



**IN THE STATES OF THE ISLAND OF GUERNSEY
ON THE 17TH OCTOBER, 2023**

**The States resolved as follows concerning Billet d'État No XVII
dated 2nd October, 2023**

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

**CONTRIBUTORY BENEFIT AND CONTRIBUTION RATES FOR 2024
P.2023/103**

III. After consideration of the Policy Letter entitled 'Contributory Benefit and Contribution Rates for 2024', dated 8th September 2023, they are of the opinion:

1. To set the contributions limits and rates as set out in Tables 4, 5 and 6 of the Policy Letter, from 1st January 2024.
2. To direct the Committee for Employment & Social Security to develop detailed policy proposals for a progressive restructuring of the social security contributions system –

a) based on the principles set out in paragraph 3.8 of the Policy Letter, and consideration of the following;

- i. a reduced employer contribution rate for employees over the retirement age to encourage longer working lives; and
- ii. a reduction in any allowance given to match that of the income tax allowance for higher earners; and
- iii. intergenerational fairness so that the employees of today do not pay disproportionately for the benefits of others due to demographic trends.

b) having regard to any relevant decisions arising from the States' consideration of the Funding & Investment Plan,

and to direct the Committee to report back to the States no later than 31st December 2024.

3. To set the standard rates of contributory social insurance benefits as set out in Table 7 of the Policy Letter, from 1st January 2024.
4. To set the contribution (co-payment) required to be made by the claimant of care benefit, under the Long-term care Insurance Scheme, at £327.32 per week, from 1st January 2024.
5. To set the weekly long-term care benefit at the rates set out in Table 9 of the Policy Letter, from 1st January 2024.
6. To set the weekly respite care benefit at the rates set out in Table 10 of the Policy Letter, from 1st January 2024.
7. To agree that the standard uprating policy for contributory benefits, except those funded from the Long-term Care Insurance Fund, should include a 'double lock and look back', as set out in paragraphs 2.7 to 2.9 of the Policy Letter.
8. To note that the Committee intends to set the age of an individual's child, in respect of whom family allowance contribution credits are awarded, at 12 years old with effect from 1st January 2025.
9. To note that the Committee for Employment & Social Security intends to implement a scheme to protect the contribution records of parents who would be affected by the proposal in Proposition 8, including parents who provide home education for their children or whose children have additional care needs, and such other parents who can demonstrate, to the satisfaction of the Administrator to the Committee, that it would be fair and equitable in all the circumstances for them to be eligible for the protection scheme.
10. To amend the Social Insurance (Guernsey) Law, 1978 by Ordinance to give the Committee a power, by Regulations, to adjust the aggregate period for which unemployment benefit is payable, from time to time, subject to a minimum aggregate period of 10 weeks and a maximum aggregate period of 30 weeks, as further detailed in paragraphs 7.2 to 7.4 of the Policy Letter.
11. To amend the Social Insurance (Guernsey) Law, 1978 by Ordinance to enable unmarried parents to be eligible to receive widowed parent's allowance in the event that their cohabiting partner dies, and providing that they meet all other relevant eligibility criteria, as further detailed in paragraphs 6.5 to 6.6 of the Policy Letter.
12. To direct the preparation of such legislation as may be necessary to give effect to the above decisions.

COMMITTEE *FOR* HOME AFFAIRS

**FORENSIC MEDICAL EXAMINATIONS FACILITATED BY A SEXUAL ASSAULT REFERRAL CENTRE
P.2023/102**

- VI. After consideration of the Policy Letter entitled 'Forensic Medical Examinations Facilitated by a Sexual Assault Referral Centre' dated 11th September, 2023, they are of the opinion:
1. To direct the preparation of the legislation set out in section 4 of this Policy Letter, so as to regulate the processes and procedures of the sexual assault referral centre, including the collection, storage and destruction of evidence collected as part of a forensic medical examination.

S.M.D. ROSS
STATES' GREFFIER



**IN THE STATES OF THE ISLAND OF GUERNSEY
ON THE 20TH OCTOBER, 2023**

**The States resolved as follows concerning Billet d'État No XVII
dated 2nd October, 2023**

POLICY & RESOURCES COMMITTEE

**FUNDING & INVESTMENT PLAN
P.2023/101**

V. After consideration of the policy letter entitled 'Funding & Investment Plan' dated 18th August 2023, they are of the opinion.

