



# BILLET D'ÉTAT

XX  
2002

WEDNESDAY, 25th SEPTEMBER, 2002

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# ***BILLET D'ÉTAT***

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## **TO THE MEMBERS OF THE STATES OF THE ISLAND OF GUERNSEY**

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I have the honour to inform you that a Meeting of the States of Deliberation will be held at **THE ROYAL COURT HOUSE, on WEDNESDAY, the 25th SEPTEMBER, 2002, at 9.30 a.m.**

**STATES ADVISORY AND FINANCE COMMITTEE****ABOLITION OF TREIZIÈME**

The President  
States of Guernsey  
Royal Court House  
St Peter Port  
GUERNSEY

10th July, 2002.

Dear Sir,

**Abolition of Treizième**Background

1. As part of the 2001 Budget (Billet d'État XXIV, December 2000) the States agreed in principle that treizième should be abolished and directed that, following consultation with the appropriate United Kingdom Authorities, the necessary legislation should be prepared.
2. The Committee's recommendation to abolish treizième was made because, "the largest element of [conveyance] duties, treizième, is a Crown Revenue and as such, not under the direct control of the States. Since treizième is effectively a tax on Guernsey residents and a major source of income, this cannot be considered a satisfactory position."
3. The Committee also considered that the combined rate of duties was too high and that this discouraged mobility in the housing market. Therefore, as part of the last two Budgets the Committee has brought forward proposals to reduce the general level of document duty and raised the threshold for complete exemption of document duty on the transfer of properties not exceeding a predetermined value.
4. However, under the present arrangements, even if the States wished to, they would not be able to reduce the amount of conveyance duties (treizième plus document duty) to less than 2%, even for those properties of relatively modest value.
5. As set out at the time, it was recognised that the abolition of treizième would involve a significant loss of revenue and that it would be necessary to increase the rate of document duty, at least on a temporary basis.
6. For example, on the transfer of a domestic dwelling for a consideration exceeding £150,000, instead of paying 2% treizième and 1% document duty (i.e. a total of 3% in conveyance duties) under the new arrangements document duty of 3% would be payable – i.e. no change. In the case of a dwelling transferred for a consideration of £150,000 or less, duties of just 2% (all treizième) is currently payable and this would change to 2% document duty – again no change.
7. If the Committee's proposals are accepted, if it were in future considered desirable the amount of duty payable on a transfer of realty could be reduced below 2%. However, no firm commitment can be given at this time as to the Committee's future intentions in this respect.

- 8. The effect of the Committee's current proposals is to leave the total amount of duty payable on the vast majority of conveyances unchanged. Future changes in duty rates or thresholds, will be undertaken as appropriate as part of the annual Budget process in the normal way.**

#### Process

9. The proposed Law abolishing treizième, which is set out in the brochure accompanying the Billet d'État containing this report, will also effect modifications to the Document Duty (Guernsey) Law, 1975 designed to maximise the ability of the States to prescribe the incidence, rates and administration of document duty by Ordinance. The Law will be brought into force by Ordinance of the States; at the same time it is proposed that the States will be asked to approve an Ordinance including appropriate adjustments to the rates of document duty. This will ensure an ordered transition from the present situation to the proposed new arrangements.

#### Exemptions and Transitional Arrangements

10. As set out above, the duty payable on the vast majority of property transactions will not be affected by the Committee's proposals. However, two areas have been identified where the Committee believes change is required.
11. Treizième is an ancient duty and inevitably some of its features reflect very different times. For example, conveyances of certain properties, notably those held in fee farm tenure or on franc fief, are exempt from liability to treizième, but not from document duty. The Committee does not believe it is appropriate to carry forward such an anachronism into the 21st century, but realises that the immediate and total removal of the financial advantage which they confer – which would be the effect in these cases of a general increase in document duty to counteract the abolition of treizième – might be considered unfair. The Committee therefore recommends that half of this advantage should be maintained for the time being, but intends to bring forward proposals for its complete removal at the end of the period of five years following the abolition of treizième. A similar transitional approach was taken by the Feudal Dues (Guernsey) Law, 1980, when the feudal dues, including treizième, appurtenant to private fiefs were transferred to the Crown. The Committee believes that this is a fair and equitable approach.
12. The second area requiring revision is in respect of realty which does not include a dwelling and where the value of the transaction is £150,000 or less.
13. The present arrangements in respect of document duty seek to give help and assistance to purchasers of domestic dwellings of a modest value. This is achieved by providing an exemption for transactions at a value not in excess of a specified amount (presently £150,000). However, the current legislation provides that any realty below this threshold is exempted, including for example, fields, plots of land etc. The Committee will seek to rectify this unintended position in the new Ordinance referred to above.

#### Conveyance of Realty in Alderney

14. Since the Alderney Land and Property etc. Law, 1949, the conveyance of realty in Alderney has attracted no payment of Crown Revenues (treizième). However, a percentage of the consideration (4% or such lower percentage as the States of Alderney may determine by Ordinance) is payable to the Alderney Land Registrar, in addition to document duty which is

payable to the States of Guernsey on the same basis as for a conveyance of realty in Guernsey. Since any reduction in the current 4% fee would be a matter for the States of Alderney, the Committee is consulting with the relevant Alderney Authorities to determine the best way of addressing this issue.

#### Consultations

15. Since the abolition of treizième will have a substantial impact on Crown Revenues, early and detailed consultations with the United Kingdom Authorities have been necessary. A clause has been included in the Projet de Loi to stress that the depletion in Crown Revenues inevitability resulting from the abolition of treizième (which are in any case remitted back to the States) will not in any way affect the obligation and commitment of the States to make available adequate funding provision for the due discharge of Crown functions, such as the administration of justice. On that basis the Lord Chancellor's Department have indicated that the proposed legislation would be acceptable.
16. The Committee also wishes to express its gratitude to H M Receiver-General and the Guernsey Bar Council for the advice and assistance that they have given the Committee in this matter.

#### Recommendations

The Committee therefore recommends the States:

- a) To approve the abolition of treizième and its replacement by additional document duty, including the transitional arrangements in relation to transactions presently exempt from liability to treizième as set out in this report.
- b) To approve the Projet de Loi entitled "The Feudal Dues (General Abolition of Congé) (Guernsey) Law, 2002" and to authorise the Bailiff to present a most humble Petition to Her Majesty in Council praying for Her Royal Sanction thereto.
- c) To direct the preparation of an Ordinance making comprehensive provision as to the incidence and rates of document duty, including provision for the remaining matters referred to in this report, such Ordinance to be laid before the States at the same time as the Ordinance bringing the Projet de Loi into force.

The Committee would like to express its appreciation to you for allowing the Projet de Loi to be submitted to the States at the same time as this policy letter.

I should be grateful if you would lay this matter before the States with the appropriate propositions including one directing the preparation of the necessary legislation.

Yours faithfully,

L.C. MORGAN,

President,

States Advisory and Finance Committee.

The States are asked to decide:—

I.—Whether, after consideration of the Report dated the 10th July, 2002, of the States Advisory and Finance Committee, they are of opinion:—

1. To approve the abolition of treizième and its replacement by additional document duty, including the transitional arrangements in relation to transactions presently exempt from liability to treizième as set out in that Report.
2. To approve the Projet de Loi entitled “The Feudal Dues (General Abolition of Congé) (Guernsey) Law, 2002”, and to authorise the Bailiff to present a most humble Petition to Her Majesty in Council praying for Her Royal Sanction thereto.
3. To direct the preparation of an Ordinance making comprehensive provision as to the incidence and rates of document duty, including provision for the remaining matters referred to in that Report, such Ordinance to be laid before the States at the same time as the Ordinance bringing the Projet de Loi into force.
4. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

**PROJET DE LOI**

ENTITLED

**THE PUBLIC TRUSTEE (BAILIWICK OF GUERNSEY) LAW, 2002**

The States are asked to decide:–

II.–Whether they are of opinion to approve the Projet de Loi entitled “The Public Trustee (Bailiwick of Guernsey) Law, 2002”, and to authorise the Bailiff to present a most humble Petition to Her Majesty in Council praying for Her Royal Sanction thereto.

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**PROJET DE LOI**

ENTITLED

**THE INCOME TAX (TAX RELIEF ON MAINTENANCE PAYMENTS)  
(GUERNSEY) LAW, 2002**

The States are asked to decide:–

III.–Whether they are of opinion to approve the Projet de Loi entitled “The Income Tax (Tax Relief on Maintenance Payments) (Guernsey) Law, 2002”, and to authorise the Bailiff to present a most humble Petition to Her Majesty in Council praying for Her Royal Sanction thereto.

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**THE SUNDAY TRADING ORDINANCE, 2002**

The States are asked to decide:–

IV.–Whether they are of opinion to approve the draft Ordinance entitled “The Sunday Trading Ordinance, 2002”, and to direct that the same shall have effect as an Ordinance of the States.

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**THE STATES TRADING COMPANIES (BAILIWICK OF GUERNSEY)  
(AMENDMENT) ORDINANCE, 2002**

The States are asked to decide:–

V.–Whether they are of opinion to approve the draft Ordinance entitled “The States Trading Companies (Bailiwick of Guernsey) (Amendment) Ordinance, 2002”, and to direct that the same shall have effect as an Ordinance of the States.

**STATES TRAFFIC COMMITTEE**

**LA ROUTE DE CARTERET 25MPH SPEED LIMIT**

The President,  
States of Guernsey,  
Royal Court House,  
St Peter Port,  
Guernsey.

19th August, 2002.

Dear Sir

**LA ROUTE DE CARTERET 25 MPH SPEED LIMIT**

1. On 19 October, 2001, the Committee introduced on an experimental basis an extension to the 25mph speed limit zone in the Route de Carteret, Castel. The speed limit was extended from its original starting point at the junction with Clos de Carteret to its junction with Les Génats Estate.
2. The extension of the 25mph zone was introduced following a walking audit of the La Mare de Carteret School area conducted by the Traffic Committee's Vulnerable Road Users Working Party. The aim of the speed limit zone extension was to help reduce vehicular speeds along a difficult section of the road where there are no pavements and on the bend where people cross from the nature trail to the La Mare de Carteret playing fields.
3. The experiment was initiated under the terms of Section 1 of the Traffic Temporary Regulations Ordinance, 1950, as amended. These Regulations enable the Committee to introduce experimental speed limits for periods of up to twelve months.
4. The Guernsey Police and the Castel Parish Constables have been consulted for their views on the experiment. The Police believe that the nature and use of the stretch of road in question justifies the lower speed limit, in the interest of road safety. The Castel Parish Constables have no objections to the extended 25mph zone being made permanent.
5. Against the above background, the Committee believes that the experiment in the Route de Carteret should be made permanent.
6. In considering this matter, the Committee has been conscious of the fact that the alteration of speed limits is very much an operational matter that falls within its mandate for traffic management issues. It is concerned that the need to prepare a policy letter on each occasion that it proposes to permanently amend a speed limit, followed by an Ordinance should the proposal be accepted, places an unnecessary administrative burden on the States.
7. The States have already approved legislation that enables the Committee to make provision for road humps, prohibited and one way streets and clearways by Order, after initial experimental periods. The Committee believes that similar legislation should be put into place to enable it to make amendments to speed limits by Order.



8. The Committee, therefore, recommends the States:–
- (a) to approve that the experimental extension of the 25mph speed limit zone in place in the Route de Carteret should be made permanent;
  - (b) to approve that the Committee should, in future, be enabled to make provision for amendments to Island speed limits by Order, providing that any measure being considered has been introduced beforehand on an experimental basis for a period of between nine and twelve months.

The Committee is grateful to you, Sir, for granting permission for the necessary legislation to be placed before the States for consideration at the same time as this policy letter.

I should be grateful if you would lay this matter before the States with appropriate propositions.

Yours faithfully,

P. MELLOR,

President,

States Traffic Committee.

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**[NB The States Advisory and Finance Committee supports the proposals.]**

The States are asked to decide:–

VI.–Whether, after consideration of the Report dated the 19th August, 2002, of the States Traffic Committee, they are of opinion:–

1. That the experimental extension of the 25mph speed limit zone in place in the Route de Carteret shall be made permanent.
2. That the States Traffic Committee shall, in future, be enabled to make provision for amendments to Island speed limits by Order, providing that any measure being considered has been introduced beforehand on an experimental basis for a period of between nine and twelve months.
3. To approve the draft Ordinance entitled “The Vehicular Traffic (Speed Limits) (Amendment) Ordinance, 2002”, and to direct that the same shall have effect as an Ordinance of the States.

