	F	Zero
L4.1A	Exempt (Land)	F	Zero
L5.1A	Land – Penal Rate	G	Zero

TABLE (C)**HERM REAL PROPERTY****HERM BUILDINGS**

1 Property Reference	2 Property Description/Usage	3 Tariff Reference	4 Tariff
B1.1H	Domestic (whole unit)	C	Zero
B1.2H	Domestic (flat)	C	Zero
B1.3H	Domestic (glasshouse)	C	Zero
B1.4H	Domestic (outbuildings)	C	Zero
B2.1H	Domestic (whole unit) Social Housing	F	Zero
B2.2H	Domestic (flat) Social Housing	F	Zero
B2.3H	Domestic (glasshouse) Social Housing	F	Zero
B2.4H	Domestic (outbuildings) Social Housing	F	Zero
B3.1H	Hostelry and food outlets	H	Zero
B3.2H	Self-catering accommodation	H	Zero
B3.3H	Motor and marine trade	E	Zero
B3.4H	Retail	E	Zero
B3.5H	Warehousing	E	Zero
B3.6H	Industrial and workshop	E	Zero
B3.7H	Recreational and sporting premises	E	Zero
B4.1H	Utilities providers	H	Zero
B5.1H	Office and ancillary accommodation (regulated finance industries)	E	Zero
B5.2H	Office and ancillary accommodation (other than regulated finance industries)	E	Zero
B6.1H	Horticulture (building other than a glasshouse)	C	Zero
B7.1H	Horticulture (glasshouse)	A	Zero
B8.1H	Agriculture	C	Zero
B9.1H	Publicly owned non-domestic	F	Zero
B10.1H	Exempt (Buildings)	F	Zero
B11.1H	Buildings – Penal Rate	G	Zero

HERM LAND

1 Property Reference	2 Property Description/Usage	3 Tariff Reference	4 Tariff
L1.1H	Communal (flat)	E	Zero
L1.2H	Hostelry and food outlets	E	Zero
L1.3H	Self-catering accommodation	E	Zero
L1.4H	Motor and marine trade	E	Zero
L1.5H	Retail	E	Zero
L1.6H	Warehousing	E	Zero
L1.7H	Industrial	E	Zero
L1.8H	Recreational and sporting premises	E	Zero
L1.9H	Office and ancillary accommodation (regulated finance industries)	E	Zero
L1.10H	Office and ancillary accommodation (other than regulated finance industries)	E	Zero
L1.11H	Utilities providers	E	Zero
L2.1H	Approved development site	E	Zero
L3.1H	Domestic	A	Zero
L3.2H	Horticulture	A	Zero
L3.3H	Agriculture	A	Zero
L3.4H	Domestic Social Housing	F	Zero
L3.5H	Publicly owned non-domestic	F	Zero
L4.1H	Exempt (Land)	F	Zero
L5.1H	Land – Penal Rate	G	Zero

MOVEMENTS ON THE CAPITAL RESERVE

	£m	£m
Balance 1 January 2009		42.0
2009 Budget Appropriation		20.0
Appropriation of 2008 additional surplus		22.0
2009 Interest		1.4
2010 Budget appropriation		20.6
Anticipated capital income		2.5
Transfer from Ports Holding Account		0.2
2010 Interest		2.0
<i>Expenditure on Projects</i>		
Education Department		
College of Further Education – Phase 2b	1.6	
Les Beaucamps School	3.3	
Environment Department		
Cobo Bay Bunker / Sea Wall Repair	0.3	
Health and Social Services Department		
Adult Acute Mental Health Facilities	1.8	
Homes for Adults with a Learning Disability	2.9	
Home Department		
eBorders, eCustoms and Passport IT system	0.2	
Police core IT system	0.3	
Tetra Radio	0.3	
Public Services Department		
Belle Greve Wastewater Disposal Facility	1.7	
Public Services Department – Ports		
Airport Pavements	4.5	
Airport Radar	0.7	
St Peter Port Harbour Crane Strategy	5.0	
St Peter Port Harbour Pontoons	0.2	
Sarnia Work Boat	1.0	
Treasury and Resources Department		
Corporate Asset Management IT system	0.4	
IT Wide Area Network	1.2	
Income Tax / Social Security IT system	3.0	
		(28.4)
Anticipated Balance at 31 December 2010		82.3

MOVEMENTS ON THE GENERAL REVENUE ACCOUNT RESERVE

	Total £m	Unspent Balances £m	Net Reserve £m
Balance at 1 January 2009	60.4	13.5	46.9
Add: Anticipated Revenue Surplus	8.3	(0.9)	9.2
Add: Transfer from Contingency Reserve (Tax Strategy)	8.0		8.0
Less: „Routine’ Capital Expenditure	(17.4)		(17.4)
Less: Capital Reserve Appropriation	(42.0)		(42.0)
Return of Unspent Balances		(1.7)	1.7
Anticipated Balance at 31 December 2009	17.3	10.9	6.4
Less: Anticipated Revenue Deficit	(11.1)	(5.6)	(5.5)
Add: Capital Income	2.5		2.5
Add: Transfer from Contingency Reserve (Tax Strategy)	40.0		40.0
Less: „Routine’ Capital Expenditure	(16.3)	(0.3)	(16.0)
Less: Capital Reserve Appropriation	(23.1)		(23.1)
Anticipated Balance at 31 December 2010	9.3	5.0	4.3

SUMMARY OF RECENT BUDGET PROPOSALS - INDIRECT TAXATIONDuty on Tobacco

2009	8.5% increase	(RPI plus 3%)
2008	7.7% increase	(RPI plus 3%)
2007	6.5% increase	(RPI plus 3%)
2006	6.8% increase	(RPI plus 3%)
2005	8.2% increase	(RPI plus 3%)

Duty on Alcohol

2009	5.5% increase
2008	20% increase
2007	20% increase
2006	10% increase
2005	10% increase

Duty on Fuel

2009	6.9% increase	
2008	7.4% increase	
2007	91.1% increase	(includes motor tax)
2006	No change	
2005	No change	

Document Duty

2005 - 2009	No change
-------------	-----------

Tax on Rateable Value / Tax on Real Property

2009	5.5% increase	domestic and commercial
	25% increase	office and ancillary accommodation (other than regulated finance industries)
	50% increase	office and ancillary accommodation (regulated finance industries) buildings and land and approved development site land
2008	100% increase	commercial, utilities and recreational and sporting buildings and land
	400% increase	office and ancillary accommodation (regulated finance industries) buildings and land and approved development site land
2007	25% increase	Domestic
	100% increase	Commercial
2006	No change	
2005	No change	

SUMMARY OF 2010 BUDGET PROPOSALS – INDIRECT TAXATION

	Revenue Raised	Impact on Individuals	Impact on RPIX
Motor Spirit Duty increased by 4.8p per litre (15%)	£1.7m	Approximately £1 for each 20litres of fuel purchased.	0.14%
Tobacco Duty increased by 15%	£0.5m	20 cigarettes increase by 40p	0.13%
Alcohol Duty on Spirits increased by 15%	£0.25m	Litre of spirits (25-50% ABV) up by £1.26	negligible
TRP increased by 10%	£1.2m	Less than £10 per annum for a typical domestic property	negligible

UNSPENT BALANCES

	Balance at 1 January 2009 £'000s	Net Use in 2009 £'000s	2010 Budgeted Use £'000s	Balance at 31 December 2010 £'000s
Policy Council	978	(949)	-	29
Treasury and Resources				
General	2,570	(1,215)	(485)	870
Courts and Law Officers	1,779	(825)	(690)	264
States of Alderney	234	(157)	(77)	-
Commerce and Employment	3,942	(1,906) *	(1,545)	491
Culture and Leisure	524	(245)	(105)	174
Education				
General	2,753	(1,990)	(680)	83
Higher and Advanced	1,001	-	(500)	501
Environment	2,028	(740) *	(715)	573
Health and Social Services	2,127	(2,124)	-	3
Home	2,552	(1,221)	(630)	701
Housing	201	(116)	(85)	-
Public Services	2,226	(1,066)	(235)	925
Social Security	50	(50)	-	-
Public Accounts Committee	308	(75)	(140)	93
Scrutiny Committee	211	42	(31)	222
States Assembly and Constitution Committee	36	7	-	43
	23,520	(12,630)	(5,918)	4,972

* The Commerce and Employment and Environment Departments have returned £1.2million and £0.5million respectively of Unspent Balances to General Revenue in 2009.

SUPERANNUATION FUND – PROPOSED PERMITTED INVESTMENT RULES

The States of Guernsey (Public Servants) (Pensions and Other Benefits) (Permitted Investments) (Amendment) Rules, 2009

THE STATES, in pursuance of their resolution of 9 December 2009, have approved the following Rules:

Permitted Investments

1. For paragraphs (4) and (5) of Rule 2 of the States of Guernsey (Public Servants) (Pensions and Other Benefits) Rules, 1972 there is substituted:

“(4) The States Treasury and Resources Department (hereinafter referred to as “the Department”) shall arrange for the investment of the Fund in investments of all or any of the following descriptions:

a) Bonds

Debentures, debenture stocks, loan notes, unsecured loan stocks, bonds, structured products, secured loans and short term interest bearing instruments (such as certificates of deposit, bills and commercial paper), issued or guaranteed by, and interest bearing deposits with:

- i) any Government of any country or territory, or
- ii) the States of Guernsey, or
- iii) any local authority or other public body in any of the above countries or territories, or
- iv) any building society in the United Kingdom, or
- v) any supranational institution,
- vi) or any company incorporated in any country or territory.

b) Equities

Equity stocks and shares, whether nil paid, partly paid or fully paid, of companies incorporated in any country, provided that they are traded on or under the rules of a Stock Exchange recognised for this purpose by the Department.

c) Property

Real property or interests in real property including:

- i) commercial property,
- ii) residential property,
- iii) land for residential or commercial use,
- iv) agricultural land,
- v) forestry,
- vi) any form of pooled investments for categories i) to v), including, but not limited to, limited partnerships, property unit trusts, fund of property unitised vehicles, societies d'investissement a capital variable (SICAVs) and real estate investment trusts.

d) Derivatives

Derivative instruments based on financial securities, currencies or financial markets such as options, warrants, futures contracts, swaps, forward foreign exchange contracts, and contracts for differences, whether quoted on a stock market or an exchange or over the counter.

e) Pooled Funds

- i) any form of pooled investment including, but not limited to, a limited partnership, unit trust, SICAV, fund of funds or exchange traded fund,

- ii) policies issued by a properly constituted insurance or assurance company.

b) Other Assets

The following assets may be held:

- i) Hedge funds of any type including fund of hedge funds,
- ii) Infrastructure assets of any type, including Private Finance Initiative investments,
- iii) Private equity,
- iv) Currency and currency overlays,
- v) Pooled funds where the underlying assets are commodities.

c) Other Controls

The Department will set detailed controls on position, size and quality of all investments to ensure the Fund is properly and fully diversified by individual security and asset type.

Additional Powers

The Fund has power to:

- i) sub underwrite or underwrite a new issue,
- ii) enter into stock lending arrangements with financial institutions,
- iii) guarantee the obligation of a company owned or partly owned by the Fund,
- iv) borrow on a temporary basis to a maximum of 5% of the total market value of the Fund,
- v) enter into arrangements for a common investment fund with other Funds of the States of Guernsey excluding the Funds under the control and management of the Social Security Department, namely the Guernsey Insurance Fund, the Guernsey Health Services Fund and the Long-term Care Insurance Fund.

(5) The investment functions of the Department under paragraph (4) of this Rule may be delegated by the Department (in whole or in part) to professional fund or investment managers.”

Citation

2. These Rules may be cited as The States of Guernsey (Public Servants) (Pensions and Other Benefits) (Permitted Investments) (Amendment) Rules, 2009.

Repeal

3. The States of Guernsey (Public Servants) (Pensions and Other Benefits) (Permitted Investments) (Amendment) Rules, 2006 are repealed.

Commencement

4. These Rules shall come into force on 9 December 2009.

AURIGNY & ANGLO NORMANDY:
TRADING POSITION (TO SEPTEMBER 2009)

Aurigny Air Services Limited

	Year to Date Actual 2009 £'000	Year to Date Budget 2009 £'000	Full Year Actual 2008 £'000
Revenue	19,816	19,726	24,484
Direct Costs	(16,459)	(16,566)	(20,723)
Operating Result	3,357	3,160	3,761
Overheads	(3,763)	(3,923)	(5,141)
Other Operating Income	37	54	81
Operating Profit / (Loss)	(369)	(709)	(1,299)
Net Interest Payable	(848)	(868)	(226)
Profit / (Loss)	(1,217)	(1,577)	(1,525)

Anglo Normandy Aero Engineering Limited

	Year to Date Actual 2009 £'000	Year to Date Budget 2009 £'000	Full Year Actual 2008 £'000
Revenue	3,520	3,557	6,894
Direct Costs	(2,998)	(3,007)	(6,167)
Operating Result	522	550	727
Overheads	(592)	(620)	(1,172)
Operating Profit / (Loss)	(70)	(70)	(445)
Net Interest Payable	-	-	(3)
Profit / (Loss)	(70)	(70)	(448)

USE OF DELEGATED FINANCIAL AUTHORITY

The States Financial Procedures require the Treasury and Resources Department to report periodically on the use of delegated financial authority. The Department last reported to the States on these matters as part of the 2008 Accounts in June 2009, since that time:

No increases in 2009 revenue budgets have been approved.

