

ISLAND OF SARK

EXTRAORDINARY MEETING of the CHIEF PLEAS to be held on TUESDAY
6th NOVEMBER 2018 at 7.00 PM in the ASSEMBLY ROOM.

AGENDA

1. Questions not related to the business of the day.
2. To CONSIDER a Report with five Propositions from the POLICY & FINANCE COMMITTEE entitled “**Amended Expenditure Budget Proposals for 2019 and Revenue Raising to Fund the Costs**” and to Approve the Ordinance entitled “**The Direct Taxes for 2019 (Sark) (No. 2) Ordinance, 2018**” (copies enclosed).
3. To CONSIDER a Report with two Propositions from the POLICY & FINANCE COMMITTEE entitled “**Unforeseen Expenditure**” (copy enclosed).

31st October 2018

Arthur Rolfe
Speaker of Chief Pleas

NOTES:

This meeting has been called under The Reform (Sark) Law, 2008, Section 32 (2) (c) “with the consent of the Speaker, whenever requested in writing so to do by at least nine Conseillers.”

Anyone wishing to see any of the Reports and Supporting Papers may do so at the Committee Offices, Monday – Thursday, between 2.30pm and 5.00pm and at other times when the offices are open; copies may be obtained from the Committee Office. The Agenda, Reports and Supporting Papers may also be seen on the Sark Government Website at www.gov.sark.gg

POLICY & FINANCE COMMITTEE

Report with propositions to Extraordinary Chief Pleas, 6th November 2018

AMENDED EXPENDITURE BUDGET PROPOSALS FOR 2019 AND REVENUE RAISING TO FUND THE COSTS

The Policy & Finance Committee (“the Committee”) has reviewed the proposed expenditure budget for 2019. In principle spending Committee budgets remain unchanged from those presented to Chief Pleas on 3 October 2018 (“the original budget”) as they are the result of discussion with those Committees in workshop forums and were largely agreed. The Committee has, however, adopted the principle that reserves should be safeguarded and only used for Island emergencies and capital expenditure where the consequent depreciation will be raised from taxation over the expected life of the asset. Apart from these exceptions all proposed current year expenditure should be raised from current year taxation. Current year in this context means the year of the budget, 2019.

The budget of Revenue Income and Expenditure for 2019 is attached as Appendix 1 to this report. The format for presentation reverts to the detailed expenditure analysis of prior years which the Committee believes will make the budget easier to assimilate. There is a summary at the end of the schedules which shows the amendments which have been made to both the income and expenditure budgets. The figures shown for the years 2020 and 2021 are for information only and do not form part of the 2019 budget which is proposed for approval.

Expenditure changes

- The major amendments to the expenditure lie in the accounting treatment of £27,000 of repairs which had been treated as capital expenditure in the original budget. The Committee regard this as being incorrect as no asset will be created. The treatment in this budget is also consistent with the treatment of repairs in previous years.
- Other minor amendments have been made in response to spending committee representations.

Income changes

- Property Transfer Tax can never be forecast, and it was always the practice to take the most recent 12 months’ receipts and include that amount in the budget for the ensuing year. This method produces an amended amount for the 2019 budget of £39,000 which has resulted in a reduction of £36,200 from the original budget.
- The Committee has given careful consideration to the way in which the necessary funds can be raised to fund the net expenditure increase. It proposes a small increase to the Property Tax from £14.25 to £14.50 per quarter, an increase in the minimum Personal Capital Tax from £325 to £350, and an increase in the maximum Personal Capital Tax from £6,500 to £7,000. Examples of the effects of the proposed tax increases are shown in

Appendix 2 to this report. An Ordinance entitled The Direct Taxes for 2019 (Sark) (No. 2) Ordinance, 2018 includes these new rates and is attached at Appendix 3. It repeals the Ordinance entitled The Direct Taxes for 2019 (Sark) Ordinance, 2018 which was approved by Chief Pleas at its meeting held on 3 October 2018.

- The Committee proposes that the remainder of the additional income requirement is collected by an increase of 25% in the rates of Impôt. The proposed new rates, and a comparison with the current Guernsey rates, are shown on page 1 of Appendix 4 to this report and the effects of the proposed increases to individual units of alcohol and tobacco produces are shown on page 2 of the same Appendix. As a result, it will be necessary for Chief Pleas to rescind the approval given at the meeting held on 3 October 2018 to approve the Impôt rates shown in Appendix 2 to the Original Budget Report.

Capital Expenditure

The Capital expenditure budget for 2019 is attached at Appendix 5.