**STATES BOARD OF ADMINISTRATION**

NEW MEMBER

The States are asked:–

VII.–To elect a member of the States Board of Administration, who need not be a sitting member of the States, to complete the unexpired portion of the term of office of Mr. M. W. Collins, who has resigned as a member of that Board, namely, to the 31st May, 2004.

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**STATES HERITAGE COMMITTEE**

NEW MEMBER

The States are asked:–

VIII.–To elect a member of the States Heritage Committee, who need not be a sitting member of the States, to complete the unexpired portion of the term of office of Mr. A. B. Dyke, who has resigned as a member of that Committee, namely, to the 31st May, 2004.

**STATES ADVISORY AND FINANCE COMMITTEE**

## REFORM OF MATRIMONIAL LAW

The President,  
States of Guernsey,  
Royal Court House,  
St Peter Port,  
Guernsey.

22nd August, 2002.

Dear Sir

**Reform of Matrimonial Law**1. **Introductory**

- 1.1 The legislation governing divorce and matrimonial matters within the Bailiwick is in need of reform. The primary legislation (the Loi ayant rapport au Divorce et à d'autres Causes Matrimoniales and referred to in this policy letter as the "Matrimonial Causes Law") was enacted in 1939. In view of the social and economic changes which have occurred since the 1930s it would seem appropriate for there to take place a thorough review of the law relating to divorce and other matrimonial matters.
- 1.2 Such a review - which would now also need to take the impact of legal aid in matrimonial proceedings into account - and the implementation of any approved changes in the law will take some considerable time to initiate and complete. In the meantime, a sub committee of the Bar Council has made some immediate proposals for reform of the divorce and matrimonial law which have been endorsed by the Bar Council. The Advisory and Finance Committee has considered those proposals and recommends the States to approve certain amendments to the Matrimonial Causes Law, so as to implement some of the proposals.

2. **Report of the Bar Council sub committee**

- 2.1 The Bar Council sub committee was established following concerns expressed by some members of the Bar, as to certain shortcomings which they perceived in the law, practice and procedure relating to matrimonial proceedings in the Bailiwick. Following a series of meetings and consultations with you, Sir, in your judicial capacity and with the Law Officers, the sub committee made a number of proposals for reform of divorce and matrimonial law, practice and procedure. Those proposals have been endorsed by the Bar Council.
- 2.2 The proposals for reform cover a variety of topics ranging from rules of conduct for Advocates in matrimonial matters to changes in procedure designed to expedite applications for maintenance. Many of the proposals can be implemented by changes to Rules of Court and in standards of practice and procedure adopted in matrimonial cases. Some proposals have already been effected by changes to the Matrimonial Causes Rules 1952 made by the Royal Court.

### 3 Amendments to Matrimonial Causes Law

3.1 In relation to other proposals, however, it would be necessary to make substantive amendments to the Matrimonial Causes Law. Amendments would be required so as to give effect to proposals in the following areas-

#### 3.1.1 Interim Occupation Orders/Ouster Orders

There is no provision under the Matrimonial Causes Law, as it presently stands, empowering the Royal Court to order that one party to a marriage be granted sole occupation of any matrimonial home on an interim or temporary basis. The Bar Council believes that it would be helpful, where there are children of the marriage, for the Matrimonial Causes Division of the Royal Court to be empowered to make an order regarding interim occupation of the matrimonial home. The Committee concurs in the views of the Bar Council.

**The Committee recommends that the Matrimonial Causes Law is amended so as to empower the Matrimonial Causes Division of the Royal Court to make interim occupation orders where appropriate.**

#### 3.1.2 Appointment of guardians ad litem

Circumstances can arise in matrimonial proceedings where children of the parties may need some form of separate representation by or independent advice from a guardian ad litem (that is, an adult appointed to represent the child's interests) or by an Advocate. At the current time, there is no statutory basis upon which a guardian ad litem or an Advocate may be appointed so as to represent or advise a child. The fact that there is no such statutory provision has been remarked upon critically in a recent Court of Appeal decision. The Bar Council proposes that the Matrimonial Causes Law is amended to permit the appointment of guardians ad litem. The Committee sees merit in that proposal but believes that it would be prudent, in relation to this issue, to await the outcome of the review currently being undertaken by the Children Board in connection with child care legislation. As part of that review, the Board is addressing issues concerning the appointment of guardians ad litem and Advocate representatives for children generally. The Board is aware of the Bar Council's proposal, but considers that the issue should be dealt with as part of the child care review, so that clear and comprehensive recommendations concerning the introduction of a guardian ad litem service may be presented to the States in due course. The Committee agrees.

**The Committee recommends that further consideration of issues concerning the appointment by the Royal Court of guardians ad litem and, where appropriate, Advocates to represent the interests of and advise children, whose parents are involved in matrimonial proceedings before the Court, are deferred until conclusion of the review of child care legislation currently being undertaken by the Children Board.**

#### 3.1.3 Wage Arrest Orders

A wage arrest order is an order made by a court requiring the employer of a person, who is obliged to make a payment of money under a Court Order, to withhold a certain proportion of the employee's wages, so that any monies withheld may be applied by the court in satisfaction of the ordered payments. There is specific statutory provision empowering the Magistrates Court to make a wage arrest order. In practice, the Matrimonial Causes Division of the Royal Court has for many years made such orders as a matter of custom and practice

in matrimonial proceedings. The Bar Council proposes that specific statutory wage arrest powers should be given to the Matrimonial Causes Division of the Royal Court.

The Committee concurs in the proposal and **recommends that the Matrimonial Causes Law is amended so as to give the Matrimonial Causes Division of the Royal Court specific statutory powers to make wage arrest orders.**

#### 3.1.4 Power to remit arrears

There are occasions when individuals who are required to make maintenance payments fall into arrear with those payments. This may occur, for example, where the individual concerned has lost his or her job or has had to apply funds towards unexpected expenditure. In these types of circumstances, it is often unfair or unrealistic to expect the arrears to be paid. There is some doubt as to whether or not the Matrimonial Causes Division of the Royal Court has power formally to remit (that is wave) arrears and it has sometimes proved necessary for the Court to backdate orders so as, effectively, to achieve the remission of arrears.

**The Committee recommends that the Matrimonial Causes Law is amended so as to give the Matrimonial Causes Division of the Royal Court statutory power to remit arrears of maintenance and other relevant payments.**

#### 4. Recommendations

The Committee recommends the States –

- (a) to agree that the Matrimonial Causes Law, 1939 should be amended so as-
  - (i) to empower the Matrimonial Causes Division of the Royal Court to make interim occupation orders where appropriate;
  - (ii) to give the Matrimonial Causes Division of the Royal Court specific statutory power to make wage arrest orders; and
  - (iii) to give the Matrimonial Causes Division of the Royal Court statutory power to remit arrears of maintenance and other relevant payments; and
- (b) to defer consideration of issues relating to the appointment of guardians ad litem and Advocate child representatives until such time as the Children Board concludes its child care legislation review and makes any recommendations it then considers appropriate.

I should be grateful, Sir, if you would lay this report before the States together with the appropriate propositions, including one directing the preparation of the necessary legislation.

Yours faithfully,

L. C. MORGAN,  
President,

States Advisory and Finance Committee.

The States are asked to decide:—

IX.—Whether, after consideration of the Report dated the 22nd August, 2002, of the States Advisory and Finance Committee, they are of opinion:—

1. That the Matrimonial Causes Law, 1939 shall be amended so as—
  - (a) to empower the Matrimonial Causes Division of the Royal Court to make interim occupation orders where appropriate;
  - (b) to give the Matrimonial Causes Division of the Royal Court specific statutory power to make wage arrest orders; and
  - (c) to give the Matrimonial Causes Division of the Royal Court statutory power to remit arrears of maintenance and other relevant payments.
2. To defer consideration of issues relating to the appointment of guardians ad litem and Advocate child representatives until such time as the Children Board concludes its child care legislation review and makes any recommendations it then considers appropriate.
3. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

**GUERNSEY SOCIAL SECURITY AUTHORITY**

**BENEFIT AND CONTRIBUTION RATES FOR 2003**

The President  
States of Guernsey  
Royal Court House  
St Peter Port  
Guernsey

22 August 2002

Dear Sir

**Benefit and contribution rates for 2003**

1. This report is in five parts:

- |          |  |
|----------|--|
| Part I   | <p><b><i>Social insurance</i></b><br/>refers to the Survey of Living Standards in Guernsey, recommends increases in the rates of social insurance benefits from 6 January 2003 including a strengthening in the rate of single pension, recommends increases in the contribution lower and upper limits, specifies the new consolidated rates of contributions including health and long-term care insurance and sets out the effect of these changes on the finances of the social insurance scheme;<br/>(paragraphs 7 to 63)</p> |
| Part II  | <p><b><i>Health Benefits</i></b><br/>reports on progress with the new contracts for the specialist health insurance scheme, comments on the medical benefit consultation grants, recommends an increase in the prescription charge and recommends a restriction on medical practitioners allowed to prescribe at the expense of the Guernsey Health Service Fund;<br/>(paragraphs 64 to 83)</p>  |
| Part III | <p><b><i>Long-term care insurance</i></b><br/>comments on the expected timetable for the coming into force of the Long-term Care Insurance Law and recommends the level of co-payment and various benefit rates to take effect, subject to legislation, from 7 April 2003;<br/>(paragraphs 84 to 91)</p>   |
| Part IV  | <p><b><i>Non-contributory services</i></b><br/>refers, again, to the Survey of Living Standards in Guernsey, recommends increases in supplementary benefit requirement rates from 10 January 2003, including a strengthening of the rate for a single householder, recommends an increase in the benefit limitations and recommends a winter allowance for heating;<br/>(paragraphs 92 to 104)</p>   |
- recommends an increase in family allowance from 7 January 2003;  
(paragraph 105)

recommends an increase in the rates of attendance and invalid care allowances from 6 January 2003 and recommends amendments to the Attendance and Invalid Care Allowances Law concerning the determination of claims and terminal illness provisions;

(paragraphs 106 to 116)

comments on the free TV licence scheme;

(paragraph 117)

***Recommendations***

Part V sets out a summary of the Authority's recommendations.

(paragraph 118)

***Introduction***

2. The Authority has undertaken its annual review of the social security and health benefits paid under the various schemes for which it is responsible and, with the exception of medical benefit grants and some of the benefit add-ons for dependant adults, will recommend increases in all benefit rates.
3. Guernsey continues to enjoy full employment at present, with only 71 people registered as wholly unemployed at the beginning of July 2002. This represents just 0.25% of the working population.
4. Full employment continues to have major positive effects on the finances of the Guernsey Insurance Fund on both the expenditure and income sides. In addition to the low level of expenditure on unemployment benefit, contribution income to the Fund is increased through more people being in paid employment, paying earnings related contributions.
5. In contrast to this picture of prosperity, the Survey of Guernsey Living Standards, commissioned by the Advisory and Finance Committee and undertaken by the Townsend Centre for International Poverty Research, reported that 16% of Guernsey households are living in relative poverty. The Authority, through its provision of social welfare schemes, has first hand experience of many families living in poverty, but the 16% poverty level, which equates to 3,000 households, is higher than previously thought.
6. A poverty reduction strategy is being developed by the Advisory and Finance Committee, initially through the officer level Social Policy Working Group, assisted by the Townsend Centre. A successful strategy will have more to it than simply raising benefit levels or widening the net of benefit cover. It should span the mandates of all of the social affairs committees and include issues of housing and rents, healthcare, childcare and other social services. Having acknowledged that point, the Authority believes that there are some measures relating solely to benefits that can be moved on in advance of an agreed cross-committee strategy and will make a number of such recommendations in this report.