The following capital projects have been approved:

	£
Treasury and Resources Department	
Income Tax 2 Cornet Street alterations	240,000
Property conditions surveys	150,000
SAP minor enhancement	48,000
Foulon footpaths resurfacing	40,000
Digital mapping equipment	28,500
States of Alderney	
Upper Berth survey	68,000
Sewer cart replacement	64,000
Royal Connaught Care Home consultants	50,000
Green waste shredder	35,000
Harbour Office redevelopment consultants	17,000
Commerce and Employment Department	
Vehicles replacement	20,000
Culture and Leisure Department	
La Vallette Bathing Pools refurbishment – Phase I	20,000
Education Department	
EDP Oakvale SEBD conversion	650,000
Amherst Infants heating system replacement	265,000
EDP La Mare de Carteret temporary accommodation	173,000
Vauvert roof replacement	155,000
Amherst roof replacement	120,000
EDP Delancey Campus Phase B1	102,000
College of Further Education exhaust ventilation replacement	60,000
Grammar Pool filters and water treatment	58,000
St Andrews roof replacement	47,000
Vale Junior roof replacement	42,000
Environment Department	
Albecq stabilisation works	145,000
Bus Garage alarms	25,000
Health and Social Services Department	
ICAL Plant room upgrade	335,000
Hospital and other equipment additional / replacement	254,500
Office of the Children's Convenor	175,000
Carrefour Adolescent Unit upgrade	114,000
Main changeover breakers	25,000
Home Department	
Customs/Police Charter IT system	60,000
Customs Wider E-Borders system	60,000
Customs surveillance system	40,000
Prison vehicles replacement	38,500
Fire Incident reporting system	30,000
Customs Profiling hub IT system	30,000

APPENDIX VIII

	£
Home Department (continued)	
Fire chemical protection suits	30,000
Customs vehicles replacement	20,000
Housing Department	
Courtil Jacques Phase II – additional expenditure	21,145
Public Services Department	
Sewage tankers replacement	246,000
<i>Ports</i>	
Guernsey Airport	
Apron, taxiway and runway rehabilitation consultants fees (additional)	170,000
Technical block air conditioning replacement	50,800
Breathing apparatus replacement	33,000
St Peter Port Harbour	
Inter Island Quay passenger landing	155,000
Future Crane and Quay strategy consultants fees (additional)	65,000
TOTAL	4,575,445

The following property purchases and sales have been approved:

	£
<i>Purchases</i>	
Housing Department	
Ville Au Roi Shopper, St Peter Port	625,000
<i>Sales</i>	
Treasury and Resources Department	
26 Victoria Road, St Peter Port	211,000

INCOME AND EXPENDITURE ACCOUNT

APPENDIX IX

2008	2009	Income and Expenditure by Category		2010
Actual	Original			Budget
£'000s	Budget		Note	£'000s
	£'000s			
Income				
277,364	249,000	Income Taxes	1	257,500
59,886	65,000	Other Taxes	2	65,200
11,525	6,400	Miscellaneous Income	3	3,000
348,775	320,400	<i>General Revenue Income</i>		325,700
26,400	25,576	<i>Departmental Operating Income</i>		27,955
375,175	345,976	Total Income		353,655
Less Expenditure				
162,647	174,431	Pay	4	182,683
115,699	125,135	Non-Pay	5	127,630
44,695	47,400	Formula-led	6	50,500
-	(9,990)	Use of Accumulated Unspent Balances	App V	(5,583)
-	-	Excess of Departmental Budget Submission over recommended Cash Limit		(75)
323,041	336,976	<i>Revenue Expenditure</i>		355,155
-	-	<i>Allowance for 2010 pay awards</i>		4,000
52,134	9,000	Revenue Surplus / (Deficit)		(5,500)
Capital Income				
5,052	3,300	<i>Capital Income</i>		2,500
17,463	17,350	<i>Less Routine Capital Expenditure</i>	7	16,000
39,723	(5,050)	Operating Surplus / (Deficit)		(19,000)
Transfers				
(35,000)	(23,000)	To Capital Reserve		(23,100)
(1,000)	-	To Strategic Property Purchase Fund		-
10,000	-	Transfer from Housing Development and Loans Fund		-
-	8,000	From Contingency Reserve (Tax Strategy)		40,000
13,723	(20,050)	Transfer to / (from) General Revenue Account Reserve		(2,100)

INCOME AND EXPENDITURE ACCOUNT

2008	2009	Income and Expenditure by Service Area		2010
Actual	Original			Budget
£'000s	Budget			£'000s
	£'000s			
		Income		
348,775	320,400	<i>Revenue Income</i>		325,700
5,052	3,300	<i>Capital Income</i>		2,500
353,827	323,700			328,200
		Expenditure		
		<i>Net Revenue Expenditure by Department / Committee</i>		
7,262	7,225	Policy Council		8,700
17,616	18,295	Treasury & Resources Department		19,150
6,153	6,450	Courts and Law Officers		7,250
10,803	11,350	Commerce & Employment Department		11,550
3,241	3,400	Culture & Leisure Department		3,625
67,884	72,625	Education Department		74,300
7,949	7,900	Environment Department		8,350
94,176	98,000	Health & Social Services Department		103,300
27,772	29,400	Home Department		30,900
1,896	1,580	Housing Department		1,675
7,791	8,400	Public Services Department		8,565
43,662	46,185	Social Security Department		49,220
125	275	Public Accounts Committee		285
163	200	Scrutiny Committee		210
148	115	States Assembly and Constitution Committee		120
296,641	311,400			327,200
		<i>Routine Capital Expenditure by Department</i>		
2,567	1,400	Treasury & Resources Department		1,200
111	200	Courts and Law Officers		200
75	100	Commerce & Employment Department		100
148	250	Culture & Leisure Department		250
984	1,000	Education Department		1,000
807	250	Environment Department		250
2,795	3,000	Health & Social Services Department		3,000
787	1,000	Home Department		1,000
7,530	8,000	Housing Department		8,000
1,659	2,150	Public Services Department		1,000
17,463	17,350			16,000
314,104	328,750	Total Cash Limits		343,200
-	-	<i>Allowance for 2010 pay awards</i>		4,000
39,723	(5,050)	Net Surplus / (Deficit)		(19,000)
		<i>Transfers</i>		
(35,000)	(23,000)	To Capital Reserve		(23,100)
(1,000)	-	To Strategic Property Purchase Fund		-
10,000	-	Transfer from Housing Development and Loans Fund		-
-	8,000	From Contingency Reserve (Tax Strategy)		40,000
13,723	(20,050)	Transfer to / (from) General Revenue Account Reserve		(2,100)

Notes

1. Income Taxes

2008 Actual £'000s	2009 Original Budget £'000s		2010 Budget £'000s
152,041	160,000	Individuals - Employees' Tax Instalment Scheme	157,500
66,094	50,000	Individuals - Other	49,000
23,941	17,000	Banks	25,000
23,366	3,000	Companies (excluding Banks)	12,000
7,912	11,000	Distributed Profits	9,000
4,010	8,000	Transitional Company Tax	5,000
<hr/> 277,364	<hr/> 249,000		<hr/> 257,500

2. Other Taxes

2008 Actual £'000s	2009 Original Budget £'000s		2010 Budget £'000s
		<i>Customs and Immigration- Excise and Import Duties</i>	
2,905	3,150	Beer	2,800
562	650	Cider	600
9,971	11,150	Motor Spirit	13,000
2,487	2,650	Spirits	2,250
7,448	6,750	Tobacco	7,400
3,902	4,300	Wine	3,700
(247)	(250)	Duties Collected for Sark	(250)
937	950	Import duties	1,200
6,109	8,300	<i>Company Fees</i>	5,800
15,356	15,000	<i>Document Duty - Conveyancing and Bonds</i>	15,000
10,456	12,350	<i>Tax on Real Property</i>	13,700
<hr/> 59,886	<hr/> 65,000		<hr/> 65,200

Notes

3. Miscellaneous Income

2008	2009	
Actual	Original	
£'000s	Budget	
£'000s	£'000s	
4,895	840	<i>General Revenue Account Interest Receivable</i>
4,031	4,200	<i>Retention Tax - Net Receipt</i>
917	-	<i>States Trading Companies Dividends</i>
1,682	1,360	<i>Other Income</i>
<hr/>	<hr/>	
11,525	6,400	
<hr/>	<hr/>	

2010
Budget
£'000s
450
1,500
200
850
<hr/>
3,000
<hr/>

4. Pay

2008	2009	
Actual	Original	
£'000s	Budget	
£'000s	£'000s	
59,225	67,958	Established Staff
14,059	14,688	Public Service Employees
30,809	33,629	Nurses and Medical Consultants
37,273	39,133	Teachers and Teaching Assistants
2,882	2,902	Fire Officers
8,463	9,091	Police Officers
2,890	3,034	Prison Officers
1,204	1,253	Crown Officers, Magistrates and Royal Court Judge
5,842	2,743	Other Pay Groups
<hr/>	<hr/>	
162,647	174,431	
<hr/>	<hr/>	

2010
Budget
£'000s
72,936
16,892
34,990
39,406
3,217
9,444
3,125
1,386
1,287
<hr/>
182,683
<hr/>

NB: Excludes Formula-Led costs

Notes

5. Non-Pay

2008 Actual £'000s	2009 Original Budget £'000s		2010 Budget £'000s
		<i>Staff - Non-Pay</i>	
3,445	4,546	Recruitment and Training	4,524
471	443	Other Staff Costs	380
<hr/> 3,916	<hr/> 4,989		<hr/> 4,904
198	137	<i>Audit Fee</i>	131
171	295	<i>Benefit Payments</i>	230
8,538	9,963	<i>Communications and IT</i>	9,971
2,284	2,545	<i>Consultants' Fees</i>	2,548
21,876	25,396	<i>Contracted Out Work</i>	26,857
27,200	28,803	<i>Grants and Subsidies</i>	29,487
2,150	2,517	<i>Promotional Activities</i>	2,320
		<i>Premises</i>	
1,503	1,398	Equipment, Fixtures and Fittings	1,408
1,524	1,688	Rents and Leasing	1,759
10,253	9,307	Repairs, Maintenance and Servicing	8,983
5,397	5,805	Utilities	6,423
<hr/> 18,677	<hr/> 18,198		<hr/> 18,573
1,999	2,188	<i>Risk Management and Insurance</i>	2,291
1,420	1,610	<i>States of Alderney</i>	1,877
		<i>Supplies and Services</i>	
1,528	1,537	Plant, Machinery and Vehicles	1,511
16,381	17,206	Services and Materials	17,273
3,922	3,692	Other Operational Costs	3,721
<hr/> 21,831	<hr/> 22,435		<hr/> 22,505
		<i>Administration Expenses</i>	
37	16	Bank Charges	17
3,379	4,096	Incidental and Other costs	3,708
2,023	1,947	Postage, Stationery and Printing	2,211
<hr/> 5,439	<hr/> 6,059		<hr/> 5,936
<hr/> 115,699	<hr/> 125,135		<hr/> 127,630

NB: Excludes Formula-Led costs

Notes

6. Formula-led costs

2008 Actual £'000s	2009 Original Budget £'000s		2010 Budget £'000s
1,339	1,325	<i>Policy Council</i> Legal Aid	1,500
1,844	1,875	<i>Treasury and Resources Department</i> Payments to States Members	1,850
-	300	<i>Home Department</i> Criminal Injuries Compensation Scheme	300
2,361	2,525	<i>Social Security Department</i> Attendance and Invalid Care Allowance	3,680
505	525	Concessionary TV Licences for the Elderly	545
8,598	9,000	Family Allowances	9,045
3,876	4,150	Health Service Grant	4,150
12,122	12,900	Social Insurance Grant	13,550
14,050	14,800	Supplementary Benefit	15,880
44,695	47,400		50,500

7. Routine Capital Expenditure

2008 Actual £'000s	2009 Original Budget £'000s		2010 Budget £'000s
1,297	1,975	Construction and Development Projects	2,700
3,358	7,565	Miscellaneous Capital Works	6,215
7,500	8,000	Transfer to Corporate Housing Programme Fund	8,000
832	2,973	IT Projects and Equipment	2,390
3,090	3,146	Equipment Machinery and Vehicles	3,161
1,243	200	States of Alderney	-
143	140	Alderney Airport net capital expenditure	145
17,463	23,999		22,611
-	(6,649)	<i>Use of Accumulated Capital Allocation</i>	(6,611)
17,463	17,350	Net Routine Capital Expenditure	16,000

POLICY COUNCIL

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Category</u>	2010 Budget £'000s
		Income	
1	1	<i>Operating Income</i>	1
<hr/> 1	<hr/> 1		<hr/> 1
		Expenditure	
		<i>Staff</i>	
		Pay costs	
2,213	2,676	Established Staff	3,184
84	-	Other Pay Groups	-
<hr/> 2,297	<hr/> 2,676		<hr/> 3,184
		Non-Pay costs	
98	119	Recruitment and Training	121
-	23	Other Staff Costs	3
2	2	<i>Audit Fee</i>	2
22	24	<i>Communications and IT</i>	28
569	767	<i>Consultants' Fees</i>	681
289	50	<i>Contracted Out Work</i>	50
2,330	2,540	<i>Grants and Subsidies</i>	2,540
32	35	<i>Promotional Activities</i>	14
		<i>Premises</i>	
21	18	Equipment, Fixtures and Fittings	12
10	16	Rents and Leasing	16
1	4	Repairs, Maintenance and Servicing	3
20	20	Utilities	21
		<i>Supplies and Services</i>	
1	1	Plant, Machinery and Vehicles	1
1,263	1,190	Services and Materials	1,335
64	387	Other Operational Costs	362
		<i>Administration Expenses</i>	
164	200	Incidental and Other costs	183
80	127	Postage, Stationery and Printing	145
<hr/> 7,263	<hr/> 8,199		<hr/> 8,701
-	(973)	<i>Budgeted increase for non-recurring expenditure</i>	-
<hr/> 7,262	<hr/> 7,225	Net Expenditure by Category	<hr/> 8,700