The principle of allocating £6,000 per annum for School computer upgrades and renewals and £6,000 per annum for Corporate computer upgrades and renewals has already been approved by Chief Pleas in earlier years. Other capital expenditure for 2019 must be the subject of reports to future Chief Pleas, including the appropriate business cases, for approval by Chief Pleas and, subsequently, the Lieutenant Governor.

Propositions

The Committee requests approval of the following propositions:

Proposition 1 –

That Chief Pleas approves that:

- the rate of property tax be increased to £14.50 per quarter for the year 2019.
- the minimum rate of Personal Capital Tax be increased to £350 for the year 2019.
- the maximum rate of Personal Capital Tax be increased to £7,000 for the year 2019.
- the forfait factor for the calculation of Personal Capital Tax remains at 2.0 for the year 2019.
- the net asset fraction for the calculation of Personal Capital Tax remains at 0.3% for the year 2019.
- individuals over 69 years of age on 1 January 2019 who have worldwide net assets of £150,000 or less pay £nil Personal Capital Tax for the year 2019.
- Personal Capital Tax of an individual who is liable to pay Property Tax as the possessor of real property which is his principal dwelling shall be £nil. This will apply to one individual who is the possessor of the principal dwelling where all adult occupants have worldwide net assets of £116,667 or less for the year 2019.

Proposition 2 –

That Chief Pleas approves the Ordinance entitled The Direct Taxes for 2019 (Sark) (No. 2) Ordinance 2018.

Proposition 3 –

That Chief Pleas rescinds the decision made at its meeting held on 3 October 2018 to approve the Impôt rates for the year 2019 as presented in Appendix 2 to the Original Budget Report.

Proposition 4 –

That Chief Pleas approves Impôt rates for the year 2019 as presented in Appendix 4 to this Report.

Proposition 5 –

That Chief Pleas approves the budget of Revenue Income and Expenditure for the year 2019 only as presented in Appendix 1 to this Report.

**Conseiller Stephen Taylor
Chairman, Policy & Finance Committee**

N.B. Please go to the end for a reconciliation between original and revised figures. The individual figures that have been revised are highlighted on the detail pages in the document in this colour.				
ISLAND OF SARK				
BUDGET FOR THE YEAR TO 31 DECEMBER 2019	2018 Budget £	2019 Budget £	2020 Budget £	2021 Budget £
SARK OVERALL - SUMMARY OF INCOME & EXPENDITURE				
INCOME (Below)	(£1,363,700)	(£1,479,600)	(£1,486,600)	(£1,494,100)
EXPENDITURE (Below)	£1,363,667	£1,474,420	£1,523,275	£1,569,052
OVERALL (SURPLUS) / SHORTFALL	(£33)	(£5,180)	£36,675	£74,952
SUMMARY OF INCOME				
Policy & Finance (Pages 2 and 3)	(£1,234,200)	(£1,296,000)	(£1,292,000)	(£1,292,000)
Education (Page 4)	£0	(£6,300)	(£13,800)	(£21,300)
Tourism (Page 5)	£0	(£32,000)	(£35,500)	(£35,500)
Agriculture, Environment, Sea Fisheries and Pilotage (Page 6)	£0	(£7,800)	(£7,800)	(£7,800)
Harbours and Shipping (Page 7)	(£63,500)	(£63,500)	(£63,500)	(£63,500)
Medical & Emergency Services (Page 8)	£0	£0	£0	£0
Douzaine (Page 9)	(£66,000)	(£74,000)	(£74,000)	(£74,000)
TOTAL INCOME	(£1,363,700)	(£1,479,600)	(£1,486,600)	(£1,494,100)
SUMMARY OF EXPENDITURE				
Policy & Finance (Pages 2 and 3)	£532,962	£623,777	£634,110	£647,243
Education (Page 4)	£203,270	£194,370	£228,642	£260,286
Tourism (Page 5)	£91,613	£117,998	£122,248	£123,248
Agriculture, Environment, Sea Fisheries and Pilotage (Page 6)	£14,500	£23,550	£23,550	£23,550
Harbours and Shipping (Page 7)	£67,150	£65,000	£65,000	£65,000
Medical & Emergency Services (Page 8)	£46,780	£48,675	£48,675	£48,675
Douzaine (Page 9)	£407,392	£401,050	£401,050	£401,050
TOTAL EXPENDITURE	£1,363,667	£1,474,420	£1,523,275	£1,569,052