**PART I**  
**SOCIAL INSURANCE**

***Benefit Rates***

7. Having regard to the income and expenditure for 2001 and the projections of income and expenditure for 2002 and 2003, the Authority recommends increases in the rates of social insurance benefits, to take effect from 6 January 2003.
8. For the fifth year in succession, the Authority will recommend increases in the contributory, social insurance benefits which are above the current rate of increase in the Guernsey Retail Prices Index. This year, the recommendation is for general increases of around 4%, but with an increase of around 7.5% in the case of single pensioners for reasons explained in the paragraphs that follow.
9. It is the Authority's policy that, over the medium and long term, the rates of old age pension, and other contributory benefits should increase by some point between the increase in RPI and the increase in average earnings. Having stated that aim, it should be noted that benefit increases recommended by the Authority each year depend both on current circumstances and the longer-term liabilities of the Fund. The Authority is mindful of the need to balance its desire for real increases in benefit rates against rates of contributions that are affordable now and in the future for persons paying into the Fund.
10. The Townsend Centre's Survey of Guernsey Living Standards (published January 2002) reported the comforting statistic that 95% of pensioner couples were not poor. But this was accompanied by the worrying statistic that 43% of single pensioners were poor. The Authority is resolved to improve this unacceptable situation.
11. The reasons for the striking contrast between the fortunes of the pensioner couples and the single pensioners were not examined in the survey. One fact, which must be relevant, is that, generally, a person's wealth will decrease following retirement and will further decrease with age. The majority of single pensioners, predominantly women, will be the surviving spouse of a pensioner couple. They will be the more elderly section of the pensioner group and the passage of time may well have caused any savings to have been used up.
12. Apart from the foregoing issue of the length of time that a person has been retired, there is also the issue that 'two can live as cheaply as one'. The Authority is aware that when one spouse of a pensioner couple dies, the reduction in household pension income can hit hard. Illustrating the case with a fairly typical pensioner couple, both over 65, the husband may be getting a full old age pension of £112.50 per week and the wife may be getting a pension, based on her husband's insurance record, of £68.75 per week. This gives the couple what is known as 'the married couple's pension' of £181.25 per week. When the husband dies, the widow's own pension ceases and she inherits the same level of individual pension that was being paid to her husband. But although her individual pension has increased, the net loss of £68.75 in household income may mean that household running costs cannot be met. There is, of course, the availability of a benefit top-up from supplementary benefit, but there may be reasons why this is not immediately pursued, such as there being moderate levels of savings remaining.

***Addressing single pensioner poverty***

13. The Townsend Centre's finding on poverty among single pensioners has prompted the Authority to look at the relative magnitudes of the married couple rates and single

pensioner rates for both old age pension and supplementary benefit, the latter consideration being addressed in paragraph 92 of this report.

14. Taking the married couple's old age pension as 100%, the current split between the husband's own pension and the rate for the wife based on the husband's record is 62% to 38%. This split has consistently applied since the start of the compulsory pension scheme in 1965. It is also the same split as currently applies to old age pension (retirement pension) in England, which is not surprising since Guernsey originally followed the English legislation as closely as possible.
15. The Authority believes that the relativity between the single pension and the married couple's pension should be altered, strengthening the proportion of the single pension and weakening the proportion of the dependant rate. The Authority notes, from information appearing in an appendix to the Townsend Centre's report (p.143), that research indicates a split of 70% to 30% to be more appropriate. The Authority further notes that the proposed pension credit system, due to be introduced in the UK from next year, is expected to guarantee a minimum income of approximately £100 per week for a single pensioner and £154 for a couple. The pension credit, therefore, shows a 65% to 35% split. This is further evidence in support of the Authority moving from the present 62% to 38% split, in the direction of 70% to 30%, as a positive measure towards improving the position of single pensioners, particularly the surviving spouses of married couples.
16. The Authority cannot achieve a 70% to 30% split of pension in a single move without reducing in money terms, and further reducing in real terms, the amount of the dependant person's pension. The Authority considers this out of the question because there are a number of cases, albeit very few, where the wife entitled to the dependant's pension does not live with the husband. The Authority would not recommend a reduction in those pensions.
17. The Authority's preference is to move in the direction of a 70% to 30% split incrementally over several years, through recommending a higher annual percentage uprating on the single pension than on the dependant pension. But it should be noted that there are major cost implications, as reported in paragraph 50 below, which will certainly prevent 70% to 30% being achieved in the short or medium term and may prevent it being achieved indefinitely.
18. Notwithstanding the foregoing, the Authority recommends a major initial step in the required direction. For the rates of old age pension to apply from January 2003, the Authority will recommend an increase of around 7.5% on the single pension, but only around 1% on the dependant's pension, giving an increase on the married couple's pension of around 5%. This significant step will move the current 62% to 38% pension split to 64% to 36%. It will add £8.50 per week to the full rate single pension and will mean a £9.25 per week increase for a pensioner couple on full rate pension.
19. For the third year in succession, the Authority is not recommending any increase to the benefit add-ons for dependant adults in respect of sickness benefit, unemployment benefit, industrial injury benefit and invalidity benefit. Almost exclusively, these are paid to married men in respect of their wives who, in many cases, are in paid employment. The increase of benefit cannot be claimed by a married woman in respect of her husband, unless he is incapable of self-support. The Authority is working on proposals for equal treatment of the sexes under the social insurance scheme and intends reporting to the States in the next six months. It is envisaged that increase of benefit for adult dependants will be phased out, with a move towards individualisation of benefit entitlements for the

insurance-based, contributory benefits. For the avoidance of doubt, the Authority has no intention of individualising the taxation funded means-tested benefits such as supplementary benefit, where it is essential to aggregate the needs and resources of the family unit.

20. Subject to the foregoing, the Authority recommends increases in the contributory benefits, from 6 January 2003, as set out below:

(2002 rates in brackets)

<b>Long-term benefits</b>		
Old age Pension -		
Insured person	£121.00	(£112.50)
Dependant wife or wife over age 65	<u>£69.50</u>	<u>(£68.75)</u>
	£190.50	(£181.25)
Widow's Benefit -		
Widowed Parent's Allowance	£115.50	(£111.00)
Widow's Pension	£115.50	(£111.00)
Guardian's Allowance	£31.25	(£30.00)
Industrial Disablement Benefit -		
100% disabled	£103.00	(£98.90)

<b>Short-term benefits</b>		
Unemployment Benefit -		
Insured person	£84.30	(£81.06)
Dependant Wife	<u>£43.44</u>	<u>(£43.44)</u>
	£127.74	(£124.50)

Sickness and Industrial Injury Benefit		
Insured Person	£84.30	(£81.06)
Dependant Wife	<u>£43.44</u>	<u>(£43.44)</u>
	£127.74	(£124.50)

Invalidity Benefit -		
Insured Person	£96.90	(£93.18)
Dependant Wife	<u>£48.90</u>	<u>(£48.90)</u>
	£145.80	(£142.08)

Maternity Allowance	£84.30	(£81.06)
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These rates of weekly benefit apply to persons who have fully satisfied the contribution conditions. Reduced rates of benefit will be increased proportionately.

***Survivor's grant***

21. A survivor's grant can be claimed by widows, and also by widowers with dependant children, where the late spouse was under 65 at the time of death. The amount of the grant is based on the insurance record of the deceased. Full rate survivor's grant is currently £1,110. The Authority recommends that this be increased to £1,160 from 6 January 2003. Reduced rates of grant will be paid in respect of incomplete contribution records.

***Maternity grant and death grant***

22. The amount of the maternity grant is at present £227.00; the Authority recommends that this be increased to £236.00 from 6 January 2003.
23. The amount of the death grant for persons over 18 is at present £353.00, where the contribution conditions are fully met, with three different, lesser rates applying to children in age bands below 18, likewise with the contribution conditions (of a parent) fully met. Where the contribution conditions are partly met, reduced rates of grant are paid. With the number of young deaths, thankfully, of very low incidence, the Authority considers that having different levels of death grant, by age, serves only to complicate the benefit unnecessarily. The Authority, therefore, recommends that death grant should be increased to £367.00 from 6 January 2003 and that this level of benefit should apply to all ages. This single, headline rate of benefit will be reduced, as is now the case, for incomplete contribution records.

***Contributions***

24. The Authority is able to recommend the above increases in social insurance benefits without increasing the percentage rates of contributions payable by employed, self-employed and non-employed persons for those benefits. The Authority will, however, recommend increases in the upper and lower earnings or income limits, within which contributions are paid.
25. While no changes in the percentage rates of contributions are required for social insurance benefits, the States have already approved increases in the percentage rates for contributions to the Guernsey Health Service Fund and also for the Long-term Care Insurance Fund which, subject to legislation, will be established from 1 January 2003.
26. On 1 March 2001, having considered a report from the Authority dated 26 January 2001, the States resolved (Billet d'Etat III of 2001):
- 'that a compulsory social security long-term care insurance scheme be introduced on the lines outlined in paragraph 118 of that report...'*
27. Paragraph 118, referred to above, specified a contribution rate of 1.4% of relevant income, or earnings. This contribution was to be borne wholly by the insured person, not shared with the employer.
28. On 28 February 2002, having considered a report from the Authority dated 18 January 2002, the States approved the heads of agreement of new contracts with the Medical Specialist Group and the Guernsey Physiotherapy Group, those contracts, which the Authority will enter jointly with the Board of Health, delivering the services of the specialist health insurance. The States resolved (Billet d'Etat II of 2002), among other things, that:

*'the percentage rate of all primary and secondary Class 1 contributions shall be increased by 0.1%;*

*'the percentage rate of all Class 2 and Class 3 contributions payable by resident contributors shall be increased by 0.2%.*

29. On 24 April 2002 (Billet d'Etat VI of 2002) the States approved the Projet de Loi entitled 'The Long-term Care Insurance (Guernsey) Law, 2002. The Authority understands that the Projet de Loi is now with the Privy Council and there is a reasonable expectation of the Law being registered on the Island's records in the latter part of 2002. If so, and subject to the States approving subordinate legislation, the Long-term Care Insurance Law will come into force on 1 January 2003. The Authority will be recommending to the States that contributions for the scheme should commence on 1 January 2003, but benefit should be paid from 7 April 2003. This phasing is to allow an initial working capital to accrue for this entirely new scheme.
30. The combined effect of the long-term care insurance scheme and the revised health insurance scheme contracts on the main social security contribution rates is shown below. The tables are not exhaustive and do not show reduced rates payable by certain classifications of married women and non-employed persons:

<b>Contribution rates for employed persons from 1 January 2003</b>			
	Employer	Employee	Total
Existing rates	5.4%	4.5%	9.9%
Extra for specialist health insurance	0.1%	0.1%	0.2%
Extra for long-term care insurance		1.4%	1.4%
<b>New total from 01-01-03</b>	<b>5.5%</b>	<b>6.0%</b>	<b>11.5%</b>

<b>Contribution rates for self-employed persons from 1 January 2003</b>		
		Total
Existing rates		8.9%
Extra for specialist health insurance		0.2%
Extra for long-term care insurance		<u>1.4%</u>
<b>New total from 01-01-03</b>		<b>10.5%</b>

<b>Contribution rates for non-employed persons under 65 from 1 January 2003</b>		
		Total
Existing rates		8.3%
Extra for specialist health insurance		0.2%
Extra for long-term care insurance		<u>1.4%</u>
<b>New total from 01-01-03</b>		<b>9.9%</b>

<b>Contribution rates for non-employed persons over 65 from 1 January 2003</b>		
		Total
Existing rates		1.0%
Extra for specialist health insurance		0.2%
Extra for long-term care insurance		<u>1.4%</u>
<b>New total from 01-01-03</b>		<b>2.6%</b>

***Upper earnings limit for employed persons***

31. The Authority recommends that the upper earnings limit be increased from 1 January 2003 from £564 per week to £591 per week in the case of the weekly paid (or £2,561 per month in the case of employed persons paid less frequently than once a week).
32. The effect of the proposed new upper earnings limit, and the increased contribution rates for health and long-term care insurance, on persons who pay a contribution at the upper earnings limit is as shown below:

(2002 figures in brackets)

Weekly Earnings	Contributions		
	Employer	Employee	Total
	5.5%	6.0%	11.5%
	(5.4%)	(4.5%)	(9.9%)
Upper Earnings Limit			
£591 or more	£32.50	£35.46	£67.96
(£564)	(£30.46)	(£25.38)	(£55.84)