POLICY COUNCIL

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Service Area</u>	2010 Budget £'000s
1,362	1,364	Administration	1,567
209	240	Archive Service	252
		Contributions to Aid Overseas	
2,155	2,340	Grants	2,340
175	200	Emergency Disaster relief	200
6	9	Guernsey Tax Tribunal Allowances	6
1,286	1,395	Human Resources	1,490
		Legal Aid Scheme	
198	215	Legal Aid Administration	230
524	530	Civil Legal Aid	650
617	580	Criminal Legal Aid	620
-	200	Planning Tribunals	100
42	415	Strategic and Corporate Initiatives	45
<hr/> 6,574	<hr/> 7,488		<hr/> 7,500
688	710	External Affairs	1,200
<hr/> 7,262	<hr/> 8,198		<hr/> 8,700
-	(973)	Budgeted increase for non-recurring expenditure	-
<hr/> 7,262	<hr/> 7,225	Net Expenditure by Service Area	<hr/> 8,700

TREASURY AND RESOURCES DEPARTMENT

2008 Actual £'000s	2009 Original Budget £'000s	Net Expenditure by Category		2010 Budget £'000s
		Income		
2,854	2,869	<i>Operating Income</i>		2,979
<hr/> 2,854	<hr/> 2,869			<hr/> 2,979
		Expenditure		
		<i>Staff</i>		
		<i>Pay costs</i>		
8,224	9,311	Established Staff		9,906
141	155	Public Service Employees		155
72	15	Other Pay Groups		7
<hr/> 8,437	<hr/> 9,481			<hr/> 10,068
		<i>Non-Pay costs</i>		
111	246	Recruitment and Training		164
11	15	Other Staff Costs		14
174	122	<i>Audit Fee</i>		127
2,769	3,060	<i>Communications and IT</i>		2,624
445	110	<i>Consultants' Fees</i>		40
817	1,075	<i>Contracted Out Work</i>		993
1,844	1,875	<i>Payments to States Members</i>		1,850
11	16	<i>Promotional Activities</i>		4
		<i>Premises</i>		
54	68	Equipment, Fixtures and Fittings		51
564	650	Rents and Leasing		730
931	909	Repairs, Maintenance and Servicing		875
403	401	Utilities		367
1,904	2,057	<i>Risk Management and Insurance</i>		2,155
1,420	1,610	<i>States of Alderney</i>		1,877
		<i>Supplies and Services</i>		
19	20	Plant, Machinery and Vehicles		22
84	71	Services and Materials		72
59	125	Other Operational Costs		40
		<i>Administration Expenses</i>		
116	149	Incidental and Other costs		190
297	419	Postage, Stationery and Printing		428
<hr/> 20,470	<hr/> 22,479			<hr/> 22,691
-	(1,315)	<i>Budgeted increase for non-recurring expenditure</i>		(562)
<hr/> 17,616	<hr/> 18,295	Net Expenditure by Category		<hr/> 19,150

TREASURY AND RESOURCES DEPARTMENT

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Service Area</u>	2010 Budget £'000s
373	300	<i>Administration</i>	277
2,188	2,550	<i>Client Services</i>	2,465
179	250	<i>Corporate Procurement Services</i>	262
3,260	3,300	<i>Income Tax</i>	3,685
2,622	3,175	<i>Information and Communications Technology</i>	2,935
2,941	3,225	<i>States Property Services</i>	3,050
		<i>Treasury</i>	
838	1,135	Treasury	1,110
		Insurance premiums and transfers to	
1,904	2,050	Insurance Deductible Fund	2,150
47	140	<i>Commonwealth Parliamentary Association</i>	51
1,844	1,875	<i>Payments to States Members</i>	1,850
16,196	18,000		17,835
	(1,275)	<i>Budgeted increase for non-recurring expenditure</i>	(485)
16,196	16,725		17,350
		<i>States of Alderney -Domestic Account</i>	
1,420	1,610	Net revenue Cash Allocation	1,877
-	(40)	<i>Budgeted increase for non-recurring expenditure</i>	(77)
1,420	1,570		1,800
17,616	18,295	Net Expenditure by Service Area	19,150

2008 Actual £'000s	2009 Original Budget £'000s	<u>Routine Capital Expenditure</u>	2010 Budget £'000s
		<i>Treasury and Resources</i>	
1,040	1,150	Miscellaneous Capital Works	1,325
254	850	IT Projects and Equipment	700
30	-	Equipment, Machinery and Vehicles	35
1,243	200	<i>States of Alderney</i>	-
2,567	2,200	Routine Capital Expenditure	2,060
-	(800)	<i>Use of Accumulated Capital Allocation</i>	(860)
2,567	1,400	Net Routine Capital Expenditure	1,200

COURTS AND LAW OFFICERS

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Category</u>		2010 Budget £'000s
		Income		
1,535	1,410	<i>Operating Income</i>		1,530
<hr/> 1,535 <hr/>	<hr/> 1,410 <hr/>			<hr/> 1,530 <hr/>
		Expenditure		
		<i>Staff</i>		
		<i>Pay costs</i>		
4,209	5,043	Established Staff		5,490
110	197	Public Service Employees		193
1,204	1,253	Crown Officers, Magistrates and Royal Court Judge		1,386
263	327	Other Pay Groups		333
<hr/> 5,786 <hr/>	<hr/> 6,820 <hr/>			<hr/> 7,402 <hr/>
		<i>Non-Pay costs</i>		
113	128	Recruitment and Training		127
5	1	Other Staff Costs		2
4	-	<i>Audit Fee</i>		2
79	115	<i>Communications and IT</i>		117
717	720	<i>Grants and Subsidies</i>		745
6	17	<i>Promotional Activities</i>		12
		<i>Premises</i>		
51	53	Equipment, Fixtures and Fittings		44
80	91	Rents and Leasing		86
42	74	Repairs, Maintenance and Servicing		72
111	135	Utilities		145
-	5	<i>Risk Management and Insurance</i>		5
		<i>Supplies and Services</i>		
1	1	Plant, Machinery and Vehicles		1
110	91	Services and Materials		97
178	179	Other Operational Costs		182
		<i>Administration Expenses</i>		
196	196	Incidental and Other costs		195
209	234	Postage, Stationery and Printing		236
<hr/> 7,688 <hr/>	<hr/> 8,860 <hr/>			<hr/> 9,470 <hr/>
-	(1,000)	<i>Budgeted increase for non-recurring expenditure</i>		(690)
<hr/> 6,153 <hr/>	<hr/> 6,450 <hr/>	Net Expenditure by Category		<hr/> 7,250 <hr/>

COURTS AND LAW OFFICERS

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Service Area</u>	2010 Budget £'000s
		<i>Courts</i>	
1,152	1,250	Bailiff	1,380
310	480	Central Court Services	482
136	135	Court of Appeal	130
296	525	Greffe and Safeguarder	558
203	235	Magistrates Court	255
237	265	Sergeant and Sheriff	300
3,102	3,850	<i>Law Officers</i>	4,100
717	710	<i>H.E. Lieutenant Governor</i>	735
6,153	7,450		7,940
-	(1,000)	<i>Budgeted increase for non-recurring expenditure</i>	(690)
6,153	6,450	Net Expenditure by Service Area	7,250

2008 Actual £'000s	2009 Original Budget £'000s	<u>Routine Capital Expenditure</u>	2010 Budget £'000s
49	-	<i>Miscellaneous Capital Works</i>	130
38	145	<i>IT Projects and Equipment</i>	20
24	145	<i>Equipment, Machinery and Vehicles</i>	50
111	290	Routine Capital Expenditure	200
-	(90)	<i>Use of Accumulated Capital Allocation</i>	-
111	200	Net Routine Capital Expenditure	200

COMMERCE AND EMPLOYMENT DEPARTMENT

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Category</u>		2010 Budget £'000s
		Income		
619	734	<i>Operating Income</i>		615
<hr/> 619	<hr/> 734			<hr/> 615
		Expenditure		
		<i>Staff</i>		
		<i>Pay costs</i>		
3,428	3,876	Established Staff		4,043
7	-	Public Service Employees		8
<hr/> 3,435	<hr/> 3,876			<hr/> 4,051
		<i>Non-Pay costs</i>		
82	117	Recruitment and Training		131
3	6	Other Staff Costs		11
321	259	<i>Communications and IT</i>		241
226	416	<i>Consultants' Fees</i>		445
254	347	<i>Contracted Out Work</i>		283
4,347	4,989	<i>Grants and Subsidies</i>		5,036
1,387	1,642	<i>Promotional Activities</i>		1,574
		<i>Premises</i>		
10	10	Equipment, Fixtures and Fittings		12
59	60	Repairs, Maintenance and Servicing		51
75	86	Utilities		90
11	15	<i>Risk Management and Insurance</i>		15
		<i>Supplies and Services</i>		
166	195	Plant, Machinery and Vehicles		150
293	302	Services and Materials		300
72	93	Other Operational Costs		144
		<i>Administration Expenses</i>		
169	342	Incidental and Other costs		638
501	462	Postage, Stationery and Printing		525
<hr/> 11,422	<hr/> 13,229			<hr/> 13,710
-	(1,145)	<i>Budgeted increase for non-recurring expenditure</i>		(1,545)
<hr/> 10,803	<hr/> 11,350	Net Expenditure by Category		<hr/> 11,550

COMMERCE AND EMPLOYMENT DEPARTMENT

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Service Area</u>	2010 Budget £'000s
945	1,133	<i>Administration of Resources</i> Administration of Resources	1,173
2,384	2,669	<i>Business Development</i> Business Development	2,700
199	256	Finance Sector Development	395
3	100	Competitions Office	400
50	50	Grant to Guernsey Enterprise Agency	68
605	900	Grant to Guernsey Finance LBG	800
426	435	Grant to Guernsey Training Agency Trust	445
51	37	Interest Subsidy Scheme	25
17	-	Support Schemes	-
8	11	Office of Public Trustee	10
-	-	OUR Air Route Licensing	180
2,094	2,408	<i>Client Services</i> Client services	2,519
54	60	Cull Cattle Compensation Payments	60
2,029	2,025	Dairy Farm Management Payment Scheme	2,025
300	250	<i>Events Group</i> Transfer to Culture & Leisure Department	225
524	526	<i>Policy & Strategy</i> Policy & Strategy	420
245	395	Strategic Projects	409
128	460	Route Development	500
741	780	Transport Links - Financial Concessions	741
10,803	12,495		13,095
-	(1,145)	<i>Budgeted increase for non-recurring expenditure</i>	(1,545)
10,803	11,350	Net Expenditure by Service Area	11,550

2008 Actual £'000s	2009 Original Budget £'000s	<u>Routine Capital Expenditure</u>	2010 Budget £'000s
27	280	<i>Miscellaneous Capital Works</i>	-
-	-	<i>IT Projects and Equipment</i>	80
48	20	<i>Equipment, Machinery and Vehicles</i>	36
75	300	Routine Capital Expenditure	116
-	(200)	<i>Use of Accumulated Capital Allocation</i>	(16)
75	100	Net Routine Capital Expenditure	100

CULTURE AND LEISURE DEPARTMENT

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Category</u>		2010 Budget £'000s
		Income		
3,930	3,929	<i>Operating Income</i>		4,015
<u>3,930</u>	<u>3,929</u>			<u>4,015</u>
		Expenditure		
		<i>Staff</i>		
		<i>Pay costs</i>		
3,529	3,655	Established Staff		3,758
758	841	Public Service Employees		1,050
140	141	Other Pay Groups		-
<u>4,427</u>	<u>4,637</u>			<u>4,808</u>
		<i>Non-Pay costs</i>		
15	13	Recruitment and Training		12
11	11	Other Staff Costs		13
18	13	<i>Audit Fee</i>		-
125	130	<i>Communications and IT</i>		134
9	10	<i>Consultants' Fees</i>		8
181	107	<i>Contracted Out Work</i>		217
499	582	<i>Grants and Subsidies</i>		574
52	85	<i>Promotional Activities</i>		65
		<i>Premises</i>		
136	83	Equipment, Fixtures and Fittings		125
424	529	Repairs, Maintenance and Servicing		498
495	552	Utilities		573
51	56	<i>Risk Management and Insurance</i>		64
		<i>Supplies and Services</i>		
30	27	Plant, Machinery and Vehicles		33
547	513	Services and Materials		480
57	55	Other Operational Costs		51
		<i>Administration Expenses</i>		
16	15	Bank Charges		15
23	20	Incidental and Other costs		29
55	40	Postage, Stationery and Printing		46
<u>7,171</u>	<u>7,478</u>			<u>7,745</u>
-	(149)	<i>Budgeted increase for non-recurring expenditure</i>		(105)
<u>3,241</u>	<u>3,400</u>	Net Expenditure by Category		<u>3,625</u>

CULTURE AND LEISURE DEPARTMENT

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Service Area</u>	2010 Budget £'000s
146	157	<i>Arts Commission</i>	168
648	719	<i>Beau Sejour Centre</i>	724
434	530	<i>Central Services</i>	707
94	105	<i>Cultural Activities Inside the Island</i>	107
319	263	<i>Events and Information</i>	355
221	251	<i>Historic Sites</i>	258
938	1,077	<i>Museums and Galleries</i>	912
215	199	<i>Outdoor Sports Facilities</i>	243
226	248	<i>Sports Commission Funding</i>	256
3,241	3,549		3,730
-	(149)	<i>Budgeted increase for non-recurring expenditure</i>	(105)
3,241	3,400	Net Expenditure by Service Area	3,625

2008 Actual £'000s	2009 Original Budget £'000s	<u>Routine Capital Expenditure</u>	2010 Budget £'000s
116	168	<i>Miscellaneous Capital Works</i>	250
-	22	<i>IT Projects and Equipment</i>	-
32	60	<i>Equipment, Machinery and Vehicles</i>	-
148	250	Routine Capital Expenditure	250
-	-	<i>Use of Accumulated Capital Allocation</i>	-
148	250	Net Routine Capital Expenditure	250