POLICY & FINANCE DETAILS				
INCOME				
Direct Taxation	(£723,000)	(£740,000)	(£740,000)	(£740,000)
Impot	(£318,000)	(£397,000)	(£397,000)	(£397,000)
Property transfer tax	(£75,200)	(£39,000)	(£39,000)	(£39,000)
Poll tax	(£58,000)	(£60,000)	(£58,000)	(£58,000)
Investment income	(£7,000)	(£7,000)	(£5,000)	(£5,000)
Guernsey Post - philatelic sales	(£1,000)	(£1,000)	(£1,000)	(£1,000)
Licences etc	(£24,000)	(£24,000)	(£24,000)	(£24,000)
Rents & ground rents	(£10,000)	(£10,000)	(£10,000)	(£10,000)
Import duties / lottery	(£5,000)	(£5,000)	(£5,000)	(£5,000)
Accommodation/catering permits	(£4,000)	(£4,000)	(£4,000)	(£4,000)
Court & registration fees	(£3,000)	(£3,000)	(£3,000)	(£3,000)
Hotel & liquor licences	(£4,000)	(£4,000)	(£4,000)	(£4,000)
DCC application fees	(£1,000)	(£1,000)	(£1,000)	(£1,000)
Other	(£1,000)	(£1,000)	(£1,000)	(£1,000)
TOTAL INCOME	(£1,234,200)	(£1,296,000)	(£1,292,000)	(£1,292,000)
EXPENDITURE				
Seigneur, Speaker, Sensechal, Greffier, Prevot, Registrar	£87,550	£87,534	£87,534	£87,534
Senior Administrator & Committee Support Staff	£70,858	£90,000	£90,000	£90,000
Treasury Function	£24,200	£69,700	£81,700	£81,700
Pay	£182,608	£247,234	£259,234	£259,234
Capital Asset Depreciation	£39,000	£43,728	£64,061	£77,194
Heat & Light	£12,000	£12,000	£12,000	£12,000
School houses	£3,750	£3,000	£3,000	£3,000
Grefe Office and Fire Station	£3,000	£3,000	£3,000	£3,000
Court/Assembly Room	£2,000	£4,000	£2,000	£2,000
Medical centre	£1,250	£1,250	£1,250	£1,250
La Coupee	£2,000	£2,000	£2,000	£2,000
Crane shed roof		£5,000		
Visitor centre and others	£1,000	£21,000	£1,000	£1,000
Repairs, Maintenance & Utilities	£25,000	£51,250	£24,250	£24,250
Economic Development and Promotion	£10,000	£0	£0	£0
Communications, Media and PR	£10,000	£0	£0	£0
Professional development and training	£6,000	£2,500	£2,500	£2,500
Corporate Development	£26,000	£2,500	£2,500	£2,500
Law Officers	£63,500	£63,500	£63,500	£63,500
Electricity Commissioner	£15,000	£15,000	£15,000	£15,000
Other Professional	£5,000	£5,000	£10,000	£10,000
Legal Aid	£27,000	£27,000	£27,000	£27,000
Audit Fees	£6,500	£6,500	£6,500	£6,500
Insurance	£47,000	£47,000	£47,000	£47,000
Legal, Insurance & Audit	£164,000	£164,000	£169,000	£169,000

POLICY & FINANCE DETAILS (continued)				
EXPENDITURE (continued)				
Office Expenses	£20,000	£18,000	£18,000	£18,000
Digimap	£2,600	£2,665	£2,665	£2,665
Child Protection	£3,000	£3,000	£3,000	£3,000
Civic Entertaining	£2,000	£2,000	£2,000	£2,000
Hansard	£2,000	£2,000	£2,000	£2,000
Court Expenses	£4,000	£4,000	£4,000	£4,000
Lieutenant Seneschal	£12,000	£12,000	£12,000	£12,000
Tax Administration	£6,000	£6,000	£6,000	£6,000
Administration, Office & Other Expenses	£51,600	£49,665	£49,665	£49,665
New Hall	£8,000	£10,000	£10,000	£10,000
St John Marine Ambulance	£5,000	£5,000	£5,000	£5,000
St Peter's Church	£2,064	£2,000	£2,000	£2,000
Methodist Church	£500	£500	£500	£500
Sark Community Blooms	£250	£250	£250	£250
Island games	£1,000	£1,000	£1,000	£1,000
RNLI	£650	£650	£650	£650
Grants	£17,464	£19,400	£19,400	£19,400
Budget Reserve - Unforeseen (Non Pay)	£6,290	£5,000	£5,000	£5,000
Budget Reserve - Unforeseen (Pay)		£5,000	£5,000	£5,000
Budget Reserve - Unforeseen (Urgent works)		£15,000	£15,000	£15,000
Budget Reserve	£6,290	£25,000	£25,000	£25,000
Police and Customs	£16,000	£16,000	£16,000	£16,000
Prisoners	£5,000	£5,000	£5,000	£5,000
Police, Customs & Prisons	£21,000	£21,000	£21,000	£21,000
TOTAL EXPENDITURE	£532,962	£623,777	£634,110	£647,243