***Lower earnings limit for employed persons***

33. The Authority proposes to increase the lower earnings limit from £80 per week to £83 per week. The corresponding monthly limit would be £359.66.
34. The effect of the above changes on a contribution at the lower earnings limit is as follows:

(2002 figures in brackets)

Weekly Earnings	Contributions		
	Employer	Employee	Total
	5.5%	6.0%	11.5%
	(5.4%)	(4.5%)	(9.9%)
Lower Earnings Limit			
£83.00	£4.56	£4.98	£9.54
(£80.00)	(£4.32)	(£3.60)	(£7.92)

***Upper earnings limit for self-employed persons***

35. The proposed increase in the upper weekly earnings limit from £564 to £591 would mean that the upper annual earnings limit for self-employed persons in 2003 would be increased from £29,328 to £30,732 (£591 x 52).
36. The effect of the proposed new upper earnings limit, and the increased contribution rates for health and long-term care insurance, on self-employed persons who pay a contribution at the upper earnings limit is as follows:-

(2002 figures in brackets)

Annual earnings from self-employment	Contributions
	10.5%
	(8.9%)
£30,732 or more	£62.06
(£29,328 or more)	(£50.20)

37. Self-employed persons who have applied to pay earnings related contributions, and whose earned income from self-employment was less than £30,732, will pay less than the maximum contribution.
38. The proposed increase in the lower earnings limit from £80 to £83 per week would mean that the lower annual earnings limit for self-employed persons in 2003 would be increased from £4,160 to £4,316 (£83 x 52). The minimum self-employed (Class 2) contribution in 2003 would be £8.71 per week (£7.12 in 2002).
39. These changes also affect the maximum and minimum health benefits only contributions payable by self-employed married women who have not elected to pay full percentage rate contributions. The maximum health and long-term care insurance only self-employed (Class 2) contribution in 2003 would be £24.82 per week (£14.66 in 2002). The minimum health and long-term care insurance only self-employed (Class 2) contribution in 2003 would be £3.49 per week (£2.08 in 2002).

*Upper income limit for non-employed persons*

40. As with the self-employed, non-employed contributors are liable to pay non-employed, Class 3 contributions, at the maximum rate unless application is made to the Authority and authorisation given for the release of the relevant information by the Income Tax Authority. This allows an income-related contribution to be calculated. Once made, an application carries forward each year until the contributor informs the Authority that it is revoked. A separate application does not need to be made each year.
41. There are three main categories of non-employed contributions:
- (i) Full percentage rate contributions to cover social insurance, health service and, from January 2003, long-term care insurance liabilities;
  - (ii) Health service and, from January 2003, long-term care insurance contributions. These contributions go towards funding the pharmaceutical service, the medical consultation grants, the specialist health insurance scheme and the long-term care insurance scheme;
  - (iii) Specialist health insurance and, from January 2003, long-term care insurance contributions. These contributions, which are payable by persons aged 65 or over, go towards funding the specialist health insurance scheme and the long-term care insurance scheme.
42. The proposed increase in the upper earnings limit (paragraph 31) will mean that the upper income limit for non-employed contributions will also increase to £30,732 per year.
43. The Authority has, this year, given special consideration to the lower income limit for non-employed contributions. This is the level of income at which a non-employed person is required to pay contributions. The current (2002) lower income limit is £8,320 per annum. A non-employed person under 65 with precisely that amount of annual income would currently have to pay £13.28 per week. A non-employed person over 65 with precisely that amount of annual income would currently have to pay £1.60 per week.
44. Having regard to the increases in the contribution percentage rates necessary for health insurance and long-term care insurance, and the findings of the Townsend Centre regarding poverty in Guernsey, the Authority is of the view that the lower income limit should be raised in order to allow an increased number of people on low income to avoid the need to pay contributions. The Authority recommends that the lower income figure be

increased from £8,320 per year to £10,790 per year. The Authority estimates that this would result in nearly 800 marginal contributors over the age of 65 no longer being required to pay towards health insurance, nor for the impending long-term care insurance. The Authority further estimates that approximately 30 full percentage rate non-employed contributors under 65 would no longer have to pay and approximately 50 health only contributors under 65 would no longer have to pay.

45. It should be noted that the lower income limit is a form of threshold, not an income allowance. Raising the lower income limit substantially, as recommended allows a significant number of people to escape contributions, which is the intention. But it does mean that the entry point contribution for people with income also shows a substantial increase, as can be seen in the table below. The table shows the minimum and maximum weekly contributions payable in 2003 by non-employed persons. People with income at some point between the upper and lower limits will pay pro-rata.

(2002 figures in brackets)

<b>Contributions for non-employed persons</b>			
<b>Annual Income</b> (Tax Year of Charge 2002)	<b>Full rate</b> <b>(under 65)</b>	<b>Health service</b> <b>and long-term</b> <b>care only</b> <b>(under 65)</b>	<b>Specialist</b> <b>health and long-</b> <b>term care only</b> <b>(over 65)</b>
	9.9%	4.2%	2.6%
	(8.3%)	(2.6%)	(1.0%)
	<b>Weekly contribution</b>		
Less than £10,790	zero	zero	Zero
(less than £8,320)	(zero)	(zero)	(zero)
£10,790	£20.54	£8.71	£5.39
	(£17.22)	(£5.40)	(£2.08)
£30,732	£58.51	£24.82	£15.37
(£29,328)	(£46.81)	(£14.66)	(£5.64)

46. As shown above, where a non-employed person's annual income is below £10,790 that person will be exempted from the payment of contributions. However, this could affect old age pension entitlement. Therefore, low income non-employed persons under 65, who wish to pay contributions in order to protect their social insurance contribution record, are entitled to pay the minimum full percentage rate contribution, which for 2003 will be £20.54 per week.

***Special (minimum) rate Class 3 contributions***

47. A special rate Class 3 contribution is payable by insured persons who would normally rely upon employed contributor's employment for their livelihood, but have a small gap in their record where they were neither employed nor receiving an unemployment credit. The special rate contribution is currently £6.64 per week, being the full non-employed contribution rate of 8.3% charged on 50% of the current lower income limit of £160 per week. The combination of the proposed new lower income limit of £207.50 per week in 2003 and the full non-employed contribution rate of 9.9% means that the special minimum rate Class 3 contribution will be £10.27 per week in 2003.



***Income and expenditure on Guernsey Insurance Fund***

48. In the following paragraphs, contribution income and States Grant from general revenue refer only to the Guernsey Insurance Fund. Revenues for the Guernsey Health Service Fund are accounted for separately, as will be the revenues for the new Long-term Care Insurance Fund.
49. The Guernsey Insurance Fund accounts for 2001 show income from contributions of £40.60m and from the States' Grant of £23.13m, giving a total income of £63.73m, before taking investment income into account. Total benefit expenditure and administration amounted to £55.55m, producing an operating surplus of £8.18m for the year. The operating surplus was transferred to the Guernsey Insurance Fund reserve for provision against future long-term liabilities.
50. The estimated results for 2002 and 2003 will, as always, be influenced by the benefit expenditure and the amounts by which contribution income and the States' Grant increase. With regard to benefit expenditure, the Government Actuary's Department has advised that the Authority's proposal to strengthen the single person's pension by 7.5%, compared with the general uprating of other contributory benefits by around 4%, will add an extra £1.57m to benefit expenditure in 2003. While supportive of the Authority's objective of strengthening the single pension, the Department has further advised that if steps of this magnitude were taken in successive years, and assuming economic conditions remain unchanged, the operating surplus that the Fund has been enjoying in these most favourable conditions would reduce to zero by 2007. It is in the light of this advice that the Authority acknowledged earlier in this report (para. 17) that the desirable 70% to 30% split in the married couple's pension will not be achievable in the short and medium term.
51. Contribution income to the Fund is related to the number of contributors and the level of their earnings. The States' Grant is paid in direct proportion to total contribution receipts for the purpose of supplementing the contributions of persons who pay contributions at less than the maximum (support) rate. For every £1 collected from contributions, the States Grant pays 57p. This means that general revenue contributes 36% of the income to the Guernsey Insurance Fund, excluding investment income.
52. On the basis of assumptions of wage and salary increases, the increases in benefits proposed in this report and the proposed strengthening of the single pension, it is estimated that:
- (1) there will be a surplus in 2002 in the order of £8.52m.
  - (2) if the benefits were increased as proposed, the surplus in 2003 would be in the order of £6.89m

***States' Grant - Guernsey Insurance Fund***

53. The 2001 States' Grant from general revenue, which is determined by contribution income, amounted to £23.13m. It is estimated that the States' Grant will be in the order of £24.75m in 2002 and £26.12m in 2003, depending on the increase in earnings and, consequently, contributions.

***Minor amendments to Social Insurance Law***

54. In September 1998, the States accepted the Authority's proposals (Billet XXI of 1998), among other more important matters, to remove from the Social Insurance Law certain technical details relating to the administration of the short-term benefits for incapacity and unemployment. This was not with the intention of bringing in immediate changes, but because it is now believed that such matters properly belong to subordinate legislation.
55. The Authority has now identified two further matters which it believes should likewise be removed from primary legislation. As before, it is intended that they would be kept in force by Regulations until such time as the modernisation of the Authority's computer systems allow for the simplification that is now needed.

***Waiting days***

56. The first concerns 'waiting days', the means adopted in the days of manual processing to inhibit trivial claims to benefit for short periods. The provisions remaining in the Law are now felt to be unnecessarily prescriptive, hindering the design of alternative and simpler ways of achieving the same objective. The Authority recommends that in the specified sections of the Law there should instead be inserted a general power to prescribe that benefit should not be payable for such days and under such circumstances as may be prescribed by Regulations.

***Seven day benefit week***

57. Secondly, the Law stipulates that all the short-term benefits should be payable on a daily basis, but that Sunday should be disregarded, and the daily rate should be calculated as one sixth of the weekly. This also requires complex provisions to be made for those who may work on any day of the week, both shift workers and those whose employers operate over seven days, leading to a rolling working week for many individuals.
58. These provisions have no real effect for most claimants, since benefits are largely paid for complete weeks, except at the beginning and end of a claim. The calculation of benefit periods when one day in seven is ignored is unnecessarily complex, while the Regulations relating to the substitution of another non-working day for Sunday create much difficulty for the Authority's staff and appear incomprehensible to claimants.
59. The Authority recommends that these provisions contained in the Law should be repealed, but replaced by a general enabling power to allow the status quo to continue by regulation until it is possible to make changes.

***Human rights compliance***

60. Article 6 of the European Convention for the Protection of Human Rights requires there to be an appeals procedure for all decisions made under the Law. The Authority is satisfied that the Social Insurance Law is largely compliant in this respect, but there are two areas where change is required.
61. The first concerns widows' benefits, which are payable only so long as the widow, or widower, does not remarry, or where there is cohabitation with a person of the opposite sex as man and wife. The decision that such cohabitation exists, and that benefit should not be payable is given to the Guernsey Social Security Authority by the Law, and there is no appeal from that decision.

62. The Authority recommends that in such cases the decision should be made by the Administrator, so that the existing appeal procedures attached to all statutory decisions of the Administrator will apply.
63. The second is that the extent of the loss of faculty which gives rise to the award of industrial disablement benefit is determined by a medical board whose decision is currently referred to in the Law as final, meaning that there is no appeal. The Authority believes that there should be a right of appeal through the existing appeal procedures and recommends that the Law should be modified to achieve this end.

## PART II HEALTH SERVICE BENEFITS

64. The health service benefits, costing £20.74m in 2001, were financed by £16.35m from contributions allocated to the Health Service Fund and £5.88m from the States' Grant from general revenue. There was an operating surplus of £1.49m for the year.

### *Medical Benefit Grants*

65. The grants for doctor and nurse consultations remained at £8 per doctor consultation and £4 per nurse consultation. The total benefit expenditure on consultation grants was £2.09m. This was 1.0 % above the previous year.
66. In the course of debate on the Authority's uprating proposals for 2002 (Billet d'Etat XIX of 2001) an amendment was placed by Deputy Webber, seeking to increase the level of the doctor consultation grant from £8 to £9 and the nurse consultation grant from £4 to £4.50. The Authority opposed the amendment, mainly, on the grounds that the finances of the Health Service Fund remain vulnerable to the increased cost of the pharmaceutical service, such increases in costs consistently exceeding Guernsey RPI. The Authority also made the point that, if there was a financial barrier to people attending the doctor, the Authority would prefer to address this, for the people in need, under the discretionary provisions of the means tested medical expenses assistance scheme (MEAS) instead of through across the board expenditure on medical grants.
67. While it is acknowledged that a number of States members spoke in favour of Deputy Webber's amendment, it was lost. Again this year, the Authority will not recommend any increase in the medical benefit grants, in the knowledge that this approach was endorsed by the States last year through rejection of the amendment.