EDUCATION DEPARTMENT

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Category</u>		2010 Budget £'000s
		Income		
1,315	912	<i>Operating Income</i>		1,211
<u>1,315</u>	<u>912</u>			<u>1,211</u>
		Expenditure		
		<i>Staff</i>		
		<i>Pay costs</i>		
5,757	5,877	Established Staff		6,892
2,242	2,200	Public Service Employees		2,421
37,273	39,133	Teachers and Teaching Assistants		39,406
52	-	Other Pay Groups		-
<u>45,324</u>	<u>47,210</u>			<u>48,719</u>
		<i>Non-Pay costs</i>		
757	1,361	Recruitment and Training		1,305
62	1	Other Staff Costs		1
2,741	3,565	<i>Communications and IT</i>		4,136
71	105	<i>Consultants' Fees</i>		105
179	196	<i>Contracted Out Work</i>		196
13,445	14,099	<i>Grants and Subsidies</i>		14,725
13	-	<i>Promotional Activities</i>		4
		<i>Premises</i>		
255	410	Equipment, Fixtures and Fittings		432
306	294	Rents and Leasing		294
1,606	1,831	Repairs, Maintenance and Servicing		1,863
1,633	1,606	Utilities		1,803
-	5	<i>Risk Management and Insurance</i>		5
		<i>Supplies and Services</i>		
246	172	Plant, Machinery and Vehicles		247
1,864	2,462	Services and Materials		2,337
230	75	Other Operational Costs		157
		<i>Administration Expenses</i>		
172	92	Incidental and Other costs		131
295	53	Postage, Stationery and Printing		231
<u>69,199</u>	<u>73,537</u>			<u>76,691</u>
-	-	<i>Budgeted increase for non-recurring expenditure</i>		(1,180)
<u>67,884</u>	<u>72,625</u>	Net Expenditure by Category		<u>74,300</u>

EDUCATION DEPARTMENT

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Service Area</u>	2010 Budget £'000s
3,257	3,630	<i>Education Office</i>	4,473
		<i>Schools and Pupils Support Services</i>	
9,187	11,200	Schools and Pupils Support Services	12,173
503	700	Apprenticeship Scheme	700
6,625	6,960	<i>College of Further Education</i>	7,084
		<i>Schools</i>	
13,346	13,987	Primary Sector	14,335
17,491	18,266	Secondary Sector	17,869
3,578	3,399	Special Education	3,569
1,529	1,608	Voluntary Sector	1,627
55,516	59,750		61,830
-	-	<i>Budgeted increase for non-recurring expenditure</i>	(680)
55,516	59,750		61,150
		<i>Grants to Colleges and Libraries</i>	
580	605	Blanchelande College	625
2,051	2,170	Elizabeth College	2,300
1,045	1,115	Guille Alles Library	1,155
1,712	1,795	Ladies College	1,870
265	280	Priaulx Library	290
385	410	Schools Library Service	410
6,038	6,375		6,650
6,330	6,500	<i>Higher and Advanced Education</i>	7,000
-	-	<i>Budgeted increase for non-recurring expenditure</i>	(500)
6,330	6,500		6,500
67,884	72,625	Net Expenditure by Service Area	74,300

2008 Actual £'000s	2009 Original Budget £'000s	<u>Routine Capital Expenditure</u>	2010 Budget £'000s
884	1,800	<i>Miscellaneous Capital Works</i>	1,665
100	75	<i>Equipment, Machinery and Vehicles</i>	35
984	1,875	Routine Capital Expenditure	1,700
-	(875)	<i>Use of Accumulated Capital Allocation</i>	(700)
984	1,000	Net Routine Capital Expenditure	1,000

ENVIRONMENT DEPARTMENT

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Category</u>		2010 Budget £'000s
		Income		
1,264	1,805	<i>Operating Income</i>		2,033
<hr/> 1,264 <hr/>	<hr/> 1,805 <hr/>			<hr/> 2,033 <hr/>
		Expenditure		
		<i>Staff</i>		
		<i>Pay costs</i>		
3,395	3,976	<i>Established Staff</i>		4,072
6	120	<i>Other Pay Groups</i>		15
<hr/> 3,401 <hr/>	<hr/> 4,096 <hr/>			<hr/> 4,087 <hr/>
		<i>Non-Pay costs</i>		
116	152	<i>Recruitment and Training</i>		136
8	11	<i>Other Staff Costs</i>		9
243	286	<i>Communications and IT</i>		317
24	57	<i>Consultants' Fees</i>		231
1,966	2,162	<i>Contracted Out Work</i>		2,428
2,448	2,483	<i>Grants and Subsidies</i>		2,448
64	91	<i>Promotional Activities</i>		95
		<i>Premises</i>		
13	42	<i>Equipment, Fixtures and Fittings</i>		26
190	140	<i>Repairs, Maintenance and Servicing</i>		157
98	109	<i>Utilities</i>		110
		<i>Supplies and Services</i>		
281	314	<i>Plant, Machinery and Vehicles</i>		306
210	181	<i>Services and Materials</i>		241
8	11	<i>Other Operational Costs</i>		10
		<i>Administration Expenses</i>		
56	84	<i>Incidental and Other costs</i>		57
87	96	<i>Postage, Stationery and Printing</i>		104
<hr/> 9,213 <hr/>	<hr/> 10,315 <hr/>			<hr/> 10,763 <hr/>
-	(610)	<i>Budgeted increase for non-recurring expenditure</i>		(380)
<hr/> 7,949 <hr/>	<hr/> 7,900 <hr/>	Net Expenditure by Category		<hr/> 8,350 <hr/>

ENVIRONMENT DEPARTMENT

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Service Area</u>	2010 Budget £'000s
185	316	<i>Administration & Central Services</i>	416
		<i>Environmental Management</i>	
356	394	Coastal Management	394
155	170	Cliff Paths	178
84	45	Coastal Defences	55
-	15	Energy Conservation	15
33	33	Environmental Protection	33
255	277	Environmental Services	319
311	329	Meteorological Services	321
52	52	Nature Trails & Reserves	51
683	707	Parks & Gardens	722
		<i>Planning Services</i>	
531	380	Building Control	339
311	655	Planning Administration Services	621
993	847	Planning Control	472
564	607	Planning Policy, Conservation and Design	637
		<i>Traffic and Transport Services</i>	
97	132	Driver and Vehicle Licensing	39
65	107	Public Service Licensing	94
(139)	(63)	Road Transport Strategy	408
2,123	2,170	Scheduled Bus Services	2,139
275	295	School Bus Services	302
241	262	Traffic Administration Services	312
774	780	Traffic services	863
<hr/> 7,949	<hr/> 8,510		<hr/> 8,730
-	(610)	<i>Budgeted increase for non-recurring expenditure</i>	(380)
<hr/> 7,949	<hr/> 7,900	Net Expenditure by Service Area	<hr/> 8,350

2008 Actual £'000s	2009 Original Budget £'000s	<u>Routine Capital Expenditure</u>	2010 Budget £'000s
279	722	<i>Miscellaneous Capital Works</i>	610
21	30	<i>IT Projects and Equipment</i>	40
507	-	<i>Equipment, Machinery and Vehicles</i>	15
<hr/> 807	<hr/> 752	Routine Capital Expenditure	<hr/> 665
-	(502)	<i>Use of Accumulated Capital Allocation</i>	(415)
<hr/> 807	<hr/> 250	Net Routine Capital Expenditure	<hr/> 250

HEALTH AND SOCIAL SERVICES DEPARTMENT

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Category</u>		2010 Budget £'000s
		Income		
6,263	5,908	<i>Operating Income</i>		7,011
<u>6,263</u>	<u>5,908</u>			<u>7,011</u>
		Expenditure		
		<i>Staff</i>		
		<i>Pay costs</i>		
16,888	20,766	Established Staff		22,123
8,937	9,418	Public Service Employees		10,469
30,809	33,629	Nurses and Medical Consultants		34,990
4,506	1,242	Other Pay Groups		21
<u>61,140</u>	<u>65,055</u>			<u>67,603</u>
		<i>Non-Pay costs</i>		
1,431	1,587	Recruitment and Training		1,695
174	171	Other Staff Costs		196
1,121	1,198	<i>Communications and IT</i>		1,108
728	904	<i>Consultants' Fees</i>		807
13,959	15,354	<i>Contracted Out Work</i>		16,978
2,439	2,501	<i>Grants and Subsidies</i>		2,465
472	495	<i>Promotional Activities</i>		449
		<i>Premises</i>		
810	608	Equipment, Fixtures and Fittings		620
218	261	Rents and Leasing		246
1,092	1,076	Repairs, Maintenance and Servicing		1,226
1,939	1,931	Utilities		2,313
13	19	<i>Risk Management and Insurance</i>		18
		<i>Supplies and Services</i>		
459	402	Plant, Machinery and Vehicles		415
10,433	10,576	Services and Materials		10,954
2,457	1,935	Other Operational Costs		1,998
		<i>Administration Expenses</i>		
20	-	Bank Charges		-
1,238	1,628	Incidental and Other costs		906
296	331	Postage, Stationery and Printing		314
<u>100,439</u>	<u>106,032</u>			<u>110,311</u>
-	(2,124)	<i>Budgeted increase for non-recurring expenditure</i>		-
<u>94,176</u>	<u>98,000</u>	Net Expenditure by Category		<u>103,300</u>

HEALTH AND SOCIAL SERVICES DEPARTMENT

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Service Area</u>	2010 Budget £'000s
		<i>Corporate Support Services</i>	
920	997	Corporate Services - HQ	1,045
4,688	4,862	Estates	5,390
6,955	7,867	Facilities	7,758
2,483	3,465	Finance Directorate	4,034
5,233	5,745	Human Resources Directorate	5,458
		<i>Children and Young People Services</i>	
841	1,092	Assessment and Intervention	1,209
795	1,019	Central Services	798
702	769	Child and Adolescent Mental Health Service	802
401	507	Children's Dental Service	496
1,074	1,554	Corporate Parenting	1,754
1,549	1,922	Disability and Accommodation Services	1,881
1,715	1,995	Health and Family Support Services	2,052
2,176	2,232	Midwifery, Paediatric Services and NICU	2,360
35	390	Office of the Children's Convenor	389
200	264	Quality Assurance	271
		<i>Off Island Treatments</i>	
82	588	Administration	585
99	140	Acute off-island treatments - Jersey	100
4,245	5,060	Acute off-island treatments - UK	5,818
2,358	2,389	Adult Disability Panel Placements	2,981
3,861	3,441	Adult Mental Health Panel Placements	2,871
2,861	2,606	Children and Young People with Complex Needs	3,044
135	-	Other	1
		<i>Public Health and Strategy</i>	
488	530	Environmental Health	581
191	203	External Service Providers	210
360	412	Health Promotion	412
376	393	Health Records	364
301	403	Health Strategy	388
387	638	Infectious Diseases	403
241	246	Public Health	309
62	104	States Analyst	75
217	235	Sexual Health Clinic	230
		<i>Service for Adults</i>	
7,259	7,558	Contracts and Pharmacy	7,255
6,403	6,513	Diagnostic Services and Accident & Emergency	6,875
7,763	7,660	Medical and Surgical Services	8,163
6,388	6,725	Continuing and Community Care	6,910
6,841	7,133	Mental Health Services	7,844
5,689	5,876	Disability Services	6,115
3,037	2,170	Consultants	2,273
2,685	2,321	Adult Services Management	1,746
92,096	98,024		101,250
2,080	2,100	<i>St John Ambulance and Rescue Service Grant</i>	2,050
94,176	100,124	Net Expenditure by Service Area	103,300
-	(2,124)	<i>Budgeted increase for non-recurring expenditure</i>	-
94,176	98,000	Net Expenditure by Service Area	103,300

HEALTH AND SOCIAL SERVICES DEPARTMENT

2008	2009		2010
Actual	Original	<u>Routine Capital Expenditure</u>	Budget
£'000s	Budget £'000s		£'000s
608	1,830	Miscellaneous Capital Works	1,090
179	515	IT Projects and Equipment	550
2,008	1,960	Equipment, Machinery and Vehicles	1,765
<hr/> 2,795	<hr/> 4,305	Routine Capital Expenditure	<hr/> 3,405
<hr/> -	<hr/> (1,305)	<i>Use of Accumulated Capital Allocation</i>	<hr/> (405)
<hr/> 2,795 <hr/>	<hr/> 3,000 <hr/>	Net Routine Capital Expenditure	<hr/> 3,000 <hr/>

HOME DEPARTMENT

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Category</u>		2010 Budget £'000s
		Income		
1,152	1,093	<i>Operating Income</i>		1,118
<hr/> 1,152 <hr/>	<hr/> 1,093 <hr/>			<hr/> 1,118 <hr/>
		Expenditure		
		<i>Staff</i>		
		<i>Pay costs</i>		
7,594	8,627	Established Staff		8,937
187	197	Public Service Employees		179
2,882	2,902	Fire Officers		3,217
8,463	9,091	Police Officers		9,444
2,890	3,034	Prison Officers		3,125
130	201	Other Pay Groups		191
<hr/> 22,146 <hr/>	<hr/> 24,052 <hr/>			<hr/> 25,093 <hr/>
		<i>Non-Pay costs</i>		
668	770	Recruitment and Training		773
181	183	Other Staff Costs		106
1,017	1,186	<i>Communications and IT</i>		1,129
54	53	<i>Consultants' Fees</i>		80
554	835	<i>Grants and Subsidies</i>		835
96	98	<i>Promotional Activities</i>		72
		<i>Premises</i>		
100	65	Equipment, Fixtures and Fittings		56
345	380	Rents and Leasing		390
342	297	Repairs, Maintenance and Servicing		328
424	483	Utilities		495
-	6	<i>Risk Management and Insurance</i>		7
		<i>Supplies and Services</i>		
193	231	Plant, Machinery and Vehicles		248
1,534	1,892	Services and Materials		1,673
779	819	Other Operational Costs		763
		<i>Administration Expenses</i>		
1	1	Bank Charges		1
349	422	Incidental and Other costs		433
141	170	Postage, Stationery and Printing		166
<hr/> 28,924 <hr/>	<hr/> 31,943 <hr/>			<hr/> 32,648 <hr/>
-	(1,450)	<i>Budgeted increase for non-recurring expenditure</i>		(630)
<hr/> 27,772 <hr/>	<hr/> 29,400 <hr/>	Net Expenditure by Category		<hr/> 30,900 <hr/>