1. To agree that the financial position of the States requires urgent attention and that, as a bare minimum, the following core measures should be agreed which will temporarily stabilise the position:-

- a. implementing the package of core cost reduction targets and revenue raising measures set out in Appendix 1;
- b. maintaining the current level of the General Revenue Reserve in this term;
- c. investing up to £95m to complete the 'in flight' capital schemes as set out in Appendix 1; and
- d. investing in the policy, strategies and plans agreed as part of the Government Work Plan over the remainder of this term of government;

and to authorise the Policy & Resources Committee to implement these agreed measures.

2. TO NEGATIVE THE PROPOSITION to agree that the States shall address the current and future expected structural deficit by way of the following measures:-

- a. implementing the full progressive tax and benefits package as proposed to the States in early 2023 (see item 5, entitled "The Tax Review: Phase 2, P.2022/112" on Billet d'État No. III of 2023 P.2022/112) and set out in Appendix 1, in order to put the finances of the States into a sustainable position thereby being able to afford future capital investment, address the deficit and begin to rebuild reserves;

- b. agreeing that the Policy & Resources Committee should work with Principal Committees to develop a plan for the use of ringfenced funds of £2.5m per annum for social and community benefit, as set out in Paragraph 8.2 of this policy letter;

and to authorise the Policy & Resources Committee to implement these agreed measures.

- 3. To direct the Policy & Resources Committee to return to the States by September 2026 with proposals for addressing the deficit and putting the finances of the States into a sustainable position.

- 4. TO NEGATIVE THE PROPOSITION to agree that the States shall address historical chronic under-investment in public infrastructure by:-

- a. adopting Portfolio 3 estimated at a total of £520m (including the in-flight schemes), as set out in Appendix 1, as the agreed major capital investment portfolio for the remainder of this term;
- b. on the basis that funding available is insufficient to fund Portfolio 3, agreeing therefore that new borrowing should be taken out to support the funding of major capital expenditure; and
- c. increasing the authority granted to the Policy & Resources Committee in Resolution 16 on item 1, entitled "Government Work Plan 2021-2025, 2021/71", of Billet d'État No. XV dated 21st June 2021, to enable the Committee to take out new borrowing to a maximum of £350m;

and to authorise the Policy & Resources Committee to implement these agreed measures.

- 5. TO NEGATIVE THE PROPOSITION to agree that the States shall address historical chronic under-investment in public infrastructure by:-

- a. adopting Portfolio 2 estimated at £440m (including the in-flight schemes), as set out in Appendix 1, as the agreed major capital investment portfolio for the remainder of this term;
- b. on the basis that funding available is insufficient to fund Portfolio 2, agreeing therefore that new borrowing should be taken out to support the funding of capital expenditure and that the balance of the Health Service Reserve should be used to fund the Our Hospital Modernisation Programme; and
- c. reaffirming the authority granted to the Policy & Resources Committee in Resolution 16 on item 1, entitled "Government Work Plan 2021-2025, 2021/71", of Billet d'État No. XV dated 21st June 2021, to take out new borrowing to a maximum of £200m;

and to authorise the Policy & Resources Committee to implement these agreed measures.

- 6. To agree that the States shall, with the exception of Our Hospital Modernisation Programme – Phase 2 and associated works, limit investment in public infrastructure to critical investment only until such time as measures are agreed to address the structural deficit and to:

- a. adopt Portfolio 1, capped at £340m (including the in-flight schemes and including a contingency of £30m to cover any additional inflationary pressures) as the agreed capital investment portfolio for the remainder of this term, subject to the following amendments;
 - (i) substituting the sum of “£340m” for “£190m” where references in the policy letter to funds available in respect of Scenario 1 appear;
 - (ii) reading Scenario 1 and Appendix 2 and Appendix 5 in the context of the revised capped figure of £340m in (i);
 - (iii) inserting ‘Our Hospital Modernisation Programme – Phase 2 and associated works at an estimated cost of £120m’, as ‘Do as Planned’ works in Portfolio 1 in Scenario 1 (shown on page 5 of Appendix 1);
- b. fund the amendments to Portfolio 1 of Scenario 1 set out above by either Option 1, 2, 3 or 4 of c. below;

TO NEGATIVE THE PROPOSITION OPTION 1:

- c. to agree that, on the basis that funding available is insufficient to fund the amended Portfolio 1, new borrowing should be taken out to support the funding of capital expenditure.

and to authorise the Policy & Resources Committee to implement these agreed measures and direct it to return to the States by September 2026 with proposals for addressing the deficit and putting the finances of the States into a sustainable position.