### *Pharmaceutical Service*

68. Prescription drugs cost a total of £12.12m in 2001, before netting off the prescription charges paid by patients. This was an increase of 8.4% over the previous year, compared with an increase of 1.9% in the Guernsey RPI.
69. The total cost to the Health Service Fund was reduced by approximately £961,000 collected in prescription charges.
70. The Prescribing Support Unit, comprising representatives of the Authority and the Board of Health, with delegates from the local divisions of the British Medical Association and Royal Pharmaceutical Society, continues to meet quarterly. The aims of the Unit are to maximize the improvement in health of Islanders by the most appropriate and cost effective use of medicines and medical appliances and to ensure that future healthcare

needs can be met. Outside the meetings, the initiatives on cost-effective prescribing are put into effect and monitored by the Prescribing Adviser to the Authority and the Board.

71. The Prescribing Support Unit has achieved some notable successes, particularly in the promotion of generic prescribing and central purchasing of flu vaccines. But it should be noted that cost effective prescribing is not concerned only with saving money. Some of the initiatives of the Unit have resulted in considerable extra expenditure, in areas such as increased prescribing for prevention of osteoporosis and control of blood pressure.

***White list of approved drugs***

72. Notwithstanding the successes that the Prescribing Support Unit has achieved, the Authority remains very concerned by the ever-escalating cost of the pharmaceutical service and has concluded that the time has arrived when a move from, generally, open-list prescribing to a so called 'white list' must be given the most serious consideration. The white list would need to be a comprehensive formulary of approved drugs and medicines, sufficient for the community's medical needs. At this early stage, the Authority envisages that the list would be given effect through regulations of the Authority, which would receive advice from an expert panel comprising the pharmaceutical adviser, local doctors and local pharmacists.
73. Introduction of a white list will require an amendment to legislation, necessitating a policy letter to the States. In this report, the Authority is giving notice that this issue is on its agenda and that consultation with the medical profession and the pharmacists is currently in progress.

***Prescription charge***

74. The prescription charge for 2002 is £2.10 per item. For a number of years the States have approved annual increases of 10p in the charge. The Authority recommends the same increase this year, with a charge of £2.20 per item effective from 1 January 2003.

***Specialist Health Insurance Scheme contracts***

75. The contracts with the Medical Specialist Group, the Ophthalmic Group, the Guernsey Physiotherapy Group and the Alderney General Practitioners, being the contracts comprising the specialist health insurance scheme, all expire on 31 December 2002. The combined cost of these contracts to the Health Service Fund was £6.71m in 2001.
76. On 1 March 2002 (Billet d'Etat II of 2002), the States approved the heads of agreement for new contacts with a merged Medical Specialist Group and Ophthalmic Group and with the Guernsey Physiotherapy Group. In the case of the latter, as a result of an amendment by Deputy Bougourd being carried, the Authority and the Board of Health were required to explore fully sub-contractual or other arrangements enabling community based physiotherapy practices to participate in the provision of some of the out-patient physiotherapy services under the scheme.
77. As of the date of this report, the Authority and the Board of Health are proceeding satisfactorily with the detailed work of developing the heads of agreement into commercial contracts. The two committees have also facilitated and participated in several rounds of discussions between the Guernsey Physiotherapy Group and other community based physiotherapists in accordance with Deputy Bougourd's amendment, to date without an accommodation being achieved.

***Amendment to definition of 'approved dentist' and 'approved medical practitioner'***

78. The Health Service (Benefit) (Guernsey) Law, 1990 includes definitions of approved medical practitioners and approved dentists. Such approval, allows doctors and dentists to prescribe drugs and medicines at the expense of the Guernsey Health Service Fund. It also allows consultations by the approved doctors to be eligible for the payment of a medical benefit grant.
79. The Health Service Law currently defines 'approved dentist' as:
- 'a dentist whose name is included in either of the lists of dentists maintained by the States Board of Health pursuant to paragraph 1(1) of the Resolution of the States of 31st January 1990;'*
80. The Law currently defines 'approved medical practitioner' as:
- a medical practitioner whose name is included in either of the lists of medical practitioners maintained by the States Board of Health pursuant to paragraph 1(1) of the said Resolution;'*
81. The said resolution refers to Resolution XI, Billet d'Etat II of 1990 which states:
- '1(1) That the States Board of Health shall maintain a list of doctors and dentists who-*  
*(a) may refer patients for investigation in the Pathology and Radiology Departments;*  
*(b) as well as referring for investigations, may in addition treat patients at, or admit patients to, the Princess Elizabeth Hospital.*
- (2) That the criteria for admission to those lists shall be as set out in paragraph 11 of that Report.'*
82. The Health Service legislation, linked with the Board of Health's lists, as described above, has been effective in generally restricting the doctors who may prescribe at the expense of the Health Service Fund to those within the Board of Health's recognised medical manpower numbers. The position has now altered, however, through States approval of the Board of Health's policy letter dated 23 January 2002, titled 'Consultant Fees and the Provision of Wholly Private Care Including Radiology and Pathology Investigations' (Billet d'Etat III 2002). This has allowed access to be given to radiology and pathology on a wholly private basis. Under this new arrangement a doctor who is qualified and authorised to practise medicine, but who is not included in the recognised medical manpower limit may purchase pathology and radiology services from the Board of Health. As a consequence, the position of that doctor in relation to his ability to prescribe at the expense of the Health Service Fund and for his patients to claim medical benefit grants towards the cost of consultations is less transparent as these doctors may still not be included in either of the Board of Health's lists. This confusion is an unintended consequence of approval of the Board's proposals, which the Authority and the Board wish to redress.
83. The Health Service Law enables the States, by Ordinance, to amend the definitions of approved dentist and approved medical practitioner. The Authority recommends that the definitions be amended to exclude doctors and dentists who have access to radiology and pathology departments on a private basis only, so that their position is clarified under this Law.

**PART III**  
**LONG-TERM CARE INSURANCE**

84. The Authority's detailed proposals for a long-term care insurance scheme were approved by the States on 1 March 2001 (Billet d'Etat III of 2001). The Projet de Loi was approved on 24 April 2002 (Billet d'Etat VI of 2002).

*Contribution income*

85. The contribution rates for the long-term care insurance scheme are set out in paragraph 30 of this report. Subject to the legislation allowing the collection of contributions to start on 1 January 2003, the Authority estimates that contribution income to the Long-term Care Insurance Fund will be £10.69m in 2003.

*States Grant from general revenue*

86. The States have approved (Resolution VII Billet d'Etat III of 2001) an annual grant to the Long-term Care Insurance Fund equal to 12% of contribution receipts. The Authority estimates that the States Grant will be £1.28m in 2003.

*Co-payment by person in care*

87. It is a condition of entitlement to benefit under the long-term care insurance scheme that the person in care should make a co-payment. In its report of 26 January 2001 (Billet d'Etat III of 2001) the Authority proposed a co-payment of £105 per week in 2000 rates. Taking into account the movement in Guernsey RPI, the Authority recommends a co-payment of £119 per week, to apply, subject to legislation, from the beginning of April 2003.

88. The setting of the co-payment by the States, which is expected to be uprated annually, is important because, in addition to its application to the long-term care insurance scheme, it sets the level of fee to be charged for accommodation in the States-run homes including the Castel and King Edward VII hospitals, the Maison Maritaine and the Longue Rue House as well as the long-stay beds in the Mignot Memorial Hospital, Alderney.

*Nursing care benefit*

89. In its report of 26 January 2001, the Authority recommended a benefit of up to £470 per week, in year 2000 prices. The Authority recommends a nursing care benefit of up to £518 per week to apply, subject to legislation, from the beginning of April 2003.

*Residential care benefit*

90. In its report of 26 January 2001, the Authority recommended a benefit of up to £260 per week, in year 2000 prices. The Authority recommends a nursing care benefit of up to £280 per week to apply, subject to legislation, from the beginning of April 2003.

*Respite care benefits*

91. Persons needing respite care in private sector residential or nursing homes will not be required to pay a co-payment. The long-term care fund will pay instead. This is to acknowledge the value of occasional investment in respite care in order to allow the person concerned to remain in their own home as long as practicable. It also acknowledges that persons having respite care also continue to bear the majority of their own household expenditure. The respite care benefits, therefore, are the sum of the co-payment and the residential care benefit or nursing care benefit, as appropriate. The Authority, therefore, recommends a nursing care respite benefit of up to £637 per week and a residential care respite benefit of up to £399 per week.

**PART IV**  
**NON-CONTRIBUTORY SERVICES FUNDED FROM GENERAL REVENUE**

92. For the non-contributory benefits, that are funded entirely from general revenue, the Authority recommends increases of approximately 4.0%, apart from supplementary benefit where a general increase of 5% is recommended. An increase of around 11% is recommended in the supplementary benefit long-term rate for single householders, with around 9% recommended for the short-term rate for single householders. This is to increase the single householder benefit rate to approximately 65% of the married couple rate. These substantial increases respond materially to the findings of the Standards of Living Survey undertaken by the Townsend Centre for International Poverty Research. The survey found the highest levels of poverty among single parents and single pensioners. There are approximately 450 single householders over the age of 60, who are currently receiving supplementary benefit and approximately 250 single parent householders. The 700 people in these two groups, and the children of the single parents, should be helped by the special measures recommended by the Authority.

***Supplementary benefit rates***

93. The Authority recommends increases in short-term and long-term supplementary benefit rates, from 10 January 2003, as shown below.

(2002 figures in brackets)

<b>Long-Term (after payment of short-term) rate for 6 months)</b>		
Married couple	£163.55	(£155.75)
Single householder	£106.30	(£95.40)
Non-householder	£87.60	(£83.45)
Member of a household -		
16 or over	£74.25	(£70.70)
12 - 15	£45.90	(£43.70)
5 - 11	£33.30	(£31.70)
Under 5	£24.55	(£23.40)

<b>Short-Term (claims not exceeding 6 months)</b>		
Married couple	£132.20	(£125.90)
Single householder	£85.95	(£79.05)
Non-householder	£70.10	(£66.75)
Member of a household -		
16 or over	£59.40	(£56.55)
12 - 15	£36.70	(£34.95)
5 - 11	£26.60	(£25.35)
Under 5	£19.65	(£18.70)

A rent allowance, on top of the above short-term or long-term rates, will apply to people living in rented accommodation .

***Benefit limitation- community***

94. The benefit limitation, currently £208 per week, is the maximum level allowed for the combination of supplementary benefit and income from other sources, excluding family allowances. The benefit limitation, which has its origins in a link to basic horticultural wages, mainly impacts on people renting in the private sector although some States house tenants are also affected, typically where there are two adults in the family or several children. Wherever the benefit limitation impacts, the rent can only be paid at the expense of what should be the subsistence living allowance of the family.
95. There are currently 975 supplementary benefit householder claims, meaning that the family either rents a house or owns a house. Of these, 138 (14%) are affected by the benefit limitation, some to only a small extent, others to a substantial extent.
96. The simple measure of increasing the benefit limitation in order to reduce the number of claims affected has always been a matter of concern to the Authority. First, there is the risk of some landlords increasing rents more than would otherwise be the case, to take advantage of the higher level of benefit, leaving the tenant no better off. Second, the higher the benefit limitation is raised, the more attention is drawn to comparisons with earnings from low paying employments.
97. Notwithstanding these two real concerns, the Authority recommends that the benefit limitation for all classes of persons living in the community be increased from £208 to £250 per week. The Authority estimates that this will reduce the number of claims affected by the benefit limitation by nearly 100, taking the number down to around 40.
98. The Authority will be observing closely the effects of this measure, with particular regard to any movement in rents. The Authority's staff regularly advise people claiming supplementary benefit of their rights to apply to the Rent Control Officer of the Cadastre Committee in order to have a fair level of rent independently determined.