HOME DEPARTMENT

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Service Area</u>	2010 Budget £'000s
1,270	1,690	<i>Administration and Central Services</i>	1,697
373	354	<i>Bailiwick Drug and Alcohol Strategy</i>	354
35	41	<i>Broadcasting</i>	41
-	300	<i>Criminal Injuries Compensation</i>	300
4,983	5,978	<i>Customs, Immigration and Nationality Service</i>	6,085
184	177	<i>Data Protection</i>	176
163	170	<i>Emergency Planning</i>	157
56	107	<i>Financial Intelligence Service</i>	-
3,357	3,372	<i>Fire and Rescue Service</i>	3,714
(23)	(21)	<i>Gambling Control</i>	(22)
12,242	13,020	<i>Police Force</i>	13,221
		<i>Prison Service</i>	
4,402	4,806	Prison Service	4,819
94	150	Maintenance of Prisoners in the UK	140
636	706	<i>Probation Service</i>	848
27,772	30,850		31,530
-	(1,450)	<i>Budgeted increase for non-recurring expenditure</i>	(630)
27,772	29,400	Net Expenditure by Service Area	30,900

2008 Actual £'000s	2009 Original Budget £'000s	<u>Routine Capital Expenditure</u>	2010 Budget £'000s
308	507	<i>Miscellaneous Capital Works</i>	535
223	1,375	<i>IT Projects and Equipment</i>	1,000
256	521	<i>Equipment, Machinery and Vehicles</i>	420
787	2,403	Routine Capital Expenditure	1,955
-	(1,403)	<i>Use of Accumulated Capital Allocation</i>	(955)
787	1,000	Net Routine Capital Expenditure	1,000

HOUSING DEPARTMENT

2008	2009	Net Expenditure by Category		2010
Actual	Original			Budget
£'000s	Budget			£'000s
	£'000s			
		Income		
809	1,396	Operating Income		1,410
809	1,396			1,410
		Expenditure		
		Staff		
		Pay costs		
912	1,130	Established Staff		1,200
1,378	1,455	Public Service Employees		1,473
2,290	2,585			2,673
		Non-Pay costs		
5	7	Recruitment and Training		7
2	5	Other Staff Costs		5
37	54	Communications and IT		56
3	3	Consultants' Fees		3
3	6	Promotional Activities		5
		Premises		
25	32	Equipment, Fixtures and Fittings		20
60	63	Repairs, Maintenance and Servicing		65
120	135	Utilities		139
		Supplies and Services		
3	3	Plant, Machinery and Vehicles		4
147	166	Services and Materials		178
1	1	Other Operational Costs		1
		Administration Expenses		
4	4	Incidental and Other costs		6
5	7	Postage, Stationery and Printing		8
2,705	3,071			3,170
-	(95)	Budgeted increase for non-recurring expenditure		(85)
1,896	1,580	Net Expenditure by Category		1,675

HOUSING DEPARTMENT

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Service Area</u>
612	232	<i>Housing Control</i>
1,284	1,443	<i>Residential Homes</i>
<hr/> 1,896	<hr/> 1,675	
-	(95)	<i>Budgeted increase for non-recurring expenditure</i>
<hr/> 1,896	<hr/> 1,580	Net Expenditure by Service Area

**2010
Budget
£'000s**

272

1,488

1,760

(85)

1,675

2008 Actual £'000s	2009 Original Budget £'000s	<u>Routine Capital Expenditure</u>
30	340	<i>Miscellaneous Capital Works</i>
7,500	8,000	<i>Transfer to Corporate Housing Programme Fund</i>
<hr/> 7,530	<hr/> 8,340	Routine Capital Expenditure
-	(340)	<i>Use of Accumulated Capital Allocation</i>
<hr/> 7,530	<hr/> 8,000	Net Routine Capital Expenditure

**2010
Budget
£'000s**

290

8,000

8,290

(290)

8,000

PUBLIC SERVICES DEPARTMENT

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Category</u>		2010 Budget £'000s
		Income		
6,658	5,519	<i>Operating Income</i>		6,032
<hr/> 6,658 <hr/>	<hr/> 5,519 <hr/>			<hr/> 6,032 <hr/>
		Expenditure		
		<i>Staff</i>		
		<i>Pay costs</i>		
1,735	1,698	Established Staff		1,796
295	221	Public Service Employees		940
673	697	Other Pay Groups		720
<hr/> 2,703 <hr/>	<hr/> 2,616 <hr/>			<hr/> 3,456 <hr/>
		<i>Non-Pay costs</i>		
46	44	Recruitment and Training		49
14	16	Other Staff Costs		20
64	85	<i>Communications and IT</i>		82
167	130	<i>Consultants' Fees</i>		133
4,231	5,920	<i>Contracted Out Work</i>		5,472
66	63	<i>Grants and Subsidies</i>		63
6	32	<i>Promotional Activities</i>		26
		<i>Premises</i>		
33	13	Equipment, Fixtures and Fittings		12
5,488	4,295	Repairs, Maintenance and Servicing		3,820
81	350	Utilities		370
20	25	<i>Risk Management and Insurance</i>		22
		<i>Supplies and Services</i>		
129	171	Plant, Machinery and Vehicles		84
1,041	876	Services and Materials		883
17	11	Other Operational Costs		13
		<i>Administration Expenses</i>		
332	307	Incidental and Other costs		317
11	11	Postage, Stationery and Printing		10
<hr/> 14,449 <hr/>	<hr/> 14,965 <hr/>			<hr/> 14,832 <hr/>
-	(1,046)	<i>Budgeted increase for non-recurring expenditure</i>		(235)
<hr/> 7,791 <hr/>	<hr/> 8,400 <hr/>	Net Expenditure by Category		<hr/> 8,565 <hr/>

PUBLIC SERVICES DEPARTMENT

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Service Area</u>	2010 Budget £'000s
1,735	1,588	<i>Administration</i>	1,607
		<i>Alderney Airport</i>	
(536)	(683)	Income	(555)
198	345	Administration	221
540	551	Aerodrome Fire Service	587
117	115	Airport Infrastructure	124
278	272	Navigational Services	281
<u>597</u>	<u>600</u>	Alderney Airport Trading Loss	<u>658</u>
456	430	<i>Alderney Breakwater</i>	430
65	67	<i>Emergency Services</i>	73
		<i>Service Delivery</i>	
191	190	Administration	186
802	1,112	Pumping Stations	1,113
(1,916)	(1,368)	Refuse Disposal and Land Reclamation	(1,288)
3,440	4,080	Roads Infrastructure	3,646
153	512	Sewage Tankers	146
1,251	876	Sewers and Outfalls	867
428	660	Surface Water Outfalls and Streams	663
		<i>Waste Services</i>	
273	270	Bulk Refuse	269
145	173	Paper Savers Scheme	173
191	424	Recycling of Waste	302
35	20	Waste Segregation Site	58
(55)	(188)	Waste Strategy	(103)
<u>7,791</u>	<u>9,446</u>		<u>8,800</u>
-	(1,046)	<i>Budgeted increase for non-recurring expenditure</i>	(235)
<u><u>7,791</u></u>	<u><u>8,400</u></u>	Net Expenditure by Service Area	<u><u>8,565</u></u>

PUBLIC SERVICES DEPARTMENT

2008	2009		2010
Actual	Original	<u>Routine Capital Expenditure</u>	Budget
£'000s	Budget		£'000s
£'000s	£'000s		
1,297	1,975	<i>Foul Water Network Extension Plan</i>	2,700
17	768	<i>Miscellaneous Capital Works</i>	320
117	36	<i>IT Projects and Equipment</i>	-
85	365	<i>Equipment, Machinery and Vehicles</i>	805
143	140	<i>Alderney Airport net Capital Expenditure</i>	145
1,659	3,284	Routine Capital Expenditure	3,970
-	(1,134)	<i>Use of Accumulated Capital Allocation</i>	(2,970)
1,659	2,150	Net Routine Capital Expenditure	1,000

SOCIAL SECURITY DEPARTMENT

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Category</u>	2010 Budget £'000s
		Expenditure	
		<i>Staff</i>	
		Pay costs	
1,060	1,056	Established Staff	1,252
4	4	Public Service Employees	4
1,064	1,060		1,256
23,685	25,010	<i>Benefit Payments</i>	27,170
18,353	19,476	<i>Grants and Subsidies</i>	20,266
		<i>Premises</i>	
19	30	Repairs, Maintenance and Servicing	26
		<i>Administration Expenses</i>	
541	609	Incidental and Other costs	577
43,662	46,185		49,295
-	-	<i>Less Excess of Departmental Budget Submission over recommended Cash Limit</i>	(75)
43,662	46,185	Net Expenditure by Category	49,220

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Service Area</u>	2010 Budget £'000s
		<i>Non-Formula Led</i>	
1,624	1,699	Administration	1,859
191	223	Community and Environmental Projects	230
212	233	Grants to Charities	218
123	130	Medical Expenses Assistance Scheme	138
2,150	2,285		2,445
-	-	<i>Less Excess of Departmental Budget Submission over recommended Cash Limit</i>	(75)
2,150	2,285		2,370
		<i>Formula Led</i>	
2,361	2,525	Attendance and Invalid Care Allowance	3,680
505	525	Concessionary TV Licences for the Elderly	545
8,598	9,000	Family Allowances	9,045
3,876	4,150	Health Service Grant	4,150
12,122	12,900	Social Insurance Grant	13,550
14,050	14,800	Supplementary Benefit	15,880
30,048	31,850		33,580
43,662	46,185	Net Expenditure by Service Area	49,220

PUBLIC ACCOUNTS COMMITTEE

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Category</u>		2010 Budget £'000s
		Expenditure		
		<i>Staff</i>		
		Pay costs		
123	161	Established Staff		178
<hr/>	<hr/>			<hr/>
123	161			178
-	185	<i>Contracted Out Work</i>		240
1	-	<i>Promotional Activities</i>		-
		<i>Supplies and Services</i>		
-	1	Other Operational Costs		-
		<i>Administration Expenses</i>		
1	3	Incidental and Other costs		4
<hr/>	<hr/>			<hr/>
125	350			425
<hr/>	<hr/>			<hr/>
-	(75)	<i>Budgeted increase for non-recurring expenditure</i>		(140)
<hr/>	<hr/>			<hr/>
125	275	Net Expenditure by Category		285
<hr/>	<hr/>			<hr/>

SCRUTINY COMMITTEE

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Category</u>		2010 Budget £'000s
		Expenditure		
		<i>Staff</i>		
		Pay costs		
157	191	Established Staff		198
<hr/>	<hr/>			<hr/>
157	191			198
		Non-Pay costs		
3	2	Recruitment and Training		1
-	3	<i>Communications and IT</i>		1
-	5	<i>Consultants' Fees</i>		30
		<i>Premises</i>		
-	1	Equipment, Fixtures and Fittings		1
		<i>Administration Expenses</i>		
3	6	Incidental and Other costs		10
<hr/>	<hr/>			<hr/>
163	208			241
<hr/>	<hr/>			<hr/>
-	(8)	<i>Budgeted increase for non-recurring expenditure</i>		(31)
<hr/>	<hr/>			<hr/>
163	200	Net Expenditure by Category		210
<hr/>	<hr/>			<hr/>

STATES ASSEMBLY AND CONSTITUTION COMMITTEE

2008 Actual £'000s	2009 Original Budget £'000s	<u>Net Expenditure by Category</u>		2010 Budget £'000s
		Expenditure		
		<i>Staff</i>		
		Pay costs		
76	80	Established Staff		85
<hr/> 76	<hr/> 80			<hr/> 85
2	-	<i>Communications and IT</i>		-
7	-	<i>Promotional Activities</i>		-
		<i>Administration Expenses</i>		
15	34	Incidental and Other costs		33
48	1	Postage, Stationery and Printing		1
<hr/> 148	<hr/> 115	Net Expenditure by Category		<hr/> 120
<hr/> <hr/>	<hr/> <hr/>			<hr/> <hr/>

CAPITAL RESERVE EXPENDITURE ACCOUNT

2008 Actual £'000s	2009 Original Budget £'000s		2010 Budget £'000s
		Treasury and Resources Department	
-	-	Corporate Asset Management IT system	425
-	-	Income Tax/Social Security IT system	2,561
-	-	IT Wide Area Network	1,193
1	-	St Barnabas renovation and conversion (£2.85m)	-
		States of Alderney	
5,680	4,000	Commercial Quay renovation (£9.5m)	-
		Culture and Leisure Department	
1,000	-	Les Nicolles School Swimming Pool contribution (£1.0m)	-
		Education Department	
6	180	College of Further Education - Phase A (£8.13m)	
-	-	College of Further Education - Phase 2b	1,560
218	1,300	College of Further Education - Other Projects	
69	250	Le Rondin Special Needs School (£13.9m)	
-	-	Les Beaucamps School	1,388
9,660	750	Les Nicolles Secondary and Special Needs Schools (£44.4m)	-
273	640	Other Projects	-
1,395	875	Project execution plan	-
		Environment Department	
68	-	Traffic signal replacement programme (£1.73m)	-
		Health and Social Services Department	
		Site Development Plan	
-	-	Adult Acute Mental Health Facilities	1,132
12,064	9,150	Clinical Block (£36.1m)	2,600
-	-	Homes for Adults with a Learning Disability	2,778
		Mignot Memorial Hospital extension and redevelopment (£6.19m)	75
648	85	Site Development Planning costs	-
(23)	10	Electronic Health and Social Care record (£3.9m)	1,350
443	1,800		
		Home Department	
-	-	eBorders, eCustoms and Passport IT system	225
-	-	Police core IT system	295
-	-	Tetra Radio	330
		Public Services Department	
1,714	2,550	Belle Greve Wastewater Disposal Facility	1,650
843	30	Les Nicolles area foul water sewers (£0.85m)	-
		Public Services Department	
-	-	Airport Pavements	4,500
-	-	Airport Radar	700
-	-	St Peter Port Harbour Crane Strategy	5,000
-	-	St Peter Port Harbour Pontoons	250
-	-	Sarnia Work Boat	1,000
34,059	21,620		29,012

