

IN THE STATES OF THE ISLAND OF GUERNSEY ON THE 27TH DAY OF SEPTEMBER 2013

(Adjourned from 26th September, 2013)

**The States resolved as follows concerning Billet d'État No XIX
dated 16th August 2013**

TREASURY AND RESOURCES DEPARTMENT

CAPITAL PRIORITISATION

- I.- After consideration of the Report dated 23rd July, 2013, of the Treasury and Resources Department:-
1. Subject to Proposition 1A below, to approve that category A and B projects, as detailed in that Report, are classified as pipeline projects for Capital Reserve funding and direct that further work be undertaken by Departments to develop each project's specifications, following an option appraisal, and refine their costs.
 - 1A. To approve that the project described as "Re-profiling of PEH wards and departments" in the table in paragraph 31 of that Report be deemed a category B project.
 2. To approve the establishment of a States Capital Investment Portfolio as set out in paragraphs 34 - 44 of that States Report and direct the Treasury and Resources Department to submit a States Report, for consideration during the second quarter of 2014 as set out in paragraph 47 of that Report.
 3. To authorise the Treasury and Resources Department to approve expenditure on progressing to capital vote request stage those projects that have been categorised as pipeline projects funded from the Capital Reserve.
 4. To direct the Treasury and Resources Department to include, within the 2014 Budget Report, a recommendation as to the 2014 appropriation to the Capital Reserve and indications as to the 2015-2017 appropriations to fund the States Capital Investment Portfolio.
 5. To direct the Policy Council to consider and determine whether capital investment through the Corporate Housing Programme Fund or by the trading entities (Ports, Guernsey Water, Dairy, States Works, Social Security Funds) should be taken into account when assessing compliance with "... *the assumed 'norm' for permanent capital expenditure to be 3.0% of gross domestic product...*" in the Fiscal Policy Framework.

6. To delegate authority to the Treasury and Resources Department to approve capital votes, without financial limit, for projects funded from routine capital allocations.
7. To agree that from 2014, the operating surpluses before depreciation of the Ports Holding Account are retained to fund capital expenditure of the Ports as an interim measure as per paragraph 74 of that report.
8. To authorise Cabernet Limited to borrow on a short-term basis from the States General Investment Pool until such time that the Treasury and Resources Department has reported to the States with proposals for the recapitalisation of and future funding arrangements for the company in 2014.

S M D ROSS
HER MAJESTY'S DEPUTY GREFFIER