***Benefit limitation- residential homes***

99. The benefit limitation applicable to a person residing in a residential home is currently £333.00 per week. The Authority will recommend an increase to £346.00 per week.

***Benefit limitation- nursing homes and Guernsey Cheshire Home***

100. The Authority will recommend that the benefit limitation applicable to a person residing in a nursing home or the Guernsey Cheshire Home be increased from £478.00 per week to £497.00 per week.
101. It should be noted that the long-term care insurance scheme is expected to come into force in 2003, with contributions being collected from January and benefits being paid from April 2003. The introduction of long-term care insurance benefits will replace residential and nursing homes benefit paid by supplementary benefit in nearly all cases. The only circumstances in which supplementary benefit would continue to be paid is where the resident or patient did not qualify for long-term care insurance by reason of not meeting the residence requirements. There will be a need to include supplementary benefit nursing and residential homes rates in future benefit uprating reports for this contingency, which is expected to be rare.

***Personal Allowance for residents of residential or nursing homes***

102. The amount of the personal allowance for supplementary beneficiaries in residential or nursing homes is currently £16.50 per week. It is intended to allow modest purchases of,



say, newspapers, confectionery, toiletries, small family presents and so on. The Authority recommends that the personal allowance be increased to £17.00 per week from 10 January 2003.

***Supplementary Fuel Allowance***

103. The Authority recommends that for 31 weeks, with effect from 25 October 2002 to 16 May 2003, a supplementary payment of £12.00 per week, in respect of additional fuel requirements, be paid from general revenue to supplementary beneficiaries who are householders. The additional fuel allowance was increased from £8.00 per week to £12.00 per week in 2000, after having been kept at £8.00 since 1992. It is estimated that the fuel supplement will cost £375,000 over the 31 weeks.

***Cost of Supplementary Benefit***

104. Benefit expenditure on the Supplementary Benefit scheme was £9.27m in 2001. The budget for 2002 is £9.62. After taking account of the proposed increases in the contributory benefit rates, which produce a saving on supplementary benefit expenditure, and the proposed increases in supplementary benefit rates, it is estimated that the Authority's proposals would increase the expenditure on supplementary benefit in 2003 by £594,000, to £10.21m. However, the effects of the long-term care insurance scheme must also be taken into account. From 7 April 2003, payments under the supplementary benefit scheme towards residential and nursing care fees will cease, apart from exceptional cases where the resident does not satisfy the residence conditions for long-term care insurance. Apart from these exceptions, supplementary benefit, in respect of private sector and public sector residential and nursing homes will be limited to assisting people who cannot afford the standard co-payment, proposed at £119 per week, nor afford a personal allowance proposed at £17 per week. Taking into account the reduction in expenditure for residential and nursing homes, the estimated supplementary benefit expenditure for 2003 is £9.57m.

***Family Allowances***

105. Family allowances expenditure amounted to £6.72m in 2001. The allowance is paid at the rate of £10.80 per week per child. The budget for 2002 is £6.91m. The Authority recommends that the allowance be increased to £11.25 per week for 2003. It is estimated that this will increase the expenditure on family allowances in 2003 by £210,000, to £7.12m.

***Attendance and Invalid Care Allowances***

106. The Authority recommends that attendance allowance and invalid care allowance be increased with effect from 6 January 2003 as shown below:-

(2002 rates are shown in brackets)

Attendance Allowance - weekly rate	£65.75	(£63.25)
Invalid Care Allowance - weekly rate	£52.75	(£50.75)
Annual income limit for both allowances	£60,000	(£57,000)

107. Benefit expenditure on attendance and invalid care allowances in 2001 was £1.67m. The budget for 2002 is £1.82m. It is estimated that the Authority's proposals will increase expenditure in 2003 by £72,000. Increased demand is expected to increase expenditure by a further £91,000, taking the total 2003 estimate to £1.96m.

*Proposed amendments to Attendance and Invalid Care Allowances Law*

108. The adjudication process concerning claims for attendance allowance involves a combination of decisions of the Administrator and decisions of the Attendance Allowance Board - effectively, a panel of medical practitioners. In the main, members of the panel are doctors who have retired from their practice and have agreed to undertake occasional paid work for the Authority. The Board considers the dependency of people applying for benefit on the basis of information provided by that person or that person's carer and, importantly, on the basis of a detailed medical report by the person's family doctor. Although the law provides for the Board to carry out a physical examination of a claimant, this is never done.
109. Decisions of the Attendance Allowance Board are final under the law, and there is no right of appeal, other than an appeal to the Ordinary Court on a point of law. Under the Human Rights (Guernsey) Law, 2000, this restriction upon the right of appeal may be inconsistent with the 'Right to a fair trial' provisions set out in the Schedule to that Law.
110. The Authority recommends that the Attendance Allowance Board be removed from the adjudication process, leaving the decision as to entitlement to benefit resting with the Administrator. The Administrator already makes decisions as to entitlement to a wide range of other social security benefits and the assignment to him of additional adjudication functions would not create any inconsistency. As all statutory decisions of the Administrator already carry a right of appeal to an independent Tribunal in any event, this would address any perceived human rights inadequacies as described in the previous paragraph.
111. The Authority sees in this proposal a further advantage in that there will be an improvement in the speed of decision making. Each meeting of the Attendance Allowance Board creates the need to arrange a time and place suitable for three doctors from a panel appointed by the Authority, causing logistical problems regarding the availability of the doctors and also in the collation, copying and sending of documentation.
112. Were the decision to rest with the Administrator, and staff authorised by delegated authority, the claim process would be handled with greater efficiency. The Authority is confident that there would be no degradation in the quality of the decisions and notes that the Administrator has immediate access to a medically qualified adviser, who would be consulted on medical issues.
113. It should, incidentally, be noted that the Attendance and Invalid Care Allowances Law was originally based on the United Kingdom provisions for a very similar benefit, and that a similar change to that proposed was introduced some ten years ago without adverse effect.
114. In addition to recommending changes to the Attendance and Invalid Care Allowance Law for the above purpose, the Authority recommends a further amendment to repeal the provision added in 1993 allowing payment in the case of terminal illness, and to replace it with provisions which will enable the Authority, by regulation, to prescribe that for certain conditions the disablement and time conditions should be deemed satisfied.
115. The terminal illness provisions added in 1993 require the claimant to have been incapable of work for a minimum of six months prior to claiming attendance allowance and that it may reasonably be expected that death will occur within a further six months. This restrictive provision has been overtaken by advances in medical treatment, and has meant that very few people have been able to obtain benefit under the pattern that such illnesses now present. It is intended that regulations will be made to allow payment in many more

of these unfortunate cases, and if future changes in medical practice and treatment require it, the Authority will be able to amend the regulations to ensure that benefit continues to be available for those it is intended to help.

116. A further advantage will be that the Authority will be able to provide that certain treatments, in particular home dialysis in renal failure, should automatically qualify for the allowance. Further medical advances will undoubtedly produce other treatments, to which these provisions will enable the Authority to respond as most appropriate.

***Free TV licences***

117. In accordance with the resolutions of the States on the 2001 budget (Billet d'Etat XXIV of 2000) the Authority devised and introduced, from 1 April 2001, a scheme to provide free TV licences for Guernsey and Alderney residents aged 75 or over and residents aged 65 or over and in receipt of supplementary benefit. Benefit expenditure under this scheme was £238,000 for the part year 2001. The scheme is expected to cost £394,000 in 2002. The costs in 2003 will depend on the standard charge per TV licence made by the UK Department of Culture, Media and Sport.

**PART V  
RECOMMENDATIONS**

118. The Authority recommends:
- (i) that the standard rates of social insurance benefits shall be increased to the rates set out in paragraph 20 of this report;
  - (ii) that the standard rate of survivor's grant shall be £1,160; (paragraph 21)
  - (iii) that maternity grant shall be increased to £236.00 in respect of confinements which take place on or after 6 January 2003; (paragraph 22)
  - (iv) that the full rate amount of death grant payable in respect of the death of a person on or after 6 January 2003 shall be £367.00. (paragraph 23)
  - (v) that for employed and self-employed persons the upper weekly earnings limit, the upper monthly earnings limit and the annual upper earnings limit shall be £591, £2,561 and £30,732 respectively; (paragraphs 31 to 35)
  - (vi) that for non-employed persons the upper and lower annual income limits shall be £30,732 and £10,790 respectively; (paragraphs 42 to 44)
  - (vii) that the Social Insurance (Guernsey) Law, 1978, as amended, be further amended:
    - (a) to replace the provisions of the Law relating to 'waiting days' and the number of days in a benefit week with enabling powers for similar provisions to be made by Regulations of the Authority;
    - (b) to provide for decisions concerning entitlement to widow's benefits, where questions of cohabitation arise, to be determined by the Administrator;
    - (c) to provide for a right of appeal against findings of the extent of loss of faculty in the award of industrial disablement benefit; (paragraphs 56 to 63)
  - (viii) that the prescription charge per item of pharmaceutical benefit shall be £2.20; (paragraph 74)

- (ix) that the definitions of 'approved dentist' and 'approved medical practitioner', for the purposes of the Health Benefit (Guernsey) Law, 1990, be amended to exclude dentist and medical practitioners who have access to Board of Health radiology and pathology departments on a private basis only;  
(paragraph 83)
- (x) that, subject to the coming into force of the Long-term Care Insurance (Guernsey) Law, 2002:
- (a) the contribution (co-payment) required to be made by the claimant of care benefit shall be £119 per week;
  - (b) 'care benefit' shall be a maximum of £518 per week for persons resident in a nursing home or the Guernsey Cheshire Home and a maximum of £280 per week for persons resident in a residential home;
  - (c) 'respite care benefit' shall be a maximum of £638 per week for persons receiving respite care in a nursing home or the Guernsey Cheshire Home and a maximum of £399 per week for persons receiving respite care in a residential home;
- (paragraphs 87 to 91)
- (xi) that the normal requirements of a person for the purposes of paragraph 5 of Part II of the First Schedule to the Supplementary Benefit (Implementation) Ordinance, 1971, shall be the appropriate amount set out in paragraph 93 of this report;
- (xii) that the limit of the weekly income for the purposes of paragraph 3 of Part 1 of the First Schedule to the Supplementary Benefit (Implementation) Ordinance 1971 shall be:
- (a) £250 for a person whose requirements are in accordance with paragraph 5 of the Schedule;
  - (b) £346 for a person who is residing in a residential home and whose requirements are in accordance with paragraph 7 of the Schedule;
  - (c) £497 for a person who is residing as a patient in a hospital, nursing home or the Guernsey Cheshire Home, whose requirements are in accordance with paragraph 7 of the Schedule;
- (paragraphs 97 to 100)
- (xiii) that the amount of the personal allowance payable to persons in residential or nursing homes who are in receipt of supplementary benefit shall be £17 per week;  
(paragraph 102)
- (xiv) that a supplementary fuel allowance, for supplementary beneficiaries who are householders, of £12 per week be paid, for 31 weeks, from 25 October 2002;  
(paragraph 103)
- (xv) (a) that the allowance payable under the Family Allowances (Guernsey) Law, 1950, as amended, shall be increased from £10.80 to £11.25 per week; and
- (b) that the cost of providing for a child (for the purposes of determining in whose family a child not living with his parents is to be included under the Law), shall be increased from £10.80 to £11.25;
- (paragraph 105)

- (xvi) that the rates of attendance allowance and invalid care allowance and the annual income limits shall be as set out in paragraph 106;
- (xvii) that the Attendance and Invalid Care Allowances Law, 1984, as amended, be further amended:
  - (a) to provide for questions concerning entitlement to attendance allowance to be determined by the Administrator;
  - (b) to delete the provisions of the Law relating to the payment of attendance allowance in cases of terminal illness and replace with enabling powers for similar provisions to be made by Regulations of the Authority;  
(paragraphs 110 to 114)
- (xviii) that the recommendations listed below shall have effect from the following dates:

Recommendations (i) to (iv) and (xvi)	-	6 January 2003
Recommendations (v) and (vi) and (viii)	-	1 January 2003
Recommendation (x)	-	7 April 2003
Recommendations (xi) to (xiii)	-	10 January 2003
Recommendation (xv)	-	7 January 2003

119. I should be grateful if you would lay this matter before the States with appropriate propositions including one directing the preparation of the necessary legislation.