CORPORATE HOUSING PROGRAMME

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s	<u>Income and Expenditure Summary</u>		2010 Budget £'000s
			Income		
3,079	2,433	1,725	Interest Received		1,600
15,233	15,500	15,500	Gross Rents Receivable		17,700
1,197	4,000	4,000	Sale of Property		1,162
3,501	2,280	3,000	Loan Repayments receivable		2,000
7,500	8,000	8,000	Allocation from General Revenue for Rent Rebates		8,000
<u>30,510</u>	<u>32,213</u>	<u>32,225</u>			<u>30,462</u>
			Expenditure		
			<i>Administration Costs</i>		
(1,301)	(1,443)	(1,428)	Staff		(1,560)
(171)	(519)	(378)	Other Administration costs		(382)
<u>(7,045)</u>	<u>(8,869)</u>	<u>(8,869)</u>	<i>Repairs, Maintenance, Refurbishment and Enhancements</i>		<u>(9,225)</u>
			<i>Other Expenditure</i>		
(744)	(5,500)	(2,475)	Grants to Guernsey Housing Association		(3,397)
(8,300)	(9,100)	(8,800)	Rent Rebates		(9,800)
(287)	(350)	(300)	Interest payable		(300)
(351)	(300)	(600)	Loans Advanced		(300)
(1,366)	(1,972)	(2,421)	Other Expenditure		(2,153)
<u>(10,000)</u>	<u>-</u>	<u>-</u>	<i>Transfer to General Revenue</i>		<u>-</u>
<u>(29,565)</u>	<u>(28,053)</u>	<u>(25,271)</u>			<u>(27,117)</u>
<u>945</u>	<u>4,160</u>	<u>6,954</u>			<u>3,345</u>
38,849	39,794	39,794	Balance at 1st January		46,748
945	4,160	6,954	Surplus for the year		3,345
<u>39,794</u>	<u>43,954</u>	<u>46,748</u>	Balance at 31st December		<u>50,093</u>

HOUSING DEVELOPMENT AND LOAN FUND

2008	2009	2009		2010
Actual	Original Budget	Probable Outturn		Budget
£'000s	£'000s	£'000s	<u>Revenue Account</u>	£'000s
			<i>Interest receivable</i>	
512	425	425	Borrowers	300
1,623	1,208	500	States of Guernsey	500
			<i>Administration Costs</i>	
(62)	(65)	(67)	Staff	(71)
(1)	(1)	(1)	Other Administration costs	(1)
(287)	(350)	(300)	<i>Interest Payable</i>	(300)
<u>1,785</u>	<u>1,217</u>	<u>557</u>	Transfer to Capital Account	<u>428</u>

2008	2009	2009		2010
Actual	Original Budget	Probable Outturn		Budget
£'000s	£'000s	£'000s	<u>Capital Account</u>	£'000s
40,455	32,240	32,240	Balance at 1 January	32,797
1,785	1,217	557	Surplus for year on Revenue Account	428
(10,000)	-	-	Transfer to General revenue	-
<u>32,240</u>	<u>33,457</u>	<u>32,797</u>	Balance at 31 December	<u>33,225</u>

			<u>Borrowers Account</u>	
(15,060)	(11,910)	(11,910)	Balance at 1st January	(9,510)
(351)	(300)	(600)	Advances to borrowers	(300)
3,501	2,280	3,000	Repayments receivable from borrowers	2,000
<u>(11,910)</u>	<u>(9,930)</u>	<u>(9,510)</u>	Balance at 31 December	<u>(7,810)</u>
<u><u>20,330</u></u>	<u><u>23,527</u></u>	<u><u>23,287</u></u>	Balance at 31 December	<u><u>25,415</u></u>

STATES HOUSING ASSOCIATION FUND

2008	2009	2009		2010
Actual	Original Budget	Probable Outturn		Budget
£'000s	£'000s	£'000s		£'000s
			Income	
39	100	100	<i>Interest received</i>	100
			<i>Sales</i>	
402	-	-	Properties at Jardin de Haut	162
795	-	-	Properties at Victoria Avenue	-
600	6,500	3,200	<i>Transfer from Corporate Housing Programme Fund</i>	3,800
<u>1,836</u>	<u>6,600</u>	<u>3,300</u>		<u>4,062</u>
			Expenditure	
			<i>Administration Costs</i>	
(39)	(62)	(45)	Staff	(47)
-	(66)	(1)	Other Administration costs	(1)
(744)	(5,500)	(2,475)	<i>Grants to Guernsey Housing Association</i>	(3,397)
(620)	(1,000)	(700)	<i>Rent Rebates</i>	(700)
<u>(1,403)</u>	<u>(6,628)</u>	<u>(3,221)</u>		<u>(4,145)</u>
<u>433</u>	<u>(28)</u>	<u>79</u>	Net Surplus / (Deficit) for the year	<u>(83)</u>
85	518	518	Balance at 1 January	597
433	(28)	79	Surplus / (Deficit) for the year	(83)
<u>518</u>	<u>490</u>	<u>597</u>	Balance at 31 December	<u>514</u>

CORPORATE HOUSING PROGRAMME FUND

2008	2009	2009		2010
Actual	Original Budget	Probable Outturn		Budget
£'000s	£'000s	£'000s		£'000s
481	300	300	Interest received	300
7,500	8,000	8,000	Allocation from General Revenue for rent rebates	8,000
<u>7,981</u>	<u>8,300</u>	<u>8,300</u>		<u>8,300</u>
			Expenditure	
			<i>Administration Costs</i>	
(343)	(416)	(416)	Staff	(446)
(28)	(206)	(130)	Other Administration costs	(130)
(12)	(150)	(10)	<i>Document Duty Grant Scheme</i>	(10)
-	-	(625)	<i>Key Worker Project</i>	(675)
(600)	(6,500)	(3,200)	<i>Transfer to States Housing Association Fund</i>	(3,800)
(1,535)	-	(3,000)	<i>Transfer to States Houses Fund</i>	(3,000)
(337)	(411)	(375)	<i>Grant to Action for Children Youth Housing Project</i>	(400)
<u>(2,855)</u>	<u>(7,683)</u>	<u>(7,756)</u>		<u>(8,461)</u>
<u>5,126</u>	<u>617</u>	<u>544</u>	Net Surplus / (Deficit) for the year	<u>(161)</u>
7,138	12,264	12,264	Balance at 1 January	12,808
5,126	617	544	Surplus / (Deficit) for the year	(161)
<u>12,264</u>	<u>12,881</u>	<u>12,808</u>	Balance at 31 December	<u>12,647</u>

STATES HOUSES FUND

2008	2009	2009		2010
Actual	Original Budget	Probable Outturn		Budget
£'000s	£'000s	£'000s		£'000s
			Income	
424	400	400	Interest received	400
15,233	15,500	15,500	Gross Rents Receivable	17,700
-	4,000	4,000	Sale of Incompatible Housing Stock	1,000
1,535	-	3,000	Transfer from Corporate Housing Programme Fund	3,000
17,192	19,900	22,900		22,100
			Expenditure	
			<i>Administration Costs</i>	
(857)	(900)	(900)	Staff	(996)
(142)	(246)	(246)	Other Administration costs	(250)
(7,045)	(8,869)	(8,869)	Repairs, Maintenance, Refurbishment & Enhancements	(9,225)
(811)	(973)	(973)	Insurance Rates and Taxes	(1,000)
(67)	(54)	(54)	Utilities	(68)
(139)	(384)	(384)	<i>Housing Information Management System Replacement</i>	-
(7,680)	(8,100)	(8,100)	<i>Rents Rebates claimed by tenants</i>	(9,100)
(16,741)	(19,526)	(19,526)		(20,639)
451	374	3,374	Net Surplus for the year	1,461
6,231	6,682	6,682	Balance at 1st January	10,056
451	374	3,374	Surplus for the year	1,461
6,682	7,056	10,056	Balance at 31 December	11,517

GUERNSEY AIRPORT

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s	<u>Net Expenditure by Category</u>		2010 Budget £'000s
			Income		
9,204	9,557	9,381	<i>Operating Income</i>		9,599
1,325	1,372	1,364	<i>Recoveries</i>		1,391
<u>10,529</u>	<u>10,929</u>	<u>10,745</u>	<i>Operating Income</i>		<u>10,990</u>
			Expenditure		
			<i>Staff</i>		
			<i>Pay costs</i>		
2,234	2,294	2,332	Established Staff		2,522
700	741	731	Public Service Employees		789
2,599	2,669	2,704	Other Pay Groups		2,973
			<i>Non-Pay costs</i>		
123	156	200	Recruitment and Training		167
41	45	56	Other Staff Costs		57
129	154	132	<i>Communications and IT</i>		125
16	14	3	<i>Consultants' Fees</i>		14
224	192	249	<i>Contracted Out Work</i>		267
4	2	6	<i>Promotional Activities</i>		3
			<i>Premises</i>		
56	41	55	Equipment, Fixtures and Fittings		44
282	217	426	Repairs, Maintenance and Servicing		246
603	583	595	Utilities		577
246	255	255	<i>Risk Management and Insurance</i>		255
			<i>Supplies and Services</i>		
53	73	66	Plant, Machinery and Vehicles		72
422	490	472	Services and Materials		436
9	3	12	Other Operational Costs		3
			<i>Administration Expenses</i>		
-	-	-	Bank Charges		1
885	966	915	Incidental and Other costs		943
13	22	18	Postage, Stationery and Printing		19
<u>8,639</u>	<u>8,917</u>	<u>9,227</u>			<u>9,513</u>
<u>1,890</u>	<u>2,012</u>	<u>1,518</u>	Operating Surplus for the financial year		<u>1,477</u>
1,408	1,559	1,425	<i>Depreciation</i>		1,600
123	-	-	<i>Loss on disposal on fixed assets</i>		-
<u>359</u>	<u>453</u>	<u>93</u>	Operating Surplus / (deficit) transferred to the Ports Holding Account		<u>(123)</u>

GUERNSEY AIRPORT

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s		2010 Budget £'000s
			<u>Net Expenditure by Service Area</u>	
			<i>Income</i>	
377	363	397	Advertising, picketing etc	404
811	866	849	Airport Development Charge	849
511	485	525	Car Parking Fees	546
1,663	1,682	1,660	Rents	1,710
5,842	6,161	5,950	Traffic Receipts	6,090
9,204	9,557	9,381		9,599
			<i>Operational Expenditure</i>	
717	774	782	Administration	829
1,713	1,713	1,839	Aerodrome Fire Service	1,986
1,842	1,774	2,003	Airport Infrastructure	1,877
3,182	3,430	3,385	Navigational Services	3,580
7,454	7,691	8,009		8,272
(140)	(146)	(146)	<i>Recovery from Alderney Airport</i>	(150)
1,890	2,012	1,518	Operating Surplus for the financial year	1,477
1,408	1,559	1,425	<i>Depreciation</i>	1,600
123	-	-	<i>Loss on disposal on fixed assets</i>	-
359	453	93	Operating Surplus for the financial year	(123)

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s		2010 Budget £'000s
			<u>Capital Expenditure</u>	
1,044	400	600	<i>Major Construction and Development Projects</i>	160
84	550	60	<i>Miscellaneous Capital Works</i>	225
-	10	-	<i>IT Projects and Equipment</i>	42
142	1,654	695	<i>Equipment, Machinery and Vehicles</i>	1,030
1,270	2,614	1,355	Net Routine Capital Expenditure	1,457
-	-	-	<i>Airport Pavements Project</i>	4,500
-	-	-	<i>Airport Radar</i>	700
-	-	-	<i>Less transfer from Capital Reserve</i>	(5,200)
1,270	2,614	1,355	Net Capital Expenditure	1,457

HARBOUR OF ST PETER PORT

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s	Net Expenditure by Category		2010 Budget £'000s
Income					
6,356	6,028	6,142	Operating Income		6,361
133	109	99	Recoveries		90
6,489	6,137	6,241			6,451
Expenditure					
Staff					
Pay costs					
1,146	1,318	1,277	Established Staff		1,375
1,827	1,992	2,033	Public Service Employees		2,145
19	-	-	Other Pay Groups		-
Non-Pay costs					
1	2	2	Recruitment and Training		2
17	22	21	Other Staff Costs		21
122	163	134	Communications and IT		144
30	46	40	Contracted Out Work		45
19	32	31	Promotional Activities		35
Premises					
4	8	6	Equipment, Fixtures and Fittings		6
-	6	6	Rents and Leasing		7
432	563	751	Repairs, Maintenance and Servicing		767
273	361	334	Utilities		357
68	87	95	Risk Management and Insurance		98
Supplies and Services					
78	507	129	Plant, Machinery and Vehicles		115
363	856	632	Services and Materials		674
47	67	59	Other Operational Costs		110
Administration Expenses					
136	203	201	Incidental and Other costs		211
19	25	22	Postage, Stationery and Printing		23
4,601	6,258	5,773			6,135
1,888	(121)	468	Operating Surplus / (Deficit) before depreciation		316
886	1,000	1,000	Depreciation		1,100
1,002	(1,121)	(532)	Operating Surplus / (Deficit) for the financial year		(784)

