

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

3rd November, 2026

Proposition No. P.2026/82

Policy & Resources Committee

The States of Guernsey Annual Budget for 2027

AMENDMENT

Proposed by: Deputy T Bury

Seconded by: Deputy J Ozanne OBE

1. To insert in proposition 16, immediately after the words “paragraph 6.27” the following:

“, subject to an additional £3.8m of expenditure for the Committee *for* Employment & Social Security for the purpose of funding its Formula-Led budget.”.

2. To insert in proposition 17(b), immediately after “paragraph 6.27” the following:

“, subject to an additional £1.6m of expenditure for the Committee *for* Employment & Social Security for the purpose of funding its Formula-Led budget”.

Rule 4 Information

- a) This Amendment contributes to the States’ objectives by ensuring that estimated demand pressures can be met and the rates of the non-contributory benefits can be uplifted by RPIX, as proposed by the Committee *for* Employment & Social Security. This contributes to the Government Work Plan objectives to strengthen focus on early years and families (Area of Focus: Foundations for Our Future) and to ensure that basic needs continue to be met (Area of Focus: Island Resilience).
- b) In preparing the Propositions, 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) Compared with Option A, this proposal would increase budgeted expenditure by £3.8 million, reducing the Net Surplus before Investments to £0.4 million. Compared with Option B, it would increase budgeted expenditure by £1.6 million, increasing the Net Deficit before Investments by to £13.1 million.
- e) Drafting advice has been sought from the States' Greffier.

Explanatory note

This Amendment seeks to increase the Committee *for* Employment & Social Security's Formula-Led budget by the amount necessary to enable estimated demand pressures to be met and to enable the rates of the non-contributory benefits to be uplifted by RPIX (4.3%), as proposed by the Committee *for* Employment & Social Security in its Policy Letter entitled "Non-contributory Benefit Rates for 2027".

The categorisation of this expenditure as Formula-Led reflects the fact that these benefits are demand-led. The Committee has a legal obligation to provide support to all those who meet the eligibility requirements under the relevant legislation, irrespective of the budgetary position.

Approving this Amendment would protect the real-terms value of General Revenue-funded benefits payable to people with insufficient income to meet their needs, people with severe disabilities, their informal carers and families with dependent children.

If this Amendment is rejected and Budget Option A is approved, the Committee will lay a Motion to Withdraw its Policy Letter entitled "Non-contributory Benefit Rates for 2027" to enable the Committee to consider next steps.

If this Amendment is rejected and Budget Option B is approved, the Committee will lay an Amendment to its Propositions entitled "Non-contributory Benefit Rates for 2027" seeking States approval to reduce the household income limit for family allowance from £125,000 to £98,000. This is projected to reduce family allowance expenditure by approximately £1.6 million, the full amount required to remain within the funding limit available under Budget Option B. Although the Committee does not wish to take this action, it is considered the fairest approach in the circumstances.