

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

4th November 2025

Proposition No. P.2025/121

Policy & Resources Committee

The States of Guernsey Annual Budget for 2026

AMENDMENT

Proposed by: Deputy A Sloan

Seconded by: Deputy H Camp

To delete proposition 20 and replace with the following proposition:

“20. To approve Committee Net Expenditure for 2026 totalling £650.55m as set out in the following table:

Service Area	2026 Revenue Cash Limit (£'000s)
Corporate Services	89,649
Economic Development	12,740
Education, Sport & Culture	97,893
Employment & Social Security	88,717
Environment & Infrastructure	16,451
Health & Social Care	252,705
Home Affairs	43,118
Housing	8,466
Policy & Resources	16,725
Scrutiny Management Committee	626
States' Assembly & Constitution Committee	85
Development & Planning	1,343
Overseas Aid & Development	5,026
States' Trading Supervisory	1,660
Royal Court	2,732
Law Officers	7,784
Pooled Budgets	1,009
Budget Reserve including GWP initiatives	6,320
Savings to be Delivered	(2,500)
Total Committee Net Expenditure	650,549

“

Rule 4(1) Information

- a) The proposition contributes to the States' objectives and policy plans by reducing the size of the 2026 deficit to seek to move towards a sustainable fiscal position, i.e., matching revenue, expenditure, infrastructure investment and reserves over the long term.
- b) In preparing the proposition, consultation has been undertaken with the Policy & Resources Committee.
- c) The proposition has been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.
- d) The financial implications to the States of carrying the proposal into effect are a reduction in revenue expenditure of £27.35m compared to the proposed 2026 Budget.
- e) Drafting advice has been sought from the States' Greffier. Advice has been sought from Treasury Officers.

Explanatory note

When the forecast cash deficit for 2026 is £115m, we must act. This amendment holds next year's committee spending broadly at this year's level, saving the States £27 million: a measured step to restore fiscal discipline — not austerity, but realism — at a time when pay growth and service costs are running ahead of revenue.

The intention is not to undermine essential services, but to signal a clear commitment to fiscal discipline and value for money at a time when public confidence in States spending is low. By adopting this amendment, the States would send a strong message that Guernsey's government must live within its means, focus on delivery and demonstrate that efficiency and reform are more than slogans.

This amendment proposes to replace the proposed Committee Net Expenditure budgets with 2025 forecast expenditure, with certain exceptions.

- The proposed 2026 Budgets for the following areas have been retained as they are below the 2025 forecast: Economic Development, Policy & Resources Committee; States' Trading Supervisory Board and Royal Court.
- The proposed 2026 Budget for the Committee for Education, Sport & Culture and the formula-led estimate for the Committee for Employment & Social Security have also been retained.

A revised version of the Income and Expenditure Account in Appendix V of the Budget Report is shown below.

2024 Actual £'000s	2025 Original Budget £'000s	2025 Forecast £'000s	<u>Income and Expenditure by Service Area</u>	2026 Budget £'000s
600,937	659,548	674,577	Revenue Income	697,018
			Committee Net Expenditure	
77,984	84,668	89,649	Corporate Services	89,649
10,703	12,202	12,881	Committee for Economic Development	12,740
93,621	92,868	94,921	Committee for Education, Sport & Culture	97,893
88,453	92,236	83,681	Committee for Employment & Social Security	88,717
14,608	15,001	16,451	Committee for the Environment & Infrastructure	16,451
242,026	245,196	252,705	Committee for Health & Social Care	252,705
40,780	41,272	43,118	Committee for Home Affairs	43,118
-	-	8,466	Committee for Housing	8,466
22,006	17,225	20,570	Policy & Resources Committee	16,725
560	613	626	Scrutiny Management Committee	626
-	-	-	States' Assembly & Constitution Committee	85
1,461	1,487	1,343	Development & Planning Authority	1,343
4,070	5,024	5,026	Overseas Aid & Development Commission	5,026
2,282	1,799	2,007	States' Trading Supervisory Board	1,660
3,101	2,758	2,833	Royal Court	2,732
7,785	7,946	7,784	Law Officers	7,784
609	1,018	1,009	Pooled Budgets	1,009
-	28,687	6,320	Budget Reserve/ GWP	6,320
-	-	-	Savings	(2,500)
610,049	650,000	649,390	Total Committee Net Expenditure	650,549
(9,112)	9,548	25,187	Revenue Surplus	46,469
(7,911)	(4,400)	(2,502)	Impairment for Trading Entity Losses	(3,287)
(22,387)	(35,096)	(25,000)	Non-Capitalised Project Costs	(25,000)
(39,410)	(29,948)	(2,315)	Operating Deficit	18,182
(29,798)	(30,200)	(30,200)	Depreciation	(32,230)
(4,543)	-	-	Loss on Disposal of Property, Plant & Equipment	-
(5,275)	(6,300)	(5,800)	Interest Expense	(6,238)
(79,026)	(66,448)	(38,315)	Net Deficit before Investments	(20,286)
43,869	22,400	26,600	Investment Returns	21,015
3,763	-	2,158	Notes and Coin	2,737
(31,394)	(44,048)	(9,557)	Net Deficit	(3,466)