TO NEGATIVE THE PROPOSITION OPTION 2:

- c. to agree that, on the basis that funding available is insufficient to fund the revised Portfolio 1, new borrowing should be taken out to support the funding of capital expenditure, in addition to a maximum of £46m from the Guernsey Health Reserve, to contribute to the funding of the Our Hospital Modernisation Programme – Phase 2.

and to authorise the Policy & Resources Committee to implement these agreed measures and direct it to return to the States by September 2026 with proposals for addressing the deficit and putting the finances of the States into a sustainable position.

OPTION 3:

- c. to agree that, on the basis that funding available is insufficient to fund the revised Portfolio 1, new borrowing should be taken out to support the funding of capital expenditure, in addition to a maximum of £90m from the Guernsey Health Reserve, to contribute to the funding of the Our Hospital Modernisation Programme – Phase 2.

and to authorise the Policy & Resources Committee to implement these agreed measures and direct it to return to the States by September 2026 with proposals for addressing the deficit and putting the finances of the States into a sustainable position.

- 9B. To note that the allocation of £35m for the Bridge Regeneration Project (as referred to in all Portfolios) is an in-principle agreement that to assist housing supply and affordability, the States should be prepared to invest to facilitate regeneration of the Bridge through the development of housing and related flood defence work and to direct the Policy & Resources Committee to revert back to the States with a Policy Letter before any financial commitment is made or procurement process begun and that the Policy Letter will include, but not be limited to:
- Proposed details of what is being invested into, or purchased, and at what indicative cost, including indicative future costs (for example maintenance contracts or sinking fund contributions),
 - Projected timelines for delivery and hand over of any completed units (where applicable),
 - Assurance of due diligence checks as may be necessary into any company (or entity), its directors (past and present) and its financial status, including assets and liabilities,
 - Where applicable, such information as required to understand what guarantees and warranties will be offered by any vendor, partner or main contractor regarding the purchase of any properties and also the completion of an overall scheme.
- 9C. To authorise the Policy & Resources Committee to take out new external borrowing up to a maximum of £150million, for a period of up to 40 years, on such terms and conditions as the Committee deems appropriate, specifically to lend on to the Guernsey Housing Association, or another provider of affordable housing, to fund the Affordable Housing Development Programme and to be repaid over the life of the borrowing at a rate calculated to ensure that there are no residual costs to the States of Guernsey.
- 9D. To direct the Policy & Resources Committee to review the Fiscal Policy Framework, approved in January 2020, to determine whether Principle 6, which determines the level at which public capital expenditure should be maintained, should continue to hold, including whether using GDP alone is the right benchmark, and to consider the measures that will enable the funding of any amended policy direction, if such is required, and report back by the end of 2025.
- 9E. To direct the Policy & Resources Committee to investigate various opportunities to unlock new methods of funding, including but not limited to public-private

partnerships, blended finance, philanthropic and ESG bonds to encourage private market capital investment as part of the delivery of the capital portfolio and to report on the availability of alternative methods of funding any time major capital expenditure decisions and future Funding and Investment Plans are to be debated by the States of Guernsey.

- 9F. To direct the Policy & Resources Committee to develop metrics to be able to analyse and monitor the capacity of industry and contractors to deliver on the proposed level of capital expenditure, with a specific focus on the capacity of the Guernsey construction industry and to include such metrics at the next iteration of the Government Work Plan or the Funding and Investment Plan.
- 9G. To direct the Committee for Economic Development in consultation with the Policy & Resources Committee to develop metrics to be able to analyse and monitor the level of capital expenditure by the private sector to establish a picture of the combined level of capital investment in Guernsey, such expenditure to include physical assets (such as buildings, infrastructure, machinery) and digital and technology assets (such as IT).
- 9H. To direct the Committee for Economic Development in consultation with the Policy & Resources Committee to scope and research measures to accelerate private investment into capital and technology adoption, for the purpose of increasing the overall rate of capital investment in the island and improving productivity, including tax incentives, R&D grants, regeneration zones and other measures, taking into account any work that may feasibly expand the 0-10 regime where capital investment tax-breaks could be provided as part of the overall package of 0-10 measures.
- 10. To direct the preparation of such legislation as may be necessary to give effect to the above decisions.

POLICY & RESOURCES COMMITTEE

SCHEDULE FOR FUTURE STATES' BUSINESS

P.2022/115

- VII. After consideration of the Schedule for Future States' Business, which sets out items for consideration at the Ordinary States Meeting on 22nd November 2023, to approve the Schedule.

S.M.D. ROSS
STATES' GREFFIER