EDUCATION DETAILS				
INCOME				
Contribution re: Secondary Education		£0	£0	£0
Contribution re: Secondary Accommodation		(£4,500)	(£12,000)	(£19,500)
Other Income		(£1,800)	(£1,800)	(£1,800)
TOTAL INCOME	£0	(£6,300)	(£13,800)	(£21,300)
EXPENDITURE				
Head of School / Teachers (2018 figure includes TA's)	£145,421	£96,179	£96,479	£96,779
Director of Education		£25,000	£25,000	£25,000
Admin support (D of Ed and Head)		£2,880	£2,880	£2,880
Safeguarding Officer		£3,284	£3,284	£3,284
Class 1 TA's		£13,440	£13,440	£13,440
Special TA		£3,087	£3,087	£3,087
Foreign Language cover		£2,520	£2,520	£2,520
Lunchtime Supervision		£2,000	£2,000	£2,000
Pay	£145,421	£148,390	£148,690	£148,990
IT Technical support and website	£16,000	£6,000	£6,000	£6,000
Exam & Assessment Materials	£0	£1,000	£1,000	£1,000
Equipment		£500	£500	£500
Heat & Light	£8,716	£6,000	£6,000	£6,000
Repairs & maintenance	£858	£0	£0	£0
Teacher's Accommodation	£10,775	£0	£0	£0
Pupil Materials	£10,000	£3,900	£4,020	£3,840
LAC Costs		£400	£400	£400
Guernsey Accommodation		£9,000	£24,000	£39,000
Cleaning	£8,000	£6,180	£6,365	£6,556
Gardening & Window Cleaning		£1,500	£1,500	£1,500
Guernsey Based Tuition		£7,000	£25,667	£42,000
CPD and Training		£2,000	£2,000	£2,000
Director of Education Expenses		£2,500	£2,500	£2,500
Caretakers	£3,500	£0	£0	£0
Non pay	£57,849	£45,980	£79,952	£111,296
TOTAL EXPENDITURE	£203,270	£194,370	£228,642	£260,286

TOURISM DETAILS				
INCOME				
Income to support Island Advertising & Marketing		(£21,000)	(£21,000)	(£21,000)
Income from Sponsorships			(£3,000)	(£3,000)
Income from Shop Sales & Activities		(£11,000)	(£11,500)	(£11,500)
TOTAL INCOME	£0	(£32,000)	(£35,500)	(£35,500)
EXPENDITURE				
Senior Tourism Officer		£13,050	£13,050	£13,050
Tourist Officer - Shop & Sales		£7,010	£7,010	£7,010
Tourist Officer - Administration & Support		£16,088	£16,088	£16,088
Pay	£30,163	£36,148	£36,148	£36,148
Water Testing	£4,000	£4,000	£4,000	£4,000
Shop Expenditure		£9,000	£9,000	£9,000
Advertising - Core & Other		£35,000	£35,000	£35,000
Advertising Costs - Core		£16,192	£16,192	£16,192
Advertising Costs - Other		£18,808	£18,808	£18,808
Printing, Production & Distribution		£15,500	£15,500	£15,500
Brochure - Printing		£9,000	£9,000	£9,000
Brochure - Artwork & Narrative		£2,000	£2,000	£2,000
Website		£8,600	£8,600	£8,600
Moorings		£2,750	£6,000	£6,000
Map Production Costs		£4,500	£4,500	£4,500
QR Code Development		£1,000	£2,000	£3,000
Other Expenses	£57,450	£6,000	£6,000	£6,000
Non Pay	£61,450	£81,850	£86,100	£87,100
TOTAL EXPENDITURE	£91,613	£117,998	£122,248	£123,248

AGRICULTURE, ENVIRONMENT, SEA FISHERIES & PILOTAGE DETAILS				
INCOME				
Slaughterhouse Management		(£7,800)	(£7,800)	(£7,800)
TOTAL INCOME	£0	(£7,800)	(£7,800)	(£7,800)
EXPENDITURE				
Sea Fisheries		£1,000	£1,000	£1,000
Pay		£1,000	£1,000	£1,000
Agriculture & Environment	£3,500	£6,000	£6,000	£6,000
Preventative Measures	£2,000	£1,250	£1,250	£1,250
Slaughterhouse Management	£3,000	£11,800	£11,800	£11,800
Sea Fisheries	£6,000	£3,500	£3,500	£3,500
Non Pay	£14,500	£22,550	£22,550	£22,550
TOTAL EXPENDITURE	£14,500	£23,550	£23,550	£23,550

