P.2026/49 Amdt 13

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

15th July, 2026

Proposition No. P. 2026/49

Policy & Resources Committee

Tax Reform 2026

AMENDMENT

Proposed by: Deputy H Camp
Seconded by: Deputy G Collins

1. To insert a new Proposition:

"To agree that:

a) the expenditure reductions assumed within the financial modelling supporting this Policy Letter shall be supported by a published Savings and Service Optimisation Programme;

b) the Programme shall identify, for each financial year to 2029:
   i. each individual savings or service optimisation initiative;
   ii. the Committee responsible for delivery;
   iii. the expected annual financial benefit;
   iv. the implementation timetable;
   v. delivery milestones;
   vi. the principal delivery risks; and
   vii. whether the saving is cashable, recurring or non-recurring;

c) the Policy & Resources Committee shall report to the States half-yearly on progress against the Programme, including any variance between projected and realised savings and any replacement measures proposed where savings are not achieved; and

d) the 2030 Assurance Review (or such other method in the event the 2030 Assurance Review is not approved) shall include an independent assessment of the extent to which the assumed expenditure reductions have been delivered and whether they have proved sustainable."

Rule 4(1) Information

a) The proposition contributes to the States' objectives and policy plans by demonstrating a prudent and evidence based approach to achieving savings.

b) Consultation has taken place 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) There are no intended financial implications to the States of carrying the proposal into effect.

e) Drafting advice has been sought from the States Greffier.

Explanatory Note

1. A fundamental principle of sound public finance is that both anticipated revenues and anticipated expenditure reductions should be supported by evidence capable of independent scrutiny.

2. The financial modelling underpinning this Policy Letter assumes that a minimum of £20 million of expenditure reductions will be achieved by 2029 through annual efficiencies and wider public service reform. Those assumed reductions form a material part of the package presented to the Assembly and contribute directly to the calculation of the remaining funding gap and the level of taxation now proposed.

3. Whilst the Policy Letter refers to the continuation of efficiency work and priority-based budgeting, the £20 million is presented as a baseline assumption rather than being supported by a comprehensive delivery programme demonstrating precisely how those savings will be realised, when they will be delivered and how progress will be measured.

4. This amendment does not seek to prescribe where those efficiencies should be found, nor does it advocate reductions in frontline public services. Rather, it seeks to ensure that assumptions relied upon in support of significant new taxation are translated into a transparent programme of delivery with appropriate political accountability.

5. If the Assembly is being asked to accept that additional taxation is necessary to restore fiscal sustainability, it is equally reasonable to expect that anticipated expenditure reductions are evidenced, monitored and reported with the same degree of rigour. Taxpayers should be able to see not only what additional revenue is expected to be raised, but also whether the expenditure reductions assumed within the financial modelling are actually being delivered.

6. The amendment therefore requires the publication of a structured programme identifying the initiatives expected to deliver the assumed expenditure reductions, together with annual reporting against measurable milestones and explanations for any variance between projected and

realised outcomes. It further requires the 2030 Assurance Review to assess whether the expenditure reductions assumed within the Policy Letter were in fact achieved, whether they proved sustainable over time, and what impact they had on productivity, efficiency and the delivery of public services.

7. The amendment reflects the principle that fiscal sustainability rests upon two complementary foundations; responsible revenue raising and responsible stewardship of public expenditure. Both should be capable of objective measurement and both should be subject to equivalent standards of transparency and accountability.