HARBOUR OF ST PETER PORT

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s		2010 Budget £'000s
			<u>Net Expenditure by Service Area</u>	
			<i>Income</i>	
2,953	2,588	2,600	Facilities charges	2,650
1,392	1,379	1,500	Local Marina and Mooring Fees	1,613
399	460	460	Visitor Marina and Mooring Fees	475
3	5	5	Pilotage Dues less payments to pilots	5
644	638	600	Rents etc.	640
862	862	880	Shipping Dues	880
103	95	96	Sundries	98
<u>6,356</u>	<u>6,027</u>	<u>6,141</u>		<u>6,361</u>
			<i>Operational Expenditure</i>	
2,312	2,686	2,704	Administration	2,865
836	1,586	1,378	Harbour Infrastructure	1,461
885	1,282	1,041	Marina and Moorings	1,130
435	594	550	Navigational Services	589
<u>4,468</u>	<u>6,148</u>	<u>5,673</u>		<u>6,045</u>
1,888	(121)	468	Operating Surplus / (Deficit) before depreciation	316
886	1,000	1,000	Depreciation	1,100
<u>1,002</u>	<u>(1,121)</u>	<u>(532)</u>	Operating Surplus / (deficit) for the year	<u>(784)</u>

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s		2010 Budget £'000s
			<u>Capital Expenditure</u>	
6,293	500	-	<i>Major Construction and Development Projects</i>	-
375	340	155	<i>Miscellaneous Capital Works</i>	770
78	250	-	<i>Equipment, Machinery and Vehicles</i>	205
<u>6,746</u>	<u>1,090</u>	<u>155</u>	Net Routine Capital Expenditure	<u>975</u>
-	-	-	<i>Crane Strategy</i>	5,000
-	-	-	<i>Pontoons</i>	250
-	-	-	<i>Sarnia Work Boat</i>	1,000
-	-	-	<i>Less transfer from Capital Reserve</i>	(6,250)
<u>6,746</u>	<u>1,090</u>	<u>155</u>	Net Capital Expenditure	<u>975</u>

HARBOUR OF ST SAMPSON

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s	<u>Net Expenditure by Category</u>	2010 Budget £'000s
Income				
869	908	938	<i>Operating Income</i>	1,387
2	23	21	<i>Recoveries</i>	21
<hr/> 871	<hr/> 931	<hr/> 959		<hr/> 1,408
Expenditure				
<i>Staff</i>				
<i>Pay costs</i>				
77	84	80	Established Staff	86
228	274	262	Public Service Employees	281
4	4	4	<i>Communications and IT</i>	4
<i>Premises</i>				
251	89	113	Repairs, Maintenance and Servicing	58
30	57	46	Utilities	74
19	9	9	<i>Risk Management and Insurance</i>	10
<i>Supplies and Services</i>				
15	23	13	Plant, Machinery and Vehicles	14
85	68	62	Services and Materials	67
-	6	-	Other Operational Costs	-
<i>Administration Expenses</i>				
-	2	2	Incidental and Other costs	2
<hr/> 709	<hr/> 616	<hr/> 591		<hr/> 596
<hr/> 162	<hr/> 315	<hr/> 368	Operating Surplus / (Deficit) before depreciation	<hr/> 812
<hr/> 120	<hr/> 100	<hr/> 100	<i>Depreciation</i>	<hr/> 100
<hr/> 42	<hr/> 215	<hr/> 268	Operating Surplus / (Deficit) for the year	<hr/> 712

HARBOUR OF ST SAMPSON

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s	<u>Net Expenditure by Service Area</u>	2010 Budget £'000s
			<i>Income</i>	
514	520	550	Facilities charges	971
305	336	336	Marina and Mooring Fees	361
35	39	39	Rents etc.	40
14	13	13	Sundries	14
<hr/> 868	<hr/> 908	<hr/> 938		<hr/> 1,386
			<i>Operational Expenditure</i>	
226	242	237	Administration	253
406	297	288	Harbour Infrastructure	270
71	45	40	Marina and Moorings	45
3	8	6	Navigational Services	6
<hr/> 706	<hr/> 592	<hr/> 571		<hr/> 574
<hr/> 162	<hr/> 316	<hr/> 367	Operating Surplus / (Deficit) before depreciation	<hr/> 812
120	100	100	<i>Depreciation</i>	100
<hr/> 42	<hr/> 216	<hr/> 267	Operating Surplus / (Deficit) for the year	<hr/> 712

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s	<u>Capital Expenditure</u>	2010 Budget £'000s
4	-	-	<i>Major Construction and Development Projects</i>	-
-	1,000	-	<i>Miscellaneous Capital Works</i>	-
<hr/> 4	<hr/> 1,000	<hr/> -	Net Capital Expenditure	<hr/> -

PORTS HOLDING ACCOUNT

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s		2010 Budget £'000s
			Revenue Account -	
			<i>Operating Surplus / (Deficit) before depreciation</i>	
1,890	2,012	1,518	Guernsey Airport	1,477
1,888	(121)	468	Harbour of St Peter Port	316
162	315	368	Harbour of St Sampson	812
<u>3,940</u>	<u>2,206</u>	<u>2,354</u>		<u>2,605</u>
313	50	50	<i>Investment Interest Receivable</i>	50
			<i>Capital Expenditure</i>	
(1,270)	(2,614)	(1,355)	Guernsey Airport	(1,457)
(6,746)	(1,090)	(155)	Harbour of St Peter Port	(975)
(4)	(1,000)	-	Harbour of St Sampson	-
<u>(8,020)</u>	<u>(4,704)</u>	<u>(1,510)</u>		<u>(2,432)</u>
<u>(3,767)</u>	<u>(2,448)</u>	<u>894</u>	Surplus / (Deficit) before depreciation	<u>223</u>
(123)	-	-	<i>Loss on Disposal of Fixed Assets</i>	-
<u>(2,414)</u>	<u>(2,659)</u>	<u>(2,525)</u>	<i>Depreciation</i>	<u>(2,800)</u>
<u>(6,304)</u>	<u>(5,107)</u>	<u>(1,631)</u>	Surplus / (Deficit)	<u>(2,577)</u>
9,877	1,916	6,110	<i>Balance at 1st January</i>	7,004
(3,767)	(2,448)	894	<i>Surplus / (Deficit) for the year</i>	223
-	-	-	<i>Transfer to Capital Reserve</i>	(223)
<u>6,110</u>	<u>(532)</u>	<u>7,004</u>	Balance at 31st December	<u>7,004</u>

GUERNSEY WATER

2008	2009	2009			2010
Actual	Original	Probable	<u>Net Expenditure by Category</u>		Budget
£'000s	Budget	Outturn			£'000s
£'000s	£'000s	£'000s			
			Income		
			Water Supplies		
5,026	5,836	5,677	Measured		5,879
3,589	3,213	3,584	Unmeasured		3,586
			Surplus on other trading activities before management expenses and depreciation		
251	126	173			107
<u>8,866</u>	<u>9,175</u>	<u>9,434</u>			<u>9,572</u>
			Expenditure		
			Operating Expenses		
340	347	355	Asset Management		445
769	829	755	Water distribution		797
1,597	1,869	1,833	Water production		2,033
			Management Expenses		
170	219	186	Compliance		231
720	913	889	Customer services		964
280	315	308	Finance		383
257	265	225	Management and general		277
294	337	314	Support Services		370
<u>4,427</u>	<u>5,094</u>	<u>4,865</u>			<u>5,500</u>
<u>4,439</u>	<u>4,081</u>	<u>4,569</u>	Operating surplus before depreciation		<u>4,072</u>
(1,419)	(1,750)	(1,750)	Depreciation		(1,800)
<u>3,020</u>	<u>2,331</u>	<u>2,819</u>	Operating Surplus for the year		<u>2,272</u>
228	180	83	Net Interest receivable		63
11	7	13	Surplus on sale of fixed assets		187
<u>3,259</u>	<u>2,518</u>	<u>2,915</u>	Surplus for the Year		<u>2,522</u>
(1,592)	(1,257)	(1,255)	Transfer to reserve for renewal of assets		(1,206)
<u><u>1,667</u></u>	<u><u>1,261</u></u>	<u><u>1,660</u></u>	Retained surplus for the year transferred to Revenue Account Reserve		<u><u>1,316</u></u>

GUERNSEY WATER

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s		2010 Budget £'000s
			<u>Routine Capital Expenditure</u>	
379	1,162	902	Water resources	2,244
3,372	305	302	Water treatment	489
879	992	745	Water distribution	1,868
326	1,191	785	General	4,789
<hr/> 4,956	<hr/> 3,650	<hr/> 2,734	Gross Capital Investment	<hr/> 9,390
(62)	(27)	(33)	Customer contributions and asset sales	(211)
<hr/> 4,894	<hr/> 3,623	<hr/> 2,701	Net Capital Investment	<hr/> 9,179

STATES DAIRY

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s		2010 Budget £'000s
			<u>Net Expenditure by Category</u>	
			<i>Sales of milk and by-products</i>	
979	1,030	942	By-products	973
4,583	5,192	5,094	Liquid Milk	5,094
38	-	20	<i>Sales of Sundry Trading Items</i>	20
			<i>Other Income</i>	
14	52	15	Bank Interest	13
-	-	30	Advertising and other income	50
5,614	6,274	6,101		6,150
			<i>Cost of Sales - Direct</i>	
315	315	343	Opening stocks (products and other costs of sales)	343
9	25	9	Carriage inwards	9
25	35	25	Ingredients	27
2,548	2,888	2,958	Milk	2,958
138	163	145	Milk wastage	145
23	28	23	Offshore processing and freight	25
397	477	436	Packaging materials	458
722	776	700	Production wages	743
(343)	(315)	(343)	Closing stocks(products and other costs of sales)	(343)
3,834	4,392	4,296		4,365
			<i>Expenses</i>	
2	21	34	Advertising and promotion	85
3	14	3	Bank and Overdraft charges	3
7	8	8	Carriage outwards	10
54	65	60	Cleaning expenses	60
167	232	171	Depreciation	238
242	307	213	Fuel, light and water	236
51	35	35	General administration costs	36
75	75	80	Laboratory materials and equipment	82
-	25	-	Loan Interest	-
29	35	29	Motor vehicle expenses	29
92	64	72	Other expenses	73
32	36	32	Professional fees	60
			Repairs, maintenance and insurance	
78	102	115	Plant and machinery	118
21	23	30	Site and buildings	31
1	3	1	Rates	1
465	611	506	Salaries and wages	532
4	6	4	Staff training and recruitment	4
14	-	-	Stock movement (indirect cost items)	-
1,337	1,662	1,393		1,598
5,171	6,054	5,689	Total Expenditure	5,963
443	220	412	Surplus for the Financial Year Transferred to General Reserve	187

STATES DAIRY

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s
3	4	-
-	13	135
3	1	8
18	129	250
-	180	112
24	327	505

Capital Expenditure

Laboratory equipment
Motor vehicles
Office equipment
Plant and machinery
Site roads and buildings

Total Capital Expenditure for the Financial Year

2010 Budget £'000s
-
-
50
349
125
524

STATES WORKS

2008	2009	2009	<u>Net Expenditure by Category</u>	2010
Actual	Original	Probable		Budget
£'000s	Budget	Outturn		£'000s
			Income	
16	68	60	Administration	55
627	750	650	Building maintenance	635
1,774	1,971	1,935	Cleansing and Refuse	1,965
385	275	420	Drainage	430
1,062	769	1,000	Electrical and Mechanical	950
130	123	128	Emergency Services	130
1,201	773	1,280	Fleet Services	1,435
1,659	1,954	1,700	Grounds Maintenance	1,800
798	755	850	Highway Repairs	875
57	80	20	Interest Receivable	20
591	1,550	615	Landfill and Recycling	650
152	161	180	Management Services	170
1,421	1,533	1,450	Sewage Collection	1,546
338	340	310	Signs and Lines	315
640	328	640	Stores	640
10,851	11,430	11,238		11,616
			Expenditure	
65	70	70	Administration Expenses	70
769	771	770	Administration -salaries, wages and superannuation	845
297	294	212	Building maintenance	183
399	449	457	Depreciation	482
282	352	250	Equipment maintenance	150
			Operating Expenses	
5,523	6,043	5,906	Labour	6,310
2,861	2,639	2,190	Materials	2,256
533	665	1,231	Transport and plant	1,279
10,729	11,283	11,086	Net Expenditure by Category	11,575
122	147	152	Operating Surplus for the Financial Year	41

STATES WORKS

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s	<u>Capital Expenditure</u>
48	160	68	Site developments
734	223	341	Vehicles, plant, tools and equipment
-	50	11	Office equipment
782	433	420	Total Capital Expenditure for the Financial year

2010 Budget £'000s
170
302
31
503

GUERNSEY REGISTRY

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s	<u>Net Expenditure by Category</u>		2010 Budget £'000s
			Income		
6,139	9,217	6,137	<i>Operating Income</i>		6,817
			Expenditure		
			<i>Staff</i>		
			<i>Pay costs</i>		
468	602	694	<i>Established Staff</i>		788
10	-	-	<i>Other Pay Groups</i>		-
478	602	694			788
			<i>Non-Pay costs</i>		
10	40	37	<i>Recruitment and Training</i>		37
1	26	22	<i>Other Staff Costs</i>		21
8	5	8	<i>Audit Fee</i>		8
14	29	64	<i>Communications and IT</i>		70
-	5	24	<i>Consultants' Fees</i>		30
-	1	95	<i>Contracted Out Work</i>		-
-	190	191	<i>Depreciation</i>		191
4	359	64	<i>Promotional Activities</i>		70
			<i>Premises</i>		
8	10	5	<i>Equipment, Fixtures and Fittings</i>		4
116	109	109	<i>Rents and Leasing</i>		109
6	23	23	<i>Repairs, Maintenance and Servicing</i>		22
4	19	29	<i>Utilities</i>		23
-	11	11	<i>Risk Management and Insurance</i>		11
			<i>Supplies and Services</i>		
-	1	1	<i>Plant, Machinery and Vehicles</i>		1
4	3	3	<i>Services and Materials</i>		3
7	29	30	<i>Other Operational Costs</i>		30
			<i>Administration Expenses</i>		
19	39	37	<i>Bank Charges and Loan Interest Payable</i>		37
30	98	90	<i>Incidental and Other costs</i>		92
33	18	24	<i>Postage, Stationery and Printing</i>		20
742	1,617	1,561			1,567
5,397	7,600	4,576	Surplus transferred to General Revenue		5,250

GUERNSEY REGISTRY

2008	2009	2009		2010
Actual	Original	Probable	<u>Net Expenditure by Service Area</u>	Budget
£'000s	Budget £'000s	Outturn £'000s		£'000s
			<i>Company Registry</i>	
6,139	9,217	6,029	Income	6,620
(742)	(1,617)	(1,358)	Expenditure	(1,315)
			<i>Intellectual Property Office</i>	
-	-	108	Income	197
-	-	(203)	Expenditure	(252)
5,397	7,600	4,576	Surplus transferred to General Revenue	5,250

Note: The Intellectual Property Office was part of the Commerce and Employment Department's budget in 2008.