HARBOURS & SHIPPING DETAILS				
INCOME				
Crane Income	(£18,000)	(£18,000)	(£18,000)	(£18,000)
Harbour Dues	(£9,000)	(£9,000)	(£9,000)	(£9,000)
Harbour Rents & Sundry	(£2,000)	(£2,000)	(£2,000)	(£2,000)
Harbour Services	(£34,500)	(£34,500)	(£34,500)	(£34,500)
TOTAL INCOME	(£63,500)	(£63,500)	(£63,500)	(£63,500)
EXPENDITURE				
Harbourmasters	£40,920	£41,000	£41,000	£41,000
Crane Operation	£8,500	£9,000	£9,000	£9,000
Pay	£49,420	£50,000	£50,000	£50,000
Harbour Repairs	£12,000	£10,000	£10,000	£10,000
Crane Expenses	£5,730	£5,000	£5,000	£5,000
Non Pay	£17,730	£15,000	£15,000	£15,000
TOTAL EXPENDITURE	£67,150	£65,000	£65,000	£65,000

MEDICAL & EMERGENCY SERVICES DETAILS				
EXPENDITURE				
M O H	£17,155	£17,250	£17,250	£17,250
Practice Manager	£17,547	£17,500	£17,500	£17,500
Practice cover (sickness and holidays)	£0	£1,000	£1,000	£1,000
Pay	£34,702	£35,750	£35,750	£35,750
Fire Service	£9,125	£9,925	£9,925	£9,925
Health Visitor	£2,953	£3,000	£3,000	£3,000
Non Pay	£12,078	£12,925	£12,925	£12,925
TOTAL EXPENDITURE	£46,780	£48,675	£48,675	£48,675

DOUZAINES DETAILS				
INCOME				
Charges - Waste / Sewage	(£66,000)	(£74,000)	(£74,000)	(£74,000)
TOTAL INCOME	(£66,000)	(£74,000)	(£74,000)	(£74,000)
EXPENDITURE				
Constables, Procureur & Vingtenier		£25,750	£25,750	£25,750
Labour - Cliff Paths		£21,500	£21,500	£21,500
Labour - Cleaning (Various)		£19,000	£19,000	£19,000
Labour - Roads & Other Works		£54,800	£54,800	£54,800
Labour - Sewage		£10,500	£10,500	£10,500
Labour - Refuse		£22,500	£22,500	£22,500
Pay	£152,392	£154,050	£154,050	£154,050
DOUZAINES & PUBLIC WORKS NON PAY				
Procureur		£170,000	£170,000	£170,000
Materials - Works Programme		£15,500	£15,500	£15,500
Repairs & Maintenance		£17,000	£17,000	£17,000
Toilets & Harbour Store		£3,000	£3,000	£3,000
Douzaine Non Pay		£3,000	£3,000	£3,000
Sewage		£7,400	£7,400	£7,400
Refuse		£31,100	£31,100	£31,100
Non Pay	£255,000	£247,000	£247,000	£247,000
TOTAL EXPENDITURE	£407,392	£401,050	£401,050	£401,050
Reconciliation of revised figures:				
OVERALL (SURPLUS) / SHORTFALL per original budget	(£33)	£0	£69,855	£107,133
Amendments:				
P & F Income				
Increase in direct tax to £14.50 per quarter and minimum of £350		(£17,000)	(£17,000)	(£17,000)
Increase in Impot		(£62,880)	(£62,880)	(£62,880)
Reduction in Propert Transfer Tax to received basis as previously used		£36,200	£36,200	£36,200
Tourism Income				
Advertising income reduced to a realistic figure		£2,500	£2,500	£2,500
P & F Expenses				
Assembly room door transferred from Capital		£2,000		
Crane shed roof repair transferred from Capital		£5,000		
Visitor Centre roof repairs transferred from Capital		£20,000		
Review (not Audi)t fee increased		£2,500	£2,500	£2,500
Grant to St Peter's Church increased to agreed rate		£1,500	£1,500	£1,500
Grant to Island Games increased to annual payment		£1,000		£1,000
Tourism Expenses				
Water testing costs restored to budget		£4,000	£4,000	£4,000
		(£5,180)	(£33,180)	(£32,180)
OVERALL (SURPLUS) / SHORTFALL per revised budget	(£33)	(£5,180)	£36,675	£74,953