Yours faithfully,

O D LE TISSIER,

President,  
Guernsey Social Security Authority.

The President,  
States of Guernsey,  
Royal Court House,  
St Peter Port,  
Guernsey.

23rd August, 2002.

Dear Sir,

**Guernsey Social Security Authority – Benefit and Contribution Rates for 2003**

I refer to the letter dated 22 August 2002 from the President of the Guernsey Social Security Authority concerning proposals for the uprating of benefits for 2003.

The Advisory and Finance Committee is supportive of the proposals and, in particular, welcomes the fact that the Guernsey Insurance Fund is in a sufficiently strong financial position to enable the Authority to propose a 4% increase in the rates of contributory benefits with a higher increase of 7.5% being applied to the single pensioner old age pension rate.

The additional increase proposed to the single pensioner rate represents a proactive response to the findings of the Survey of Guernsey Living Standards which reported that 43% of single pensioners had a comparatively poor standard of living.

The Committee is also supportive of the proposals for an increase in non-contributory benefits, such as attendance and family allowances, by 4% apart from supplementary benefit for which an increase of 5% is recommended for the majority of beneficiaries, and 11% and 9% respectively for long and short term single householders' rates. It is also proposed to increase the benefit limitation for persons living in the community from £208 to £250 per week.

The additional support for single householders and the increase in the benefit limitation, like the proposal to award a larger increase to the single rate of old age pension, are other significant responses to the findings of the Survey of Guernsey Living Standards which reported that almost two thirds of lone parents were, by Guernsey standards, suffering from a poor standard of living.

The Advisory and Finance Committee believes that the 2003 uprating proposals will be complementary to any anti-poverty strategy that may evolve from the work being undertaken by the Social Policy Working Group and the Townsend Centre for International Poverty Research. Indeed, the Committee will continue to work with the Authority and other interested parties to produce an integrated response to the findings of the Survey of Guernsey Living Standards.

With regard to health service benefits, the Committee notes the continuing success of the Prescribing Support Unit in containing pharmaceutical costs through the promotion of cost effective prescribing and notes also the further discussions currently taking place with the medical profession and pharmacists in connection with this matter.

The Committee is strongly supportive of the Guernsey Social Security Authority's proposals, as stated above. There are, however, some issues highlighted by the policy letter that require further detailed consideration and on which the Committee will be liaising further with the Authority, including:-

- The sustainability of the level of the annual States Grant to the Social Insurance Fund, (as mentioned in Sections 5.3.11 and 5.3.12 of the 2002 Policy and Resource Planning Report).
- The effects of increasing the supplementary benefit limitation from £208 to £250 per week.
- The feasibility of replacing or modifying the current ‘blanket’ payment of family allowances to provide targeted family support.

The Committee supports the proposals of the Social Security Authority and recommends the States to approve all of the resultant propositions.

Yours faithfully,

LC MORGAN,

President,  
States Advisory and Finance Committee.

The States are asked to decide:-

X.—Whether, after consideration of the Report dated the 22nd August, 2002, of the Guernsey Social Security Authority, they are of opinion:—

1. That, with effect from the 6th January, 2003, the standard rates of social insurance benefits shall be increased to the rates set out in paragraph 20 of that Report.
2. That, with effect from the 6th January, 2003, the standard rate of survivor's grant shall be £1,160.
3. That maternity grant shall be increased to £236.00 in respect of confinements which take on or after the 6th January, 2003.
4. That the full rate amount of death grant payable in respect of the death of a person on or after 6 January 2003 shall be £367.00.
5. That, with effect from the 1st January, 2003, for employed and self employed persons the upper weekly earnings limit, the upper monthly earnings limit and the annual upper earnings limit shall be £591, £2,561 and £30,732 respectively.
6. That, with effect from the 1st January, 2003, for non-employed persons the upper and lower annual income limits shall be £30,732 and £10,790 respectively
7. That the Social Insurance (Guernsey) Law, 1978, as amended, be further amended:
  - (a) to replace the provisions of the Law relating to 'waiting days' and the number of days in a benefit week with enabling powers for similar provisions to be made by Regulations of the Authority;
  - (b) to provide for decisions concerning entitlement to widow's benefits, where questions of cohabitation arise, to be determined by the Administrator;
  - (c) to provide for a right of appeal against findings of the extent of loss of faculty in the award of industrial disablement benefit.
8. That, with effect from the 1st January, 2003, the prescription charge per item of pharmaceutical benefit shall be £2.20.
9. That the definitions of 'approved dentist' and 'approved medical practitioner', for the purposes of the Health Benefit (Guernsey) Law, 1990, be amended to exclude dentist and medical practitioners who have access to Board of Health radiology and pathology departments on a private basis only.
10. That, with effect from the 7th April, 2003, subject to the coming into force of the Long-term Care Insurance (Guernsey) Law, 2002:
  - (a) the contribution (co-payment) required to be made by the claimant of care benefit shall be £119 per week;
  - (b) 'care benefit' shall be a maximum of £518 per week for persons resident in a nursing home or the Guernsey Cheshire Home and a maximum of £280 per week for persons resident in a residential home;
  - (c) 'respite care benefit' shall be a maximum of £638 per week for persons receiving respite care in a nursing home or the Guernsey Cheshire Home and a maximum of £399 per week for persons receiving respite care in a residential home.



11. That, with effect from the 10th January, 2003, the normal requirements of a person for the purposes of paragraph 5 of Part II of the First Schedule to the Supplementary Benefit (Implementation) Ordinance, 1971, shall be the appropriate amount set out in paragraph 93 of that Report.
12. That, with effect from the 10th January, 2003, the limit of the weekly income for the purposes of paragraph 3 of Part 1 of the First Schedule to the Supplementary Benefit (Implementation) Ordinance 1971 shall be:
  - (a) £250 for a person whose requirements are in accordance with paragraph 5 of the Schedule;
  - (b) £346 for a person who is residing in a residential home and whose requirements are in accordance with paragraph 7 of the Schedule;
  - (c) £497 for a person who is residing as a patient in a hospital, nursing home or the Guernsey Cheshire Home, whose requirements are in accordance with paragraph 7 of the Schedule.
13. That, with effect from the 10th January, 2003, the amount of the personal allowance payable to persons in residential or nursing homes who are in receipt of supplementary benefit shall be £17 per week.
14. That a supplementary fuel allowance, for supplementary beneficiaries who are householders, of £12 per week be paid, for 31 weeks, from 25 October 2002.
15. (a) That, with effect from the 7th January, 2003, the allowance payable under the Family Allowances (Guernsey) Law, 1950, as amended, shall be increased from £10.80 to £11.25 per week; and
  - (b) that, with effect from the 7th January, 2003, the cost of providing for a child (for the purposes of determining in whose family a child not living with his parents is to be included under the Law), shall be increased from £10.80 to £11.25.
16. That, with effect from the 6th January, 2003 the rates of attendance allowance and invalid care allowance and the annual income limits shall be as set out in paragraph 106 of that Report.
17. That the Attendance and Invalid Care Allowances Law, 1984, as amended, be further amended:
  - (a) to provide for questions concerning entitlement to attendance allowance to be determined by the Administrator;
  - (b) to delete the provisions of the Law relating to the payment of attendance allowance in cases of terminal illness and replace with enabling powers for similar provisions to be made by Regulations of the Authority.
18. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

**STATES PUBLIC ASSISTANCE AUTHORITY**

PUBLIC ASSISTANCE RATES FOR 2003

PROPOSED AMENDMENTS TO THE CENTRAL OUTDOOR ASSISTANCE  
BOARD REGULATIONS

The President  
States of Guernsey  
Royal Court House  
St Peter Port  
Guernsey

20th August, 2002.

Dear Sir,

**Public assistance benefit rates for 2003**

**Proposed amendments to the Central Outdoor Assistance Board Regulations**

1. Under the provisions of the Public Assistance Law, 1937, the States may set, by Ordinance, the ordinary maximum rates of public assistance (benefit); the limit of weekly income an applicant may have; and vary other regulations making provision for the administration of public assistance.
2. From 8 January 1999 the rates of public assistance and short-term supplementary benefit have been identical. In proposing benefit rates for 2003 the Authority has again liaised with the Guernsey Social Security Authority. Both committees see great value in maintaining parity between public assistance rates and short-term supplementary benefit rates. The Authority will therefore recommend a general increase in public assistance rates of 5%, and an increase of around 8% for single householders.
3. The Authority recommends increases in public assistance rates, from 10 January 2003, as shown below (2002 figures in brackets).

Married couple	£132.20	(£125.90)
Single householder	£85.95	(£79.05)
Non-householder	£70.10	(£66.75)
Member of a household:–		
16 or over	£59.40	(£56.55)
12 to 15	£36.70	(£34.95)
5 to 11	£26.60	(£25.35)
Under 5	£19.65	(£18.70)

In addition to the above rates, in appropriate cases, the applicant receives an additional allowance for rent.

*Limitation on amount of public assistance payable*

4. The current limit of weekly income an applicant may receive in any week, including any benefit to which they may be entitled, is £208.00. Family Allowance can, however, be paid above the benefit limitation. The Authority will recommend that the benefit limitation be increased from £208.00 to £250.00. This increase is in line with that proposed by the Guernsey Social Security Authority.

*Limitation on savings and capital*

5. Savings of up to £1000 are disregarded for the purposes of public assistance assessments. Savings above this amount are taken into account as income. The capital disregard, which is determined by Ordinance, has been set at £1000 since 1993. The Authority will recommend that it be increased to £2000 from 10 January 2003. It is estimated that the increased payments of assistance as a result of disregarding capital up to £2000 will not add more than £100 a year to the Public Assistance budget.

*Winter fuel allowance*

6. During the winter months of November to March, dependent on the prevailing weather conditions and with the approval of the Authority, Relieving Officials may award a fuel allowance of £12.00. The additional fuel allowance was increased from £8.00 per week to £12.00 per week in 2000, having been kept at £8.00 since 1992.
7. It is estimated that the fuel supplement will cost £4100 in the period November 2002 to March 2003.

*Proposed amendments to the Central Outdoor Assistance Board Regulations*

8. The Authority has long recognised the similarities between public assistance and supplementary benefit: both are non-contributory, means-tested schemes which use similar methods to calculate entitlement to benefit. Since 1999 public assistance rates and short-term supplementary benefit rates have been identical to ensure that persons moving from one scheme to the other are not disadvantaged. The Authority is conscious, however, that many of the provisions made by Ordinance under the Supplementary Benefit Law, while being equally relevant to the administration of public assistance, have no equivalent within the Central Outdoor Assistance Board [COAB] Regulations, 1963. The Regulations date from a period when the Relieving Official's discretion was sufficient to deal with ambiguities and minor omissions.

*Applicants registering as sick*

9. Persons in receipt of public assistance are, by and large, unemployed and actively seeking work. Relieving Officials ask that such applicants register as unemployed with the Guernsey Social Security Authority. Since 1988, persons who are temporarily unable to work due to illness or incapacity have been eligible to claim supplementary benefit. However, the COAB Regulations still provide that anyone applying for public assistance who is unfit for work should register with the Guernsey Social Security Authority, the implication being for both sickness and unemployment benefit. In light of the fact that the former type of person will be referred to supplementary benefit, the Authority recommends that reference to sickness is removed from the Regulations.

*Payment of public assistance in the absence of Relieving Officials*

10. People wishing to claim public assistance must apply to one of the Relieving Officials in their parish. St Peter Port has six Relieving Officials ('Overseers'); each of the outer parishes has two ('Procureurs'). If the Relieving Officials are absent or incapacitated, public assistance cannot be paid. The Authority is of the opinion that those in need of assistance should not be turned away on these grounds, and recommends that the President of the Parochial Outdoor Assistance Board be given the power to nominate - from among Board members who have served as a Procureur or Overseer in the past - a person to administer assistance while the incumbent Relieving Officials are unavailable.