2008	2009	2009		2010
Actual	Original	Probable	<u>Capital Expenditure</u>	Budget
£'000s	Budget £'000s	Outturn £'000s		£'000s
205	294	294	<i>Miscellaneous Capital Works</i>	-
442	290	303	<i>IT Projects and Equipment</i>	322
647	584	597	Routine Capital Expenditure	322
(647)	(584)	(597)	<i>Loans from General Revenue for Capital Expenditure</i>	(322)
-	-	-	Capital Expenditure	-

BEAU SEJOUR CENTRE

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s		2010 Budget £'000s
			<u>Net Expenditure by Category</u>	
			Income	
531	468	559	Entertainment	467
1,147	1,233	1,183	Health and Fitness	1,224
936	953	967	Sports	989
493	525	568	Trading areas	588
<u>3,107</u>	<u>3,179</u>	<u>3,277</u>		<u>3,268</u>
			Expenditure	
571	501	586	Entertainment	499
371	365	366	Health and Fitness	378
1,091	1,114	1,121	Sports	1,168
459	427	483	Trading areas	511
			Central Services	
501	554	580	Administration	528
642	650	640	Depreciation	640
307	353	338	Fuel, light and power	359
585	684	702	Repairs and maintenance	649
<u>4,527</u>	<u>4,648</u>	<u>4,816</u>	Net Expenditure by Category	<u>4,732</u>
<u>(1,420)</u>	<u>(1,469)</u>	<u>(1,539)</u>	Operating (Deficit) for the Financial Year	<u>(1,464)</u>
642	650	640	Adjustment for depreciation	640
130	100	100	Funding from Channel Islands Lottery	100
<u>(648)</u>	<u>(719)</u>	<u>(799)</u>	(Deficit) for the Financial Year funded by the Culture and Leisure Department	<u>(724)</u>

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s		2010 Budget £'000s
			<u>Capital Expenditure</u>	
31	60	54	Equipment - replacement / additional	-
35	-	110	Miscellaneous capital works	-
<u>66</u>	<u>60</u>	<u>164</u>	Total Capital Expenditure for the Financial year funded by the Culture and Leisure Department	<u>-</u>

STATES OF ALDERNEY

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s		2010 Budget £'000s
<u>General Revenue Income and Expenditure</u>				
			<i>Income</i>	
34	17	10	Building and Development Control Committee	29
483	517	506	General Services Committee	232
773	829	806	Policy and Finance Committee	827
1,290	1,363	1,322		1,088
1,520	1,570	1,727	<i>Net revenue cash allocation from the States of Guernsey</i>	1,800
2,810	2,933	3,049		2,888
			<i>Expenditure</i>	
37	51	47	Building and Development Control Committee	58
1,669	1,770	1,832	General Services Committee	1,586
1,104	1,152	1,170	Policy and Finance Committee	1,321
2,810	2,973	3,049		2,965
-	(40)	-	<i>Use of Accumulated Unspent Balances</i>	(77)
2,810	2,933	3,049		2,888

2008 Actual £'000s	2009 Original Budget £'000s	2009 Probable Outturn £'000s		2010 Budget £'000s
<u>Capital Account</u>				
			<i>Capital Income</i>	
7	5,605	5,500	General Services Committee	2,305
251	1,353	289	Policy and Finance Committee	1,309
258	6,958	5,789		3,614
6,893	975	822	<i>Net capital expenditure</i>	1,758
7,151	7,933	6,611		5,372
			<i>Capital Expenditure</i>	
7,151	7,933	6,611	General Services Committee	5,372
7,151	7,933	6,611		5,372

THE LADIES COLLEGE (Senior School)

2007/2008	2008/2009			2009/2010
Actual	Budget	<u>Net Expenditure by Category</u>		Budget
£'000s	£'000s			£'000s
Income				
77	-	Bank Interest Received		-
2,118	1,215	Fees		1,368
19	38	Miscellaneous Income		12
6	-	Registration Fees		-
859	1,777	States Grant		1,852
<u>3,079</u>	<u>3,030</u>			<u>3,232</u>
Expenditure				
-	11	Art		11
6	6	Audit Fee		6
71	79	Books and Stationery		81
42	57	Examination Fees		66
54	80	Fixed Asset Acquisition Costs		87
23	30	General Administrative Expenses		32
20	19	Laboratory and Design and Technology Expenses		18
107	143	Maintenance of Buildings, Grounds and Equipment		156
108	116	Maintenance Wages		130
-	-	Marketing and Development Expenses		10
108	120	Office and Administration Salaries		130
10	23	Rates, Taxes and Insurance		15
13	18	Recruitment and Relocation		18
18	26	Sports, conferences, field trips etc		26
6	16	Staff training		10
1,930	2,100	Teachers' Salaries		2,180
37	42	Utilities		49
<u>2,553</u>	<u>2,886</u>			<u>3,025</u>
<u>526</u>	<u>144</u>	REVENUE SURPLUS (DEFICIT) FOR THE YEAR		<u>207</u>
<u>424</u>	<u>716</u>	Balance b/f from previous year		<u>1,094</u>
<u>950</u>	<u>860</u>	Balance c/f to next year		<u>1,301</u>

PROPOSITIONS

The Treasury and Resources Department recommends the States:

- I 1. To transfer the sum of £20,600,000 from General Revenue to the Capital Reserve on 1 January 2010.
2. To establish a Fund called Contingency Reserve (Tax Strategy) by transferring £119,209,626 from the Contingency Reserve with effect from 1 January 2009.
3. To transfer the sum of £40,000,000 from the Contingency Reserve (Tax Strategy) to General Revenue on 1 January 2010.
4. To approve the cash limits for ordinary revenue and capital expenditure for 2010 for individual Departments and Committees totalling £347,200,000 as set out in paragraph 5.12 of this Report.
5. To authorise the Treasury and Resources Department to increase the 2009 revenue expenditure budget of the Health and Social Services Department to fund the additional costs of Out of Island Treatment.
6. That the rates of excise duty in Guernsey and Alderney on the under mentioned goods shall be varied as follows:

Cigarettes	£210.69 per kilogram
Cigars	£195.64 per kilogram
Hand rolling tobacco	£182.18 per kilogram
Other manufactured tobacco	£158.03 per kilogram
Tobacco leaf – unstemmed	£175.41 per kilogram
Tobacco leaf - stemmed	£177.18 per kilogram
 Petrol other than any fuel used for the purpose of air navigation	 37p per litre
Petrol used for the purpose of marine navigation where supplied by an approved trader	21.8p per litre
Gas oil	37p per litre
 Spirits not exceeding 5.5 per cent volume	 51p per litre
Spirits exceeding 5.5 per cent volume but not exceeding 25.0 per cent volume	£7.28 per litre
Spirits exceeding 25.0 per cent volume but not exceeding 50.0 per cent volume	£9.67 per litre
Spirits exceeding 50.0 per cent volume	In the extra proportion to 50.0 per cent volume
7. To approve the draft Ordinance entitled “The Excise Duties (Budget) Ordinance, 2009” and to direct that the same shall have effect as an Ordinance of the States.
8. That the rates of Tax on Real Property in Guernsey and Alderney with effect from 1 January 2010 shall be as set out in paragraph 4.14 of this Report.
9. To approve the draft Ordinance entitled “The Property Tax (Rates) (Guernsey and Alderney) Ordinance, 2009” and to direct that the same shall have effect as an Ordinance of the States.
10. To rescind resolution 5 on Article 16 of Billet d’Etat XVII of 27 October 2006 and approve the States of Guernsey (Public Servants) (Pensions and Other Benefits) (Permitted Investments) (Amendment) Rules, 2009 set out in Appendix VI of this Report.

PROPOSITIONS

II. To approve the following Expenditure Budgets for the year 2010:

1. Policy Council
2. Treasury and Resources Department
3. Courts and Law Officers
4. Commerce and Employment Department
5. Culture and Leisure Department
6. Education Department
7. Environment Department
8. Health and Social Services Department
9. Home Department
10. Housing Department
11. Public Services Department
12. Social Security Department
13. Public Accounts Committee
14. Scrutiny Committee
15. States Assembly and Constitution Committee
16. Capital Reserve

III. To approve the following Budgets for the year 2010 and Probable Outturns for 2009:

1. Corporate Housing Programme
2. Ports
3. Guernsey Water
4. Guernsey Dairy
5. States Works
6. Guernsey Registry
7. Beau Sejour Centre

IV. To note the Budget for the States of Alderney for 2010.

(NB. The Policy Council, by a substantial majority, supports the Treasury and Resources Department's 2010 Budget Report).



TREASURY AND RESOURCES

A STATES OF GUERNSEY GOVERNMENT DEPARTMENT

Sir Charles Frossard House, PO Box 43, La Charroterie, St Peter Port, Guernsey GY1 1FH
Tel: +44 1481 717000 **Website:** www.gov.gg **Email:** treasury@gov.gg

Printed by: Image Group, Caslon Court, Pitronnerie Road, St Peter Port, Guernsey GY1 3NE.

Price £12.00

IN THE STATES OF THE ISLAND OF GUERNSEY ON THE 10th DAY OF DECEMBER, 2009

**The States resolved as follows concerning Billet d'État No XXXII
dated 20th November 2009**

TREASURY AND RESOURCES DEPARTMENT

BUDGET OF THE STATES FOR 2010

The Treasury and Resources Department recommends the States:

- I. 1. To transfer the sum of £20,600,000 from General Revenue to the Capital Reserve on 1 January 2010.
2. To establish a Fund called Contingency Reserve (Tax Strategy) by transferring £119,209,626 from the Contingency Reserve with effect from 1 January 2009.
3. To transfer the sum of £40,000,000 from the Contingency Reserve (Tax Strategy) to General Revenue on 1 January 2010.
4. To approve the cash limits for ordinary revenue and capital expenditure for 2010 for individual Departments and Committees totalling £347,200,000 as set out in paragraph 5.12 of this Report.
5. To authorise the Treasury and Resources Department to increase the 2009 revenue expenditure budget of the Health and Social Services Department to fund the additional costs of Out of Island Treatment.
6. That the rates of excise duty in Guernsey and Alderney on the under mentioned goods shall be varied as follows:

Cigarettes	£210.69 per kilogram
Cigars	£195.64 per kilogram
Hand rolling tobacco	£182.18 per kilogram
Other manufactured tobacco	£158.03 per kilogram
Tobacco leaf – unstemmed	£175.41 per kilogram
Tobacco leaf - stemmed	£177.18 per kilogram
Petrol other than any fuel used for the purpose of air navigation	37p per litre
Petrol used for the purpose of marine navigation where supplied by an approved trader	21.8p per litre
Gas oil	37p per litre

Spirits not exceeding 5.5 per cent volume	51p per litre
Spirits exceeding 5.5 per cent volume but not exceeding 25.0 per cent volume	£7.28 per litre
Spirits exceeding 25.0 per cent volume but not exceeding 50.0 per cent volume	£9.67 per litre
Spirits exceeding 50.0 per cent volume	In the extra proportion to 50.0 per cent volume

7. To approve the draft Ordinance entitled “The Excise Duties (Budget) Ordinance, 2009” and to direct that the same shall have effect as an Ordinance of the States.
8. That the rates of Tax on Real Property in Guernsey and Alderney with effect from 1 January 2010 shall be as set out in paragraph 4.14 of this Report.
9. To approve the draft Ordinance entitled “The Property Tax (Rates) (Guernsey and Alderney) Ordinance, 2009” and to direct that the same shall have effect as an Ordinance of the States.
10. To rescind resolution 5 on Article 16 of Billet d’Etat XVII of 27 October 2006 and approve the States of Guernsey (Public Servants) (Pensions and Other Benefits) (Permitted Investments) (Amendment) Rules, 2009 set out in Appendix VI of this Report.

II. To approve the following Expenditure Budgets for the year 2010:

1. Policy Council
2. Treasury and Resources Department
3. Courts and Law Officers
4. Commerce and Employment Department
5. Culture and Leisure Department
6. Education Department
7. Environment Department
8. Health and Social Services Department
9. Home Department
10. Housing Department
11. Public Services Department
12. Social Security Department
13. Public Accounts Committee
14. Scrutiny Committee
15. States Assembly and Constitution Committee
16. Capital Reserve

III. To approve the following Budgets for the year 2010 and Probable Outturns for 2009:

1. Corporate Housing Programme
2. Ports
3. Guernsey Water
4. Guernsey Dairy
5. States Works

6. Guernsey Registry
7. Beau Sejour Centre

IV. To note the Budget for the States of Alderney for 2010.

K H TOUGH
HER MAJESTY'S GREFFIER