Examples of proposed changes in Direct Tax

Tax payable by:	Proposed 2019	Actual 2018
A person with worldwide net assets of not more than £116,667 (2018 £108,333) and not possessing any property on Sark		
Minimum Personal Capital Tax	£350.00	£325.00
Per week	£6.73	£6.25
A person with worldwide net assets of not more than £116,667 (2018 £108,333) and possessing a 40 quarter dwelling		
Property tax @ £14.50 (2018 £14.25) per quarter	580.00	570.00
Minimum Personal Capital Tax	350.00	325.00
Rebate	-350.00	-325.00
	£580.00	£570.00
Per week	£11.15	£10.96
A person with worldwide net assets of £120,000 and possessing a 50 quarter dwelling		
Property tax @ £14.50 (2018 £14.25) per quarter	725.00	712.50
Personal Capital Tax @ 0.3% of net assets	360.00	360.00
	£1,085.00	£1,072.50
Per week	£20.87	£20.63
A person electing to pay the forfait and possessing a 60 quarter dwelling		
Property tax @ £14.50 (2018 £14.25) per quarter	870.00	855.00
Personal Capital Tax @ 2.0 times property tax on dwelling	1,740.00	1,710.00
	£2,610.00	£2,565.00
Per week	£50.19	£49.33
A person electing to pay the Maximum Personal Capital Tax and possessing a 70 quarter dwelling		
Property tax @ £14.50 (2018 £14.25) per quarter	1,015.00	997.50
Maximum Personal Capital Tax	7,000.00	6,500.00
	£8,015.00	£7,497.50
Per week	£154.13	£144.18

The Direct Taxes for 2019 (Sark) (No. 2) Ordinance, 2018

THE CHIEF PLEAS OF SARK, in exercise of the powers conferred upon them by sections 1(1), 2(2), 7(a) and (i), 8(2), 10(a), (b), (d) and (h) and 20, of the Direct Taxes (Sark) Law, 2002, hereby order:-

Imposition of direct taxes for 2019.

1. In order to raise revenue towards financing the budgeted cost of public purposes which Chief Pleas have resolved should be provided or undertaken, there are hereby imposed for the financial year ending on 31st December 2019 -

- (a) property tax; and
- (b) personal capital tax,

in accordance with the Law, the General Provisions Ordinance and this Ordinance.

General rates of property tax for 2019.

2. (1) The rates of property tax for 2019 are -
- (a) in respect of dwellings, £14.50 per quarter;
 - (b) in respect of domestic outbuildings, £14.50 per quarter;
 - (c) in respect of tourist or guest accommodation, £14.50 per quarter;

- (d) in respect of other commercial buildings, £14.50 per quarter;
- (e) in respect of agricultural buildings, including hay barns, £14.50 per quarter;
- (f) in respect of open land, £ Nil per quarter.

(2) If a designation has been assigned to any land, building or part thereof in the Cadastre in accordance with the General Provisions Ordinance, that designation determines the classification of that land, building or part thereof for the purposes of this section.

General rate of personal capital tax for 2019.

3. Subject to sections 4 and 5 of this Ordinance, the rate of personal capital tax for 2019 payable by an individual who does not make an election in accordance with section 8(2)(b) or 8(2)(c) of the Law is 0.30 % per pound of that individual's net capital assets.

Minimum and maximum personal capital tax for 2019.

4. (1) The minimum personal capital tax payable by an individual for 2019 is, subject to sections 5 and 6 of this Ordinance and section 10 of the General Provisions Ordinance, £350.00.

(2) The maximum personal capital tax payable by an individual for 2019 is £ 7000.00.

Age and infirmity relief.

5. (1) This section applies to an individual who -

(a) is aged 69 years or above on 31st December 2018, or

(b) on 1st January 2019 holds a certificate stating that in the opinion of the Sark Medical Officer of Health he is permanently unfit to undertake gainful employment.

(2) An individual to whom this section applies is not liable to pay any personal capital tax for 2019 if the value of his net capital assets is £150,000 or less.

Other relief.

6. (1) This section applies to an individual who is aged under 69 years on 31st December 2018 and is liable to pay property tax as possessor of real property which is his principal dwelling.

(2) An individual to whom this section applies is not liable to pay any personal capital tax for 2019 if the value of his net capital assets is £116,667 or less.

"Forfait" factor for 2019.

7. For the purpose of making the calculation required in the case of a person who makes an election in accordance with section 8(2)(b) of the Law, the factor prescribed for 2019 is a factor of 2.0.

Deferred and instalment payments.

8. Notwithstanding section 13(2) of the Law, an individual may elect in

writing, at the same time as delivering to the Assessor his own declaration and calculation of the direct tax(es) which he is liable to pay, or within 14 days of service upon him of an assessment under section 14 of the Law, to pay his property tax and/or personal capital tax for 2019 -

- (a) in one lump sum, and less a discount of 2.5%, on or before 28th January 2019;
- (b) by four equal payments, on or before 28th January, 28th April, 28th July and 28th October 2019; or
- (c) by not more than nine equal monthly payments commencing on or before 28th January 2019.

Interpretation and construction.

9. (1) In this Ordinance -

"**2019**" means the financial year ending on 31st December 2019;

"**employment**" includes self-employment;

"**the Law**" means the Direct Taxes (Sark) Law, 2002;

"**the General Provisions Ordinance**" means the Direct Taxes (General Provisions) (Sark) Ordinance, 2003;

and other words and expressions used in this Ordinance have the same meanings as they have in the Law.

(2) This Ordinance, the General Provisions Ordinance and the Law are to be construed as one.

Repeal.

10. The Direct Taxes for 2019 (Sark) Ordinance, 2018^a is repealed.

Citation.

11. This Ordinance may be cited as the Direct Taxes for 2019 (Sark) (No. 2) Ordinance, 2018.

^a Ordinance No. XI of 2018.

Proposed Sark Impôt Rates
With effect from 1 January 2019

For comparison
 Guernsey rates
 w.e.f. 9.10.18

	Sark rate w.e.f. 1.1.18	Proposed Sark rate w.e.f. 1.1.19	
Spirits			
All spirits	£22.85 per litre of pure alcohol	£28.56 per litre of pure alcohol	£37.44 per litre of pure alcohol

Wines			
Low alcohol under 5.5%	45.5p per litre	57p per litre	65p per litre
5.5% - 15%	£1.851 per litre	£2.31 per litre	£2.64 per litre
Over 15%	£2.944 per litre	£3.68 per litre	£4.21 per litre

Beers and Ciders

Small breweries/producers

Under 2.8%	37.2p per litre	25p per litre	25p per litre
2.8% to 4.9%	37.2p per litre	41p per litre	41p per litre
4.9% to 7.5%	46.4p per litre	52p per litre	52p per litre

Other breweries/producers

Under 2.8%	36.4 p per litre	46 p per litre	51p per litre
2.8% to 4.9%	58.2p per litre	73p per litre	83p per litre
4.9% to 7.5%	72.7p per litre	91p per litre	£1.04 per litre
Over 7.5%	84.8p per litre	£1.06 per litre	£1.20 per litre

Tobacco Products

Cigarettes	£237.747 per kg	£297.18 per kg	£364.98 per kg
Cigars	£237.747 per kg	£297.18 per kg	£364.98 per kg
Hand rolling tobacco	£192.008 per kg	£240.00 per kg	£346.22 per kg
Manufactured tobacco	£192.008 per kg	£240.00 per kg	£300.30 per kg

Motor Spirit

Petrol	5p per litre	6p per litre	70.1p per litre
--------	--------------	--------------	-----------------

Effect of proposed increases in Sark Impôt Rates

Spirits	<u>Increase from</u>	<u>Increase to</u>	
25% alcoholic drink	£5.71 per litre	£7.14 per litre	Increase of £1.43 per litre being 3.5p on a single measure
38% alcoholic drink	£8.68 per litre	£10.85 per litre	Increase of £2.17 per litre being 5p on a single measure
40% alcoholic drink	£9.14 per litre	£11.42 per litre	Increase of £2.28 per litre being 6p on a single measure
50% alcoholic drink	£11.42 per litre	£14.28 per litre	Increase of £2.86 per litre being 7p on a single measure
Wines			
Low alcohol under 5.5%	45.5p per litre	57p per litre	Increase of 11.5p per litre being 9p per 75cl bottle
5.5% - 15%	£1.851 per litre	£2.31 per litre	Increase of 45.9p per litre being 34p per 75cl bottle
Over 15%	£2.944 per litre	£3.68 per litre	Increase of 73.6p per litre being 55p per 75cl bottle
Beers and Ciders			
<u>Small breweries/producers</u>			
Under 2.8%	37.2p per litre	25p per litre	Decrease of 12.2p per litre being 7p per pint
2.8% to 4.9%	37.2p per litre	41p per litre	Increase of 3.8p per litre being 2p per pint
4.9% to 7.5%	46.4p per litre	52p per litre	Increase of 5.6p per litre being 3p per pint
<u>Other breweries/producers</u>			
Under 2.8%	36.4p per litre	46p per litre	Increase of 9.6p per litre being 5p per pint
2.8% to 4.9%	58.2p per litre	73p per litre	Increase of 14.8p per litre being 8p per pint
4.9% to 7.5%	72.7p per litre	91p per litre	Increase of 18.3p per litre being 10p per pint
Over 7.5%	84.8p per litre	£1.06 per litre	Increase of 21.2p per litre being 12p per pint
Tobacco Products			
Cigarettes	£237.747 per kg	£297.18 per kg	Increase equivalent to 9p on a packet of 20 cigarettes

2019 CAPITAL EXPENDITURE BUDGET

Project Name	Lead Committee	2019	2020	2021
		Budget	Budget	Budget
School computers 2019	Education	£6,000		
School computers 2020	Education		£6,000	
School computers 2021	Education			£6,000
Corporate - Computers 2019	F & P	£6,000		
Corporate - Computers 2020	F & P		£6,000	
Corporate - Computers 2021	F & P			£6,000
Slaughterhouse	Agriculture etc		£150,000	£50,000
Fixtures & Fittings	Education	£1,000		
Fixtures & Fittings	Education		£1,000	
Fixtures & Fittings	Education			£1,000
Miscellaneous equipment - 2019	Various	£10,000		
Miscellaneous equipment - 2020	Various		£10,000	
Miscellaneous equipment - 2021	Various			£10,000
Cliff Shoring (and area - e.g. dingy shed)	Harbours		£50,000	
Cliff Shoring (and area - e.g. dingy shed)	Harbours			£50,000
New Tractor	Douzaine	£17,000		
Road Roller	Douzaine	£20,000		
Old Island Hall	Public Works		£100,000	
Assorted - Main Harbour Store	Harbours			£20,000
Prison Roof and other works	Public Works			£25,000
Total		£60,000	£323,000	£168,000

POLICY & FINANCE COMMITTEE

Report with propositions to Extraordinary Chief Pleas, 6th November 2018

UNFORESEEN EXPENDITURE

It has come to the attention of the Policy & Finance Committee, (“the Committee”), that there are items of expenditure which have been incurred during 2018 which were not included in the budget for this year and which have not been submitted to earlier meetings of Chief Pleas for approval as either capital expenditure or unforeseen revenue expenditure.

The Committee is seeking approval for the following:

La Coupée lavatories

The total cost of this project was £38,190. £20,000 was funded by an anonymous donation, given via the Old Island Hall Trust, for the purpose of funding work done by Island residents, and £10,000 was funded by The Hathaway Settlement for which approval was given by Chief Pleas at the meeting held on 26 April 2017 (agenda item 17). Retrospective approval is now sought for the balance of £8,190 to be paid from Island funds as capital expenditure.

Public Works refuse skips

Retrospective approval is sought for capital expenditure of £4,635 of which £3,675 was the cost of new refuse skips and a further £1,000 for modifications of the skips to suit the Island’s refuse operation.

Church tower

At its meeting held on 4 May 2011 (agenda item 21) Chief Pleas agreed that the Douzaine should pass the responsibility for the Church tower to the Church Wardens following completion of the repair works on the tower already agreed and in hand. Chief Pleas also agreed to increase the annual grant payable to St Peter’s Church from the then sum of £900 to £2,000 following the handover of the tower.

During the years 2012 and 2013 £12,587 was spent on completing the agreed repairs but the formal handover of responsibility did not take place as the Church Wardens identified further works which they considered should be the responsibility of the Island.

Further discussions took place recently between the Finance & Resources Committee and the Church authorities and agreement was reached that, in exchange for a payment of £27,000 as a final payment towards the repairs and refurbishment of the Church tower, Chief Pleas would have no future maintenance liability.

Approval is sought from Chief Pleas for the payment to the Church Wardens of St Peters Church of £27,000. Subject to this approval the payment will be made when the Committee has received confirmation from the Law Officers of the Crown that the agreement for the handover is properly binding.

Ivy Cottage

The Trustees of Island Properties have identified necessary repairs required at Ivy Cottage with an approximate cost of £30,000 of which £10,297 has already been incurred. Approval is sought for the expenditure of £30,000, some of which may be funded by the Trustees of the Ville Roussel Fund.

Legal Expenses

Chief Pleas is responsible for the payment of the legal expenses of the Electricity Price Control Commissioner who is defending an action by Sark Electricity seeking to set aside a price control order. At the date of this paper the expenses (which were not budgeted for) amount to approximately £150,000. A more exact update will be given to the meeting as the lawyers are working on preparation for a 5 day hearing early in December. Approval is sought from Chief Pleas for this expenditure.

Education – staff recruitment

Members will be aware that there has been a complete change of staff at Sark School. Costs of recruiting the staff and their removal expenses amounting to some £15,000 have been incurred. Retrospective approval is sought from Chief Pleas for this expenditure.

Proposition 1 –

That Chief Pleas approves 2018 capital expenditure as follows:

La Coupée lavatories - £8,190;

Refuse Skips - £4,635.

Proposition 2 –

That Chief Pleas approves unforeseen revenue for 2018 as follows:

Church tower – £27,000;

Ivy Cottage repairs - £30,000;

Legal expenses (amount to be advised at the meeting);

Education - £15,000.

**Conseiller Stephen Taylor
Chairman, Policy & Finance Committee**