*Definition of an application for public assistance*

11. A person whose resources are insufficient to meet his requirements and who applies to a Relieving Official in his parish is entitled to public assistance in accordance with the Regulations, but nowhere in Public Assistance legislation is an application defined. In practice, applicants are asked to complete a set of claim forms which are countersigned by the Relieving Official. The Authority would like this procedure to carry legislative weight whilst retaining the option of amending it in future; it recommends that the Regulations are amended so that applications are made in a manner approved by the Authority.

*Backdated claims to public assistance*

12. Public assistance is not payable prior to the week in respect of which an application is made to a Relieving Official. The Authority notes, however, that there is nothing to stop an application being made in respect of a previous week - by way of example, an applicant could, in the month of September, make a claim in respect of the previous January. The Authority is of the view that public assistance is intended to meet immediate need, and recommends that the Regulations are amended so that an application for assistance can be made only in respect of the week in which application is made and cannot, except at the discretion of the Authority, be made in respect of any period more than seven days after the expiration of that week.

*Information to be given on application*

13. In determining entitlement to public assistance a Relieving Official must have regard to a person's resources. Applicants are asked to declare income, savings and assets received by or relating to themselves and their dependants. To ensure that the correct amount of public assistance is paid, the Authority recommends that the Relieving Official is empowered to demand the production of any documents likely to contain evidence of an applicant's means.

*Recovering overpayments of public assistance as a civil debt*

14. A person in receipt of public assistance who - intentionally or otherwise - misrepresents or fails to disclose a material fact may receive an overpayment of benefit. Such overpayments may be recoverable through reductions in future benefit payments, but only where the payment of assistance continues. Where there has been a considerable change in the applicant's circumstances, the Authority recommends that such overpayments should be recoverable as a civil debt.

*Estimated costs to General Revenue*

15. Public Assistance expenditure was £195,795 in 2001. The budget for 2002 is £286,300. Taking account of the proposed increases in public assistance rates, it is estimated that the Authority's proposals will increase expenditure in 2003 by £31,000, to £317,300.

*Recommendations*

16. The Authority recommends:—

- (i) that the ordinary maximum rates of public assistance for the purposes of paragraph 10 of the Schedule to the Central Outdoor Assistance Board Regulations, as amended, shall be those set out in paragraph 3 of this report;
- (ii) that the limitation of weekly income in paragraph 2(2) of the Schedule to the Regulations shall be £250.00 (paragraph 4);
- (iii) that capital not exceeding £2000 shall be wholly disregarded (paragraph 5);
- (iv) that a winter fuel allowance at a maximum of £12.00 per week shall be payable at the discretion of the Relieving Official to a person in receipt of public assistance in the period 1 November 2002 to 28 March 2003, inclusive (paragraph 6);
- (v) that the Central Outdoor Assistance Board Regulations, as amended, be further amended:
  - (a) to remove reference to persons who are absent from work through sickness;
  - (b) to allow the President of a Parochial Public assistance Board to nominate a member of that Board to act as a Relieving Official in the absence of the incumbent officials;
  - (c) to provide that applications for public assistance be made in a prescribed manner;
  - (d) to provide that an application for public assistance is made only in respect of the week in which the application is received; and not, unless at the discretion of the Authority, more than seven days after the expiration of that week;
  - (e) to empower the Relieving Official to demand the production of any documents likely to contain evidence of an applicant's means;
  - (f) to allow the Authority to recover overpayments of public assistance as a civil debt. (paragraphs 9 to 14)
- (vi) that recommendations (i) to (iii) shall have effect from 10 January 2003;
- (vii) that recommendation (v) shall have effect from 1 January 2003

I shall be grateful, Sir, if you would lay this report before the States together with the appropriate propositions, including one directing the preparation of the necessary legislation.

Yours faithfully,

P. ROBILLIARD,

President,

States Public Assistance Authority.

**[NB The States Advisory and Finance Committee supports the proposals]**

The States are asked to decide:-

XI.—Whether, after consideration of the Report dated the 20th August, 2002, of the States Public Assistance Authority, they are of opinion:—

1. That, with effect from the 10th January, 2003, the ordinary maximum rates of public assistance for the purposes of paragraph 10 of the Schedule to the Central Outdoor Assistance Board Regulations, as amended, shall be those set out in paragraph 3 of that Report;
2. That, with effect from the 10th January, 2003, the limitation of weekly income in paragraph 2(2) of the Schedule to the Regulations shall be £250.00.
3. That, with effect from the 10th January, 2003, capital not exceeding £2000 shall be wholly disregarded.
4. That a winter fuel allowance at a maximum of £12.00 per week shall be payable at the discretion of the Relieving Official to a person in receipt of public assistance in the period 1 November 2002 to 28 March 2003, inclusive.
5. That, with effect from the 1st January, 2003, the Central Outdoor Assistance Board Regulations, as amended, be further amended:
  - (a) to remove reference to persons who are absent from work through sickness;
  - (b) to allow the President of a Parochial Public Assistance Board to nominate a member of that Board to act as a Relieving Official in the absence of the incumbent officials;
  - (c) to provide that applications for public assistance be made in a prescribed manner;
  - (d) to provide that an application for public assistance is made only in respect of the week in which the application is received; and not, unless at the discretion of the States Public Assistance Authority, more than seven days after the expiration of that week;
  - (e) to empower the Relieving Official to demand the production of any documents likely to contain evidence of an applicant's means;
  - (f) to allow the States Public Assistance Authority to recover overpayments of public assistance as a civil debt.
6. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

**REQUÊTE**

**DEATH WITH DIGNITY**

**TO THE PRESIDENT AND MEMBERS OF THE STATES OF DELIBERATION**

THE HUMBLE PETITION of the undersigned Members of the States of Deliberation

SHEWETH THAT:–

1. In the opinion of your Petitioners, many people in Guernsey wish to see some change in the law to allow patients the right to choose to die to be part of their medical treatment.
2. In order to facilitate proper consideration of the medical, ethical, social and legal issues involved in such a change, your Petitioners accept that it will be necessary for wide-ranging investigations to be undertaken, together with consultations with interested and knowledgeable persons in Guernsey and elsewhere.
3. The Social Policy Working Group, which comprises Chief Officers from those States Committees with social policy responsibilities, has agreed that those members whose Committees are involved in this issue would undertake research in developing a policy letter on voluntary euthanasia if the States Advisory and Finance Committee so wished.
4. The States Advisory and Finance Committee has informed your Petitioners that if would require a decision of the States of Deliberation before taking this matter forward.

THESE PREMISES CONSIDERED

YOUR PETITIONERS humbly pray that the States may be pleased to resolve as follows:–

To instruct the States Advisory and Finance Committee to carry out appropriate investigations and consultations with whomever it deems fit; and thereafter, but at the earliest opportunity, to bring a report to the States of Deliberation, on the implications of allowing Doctor Assisted Death or some other similar Death with Dignity Legislation to be implemented within Guernsey, and containing that Committee's recommendation in connection with this matter.

AND YOUR PETITIONERS WILL EVER PRAY

GUERNSEY, this 28th day of June, 2002



Patricia Mellor



Peter Falla



Brian Sheriff



Judy Beaugeard



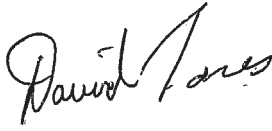
Mike Burbridge



Leon Gallienne



Francis Quin



David Jones



Bernard Flouquet



Geoff Norman



John Roper



Rodney Collennette



Jean Pritchard



Roy Bisson

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The President,  
States of Guernsey,  
Royal Court House,  
St. Peter Port,  
Guernsey.

27th August, 2002.

Dear Sir,

**Requête on Death With Dignity (Voluntary Euthanasia)**

I refer to the Requête dated 28 June 2002 from Deputy Mellor and thirteen other members of the States of Deliberation concerning the above subject.

In accordance with the States Rules of Procedure, the Advisory and Finance Committee has sought the views of the Board of Health on this subject.

Members of the Board have unanimously agreed that members of the States should only support the Requête if they are predisposed to support the introduction of voluntary euthanasia at a later date and warns strongly against members voting in its favour because 'it would be interesting to



see what the report comes up with.' Researching issues such as Death with Dignity will consume significant staff resources, particularly because there are as yet very few territories that have legislated for voluntary euthanasia. Given the continuing cap on States employees and the already large strategic workload across the States departments concerned, the research on voluntary euthanasia can only be achieved at the expense of other high priority work.

The Requête seeks to instruct the Committee:

- i) to carry out appropriate investigations and consultations, and then
- ii) to bring a report to the States on the implications of introducing legislation with regard to Death with Dignity.

Should the Requête succeed, then with regard to the first part of the Requête the Committee will consult further with the Board of Health and the Committee for Home Affairs, and take legal advice before reporting back to the States on how the necessary research could best be taken forward and to seek confirmation of the proposed approach.

After that, the Committee would progress the production of the report referred to in the second part of the Requête.

The issue of voluntary euthanasia is one that has the potential for extensive moral and ethical arguments and counter-arguments. Thus the Committee is of the opinion that the matter is one for the conscience of each individual member of the States.

Yours faithfully,

L. C. MORGAN,

President,

Advisory and Finance Committee.

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The States are asked to decide:—

XII.—Whether, after consideration of the Requête dated the 28th June, 2002, signed by Deputy Mrs. P. Mellor and thirteen other Members of the States, they are of opinion:—

To instruct the States Advisory and Finance Committee to carry out appropriate investigations and consultations with whomever it deems fit; and thereafter, but at the earliest opportunity, to bring a report to the States of Deliberation, on the implications of allowing Doctor Assisted Death or some other similar Death with Dignity Legislation to be implemented within Guernsey, and containing that Committee's recommendation in connection with that matter.

**REQUÊTE**

**USE OF MOBILE TELEPHONES WHILST DRIVING**

**TO THE PRESIDENT AND MEMBERS OF THE STATES OF DELIBERATION**

THE HUMBLE PETITION of the undersigned Members of the States of Deliberation SHEWETH:–

1. THAT a Requête was presented to the States of Deliberation in December, 1999 (Billet d'État XXI 1999) concerning the use of hand-held mobile phones whilst driving, but was defeated.
2. THAT your Petitioners have observed that, since the decision of the States in 1999, the use of hand-held mobile telephones by drivers of motor vehicles, including Large Goods Vehicles is increasing.
3. THAT whether the use of a mobile phone whilst driving involves a criminal offence such as dangerous or careless driving depends on all circumstances of each particular case: at least one driver who used a mobile phone whilst driving has been acquitted in Guernsey of driving without due care and attention.
4. THAT the States of Jersey has enacted legislation dated February, 1998 creating the offence of driving a vehicle on a road whilst holding a telephone in any way while the vehicle is in motion. (See Appendix)
5. That your Petitioners understand that the Committee for Home Affairs is currently preparing a Policy Letter for presentation to the States on the introduction of Fixed Penalties for a series of “moving” offences; and your petitioners further believe that a new offence relating to mobile telephones might appropriately be considered for inclusion on that list.

THESE PREMISES CONSIDERED

YOUR PETITIONERS humbly pray that the States may be pleased to resolve as follows:–

To direct the Committee for Home Affairs:–

- (a) to report to the States of Deliberation as soon as may be and, in any event, within six months on the measures it proposes should be taken to control the use of hand-held mobile telephones by drivers of vehicles in motion; and
- (b) if such measures involve the creation of a new offence, to consider in due course making that offence a fixed penalty offence.

AND YOUR PETITIONERS WILL EVER PRAY

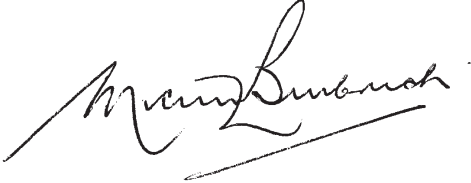
GUERNSEY, this 31st day of May, 2002



Deputy P. L. Derham



Deputy A. H. Adam



Deputy M. E. W. Burbridge



Deputy P. A. C. Falla



Deputy B. J. Gabriel



Deputy D. P. Le Cheminant



Deputy A. L. Robilliard



Deputy L. S. Trott



Deputy B. M. Flouquet

## APPENDIX

9205

**Road Traffic (Jersey) Law 1956**

ROAD TRAFFIC (No. 48) (JERSEY) REGULATIONS 1998

*(Promulgated on the 18th day of February 1998)***STATES OF JERSEY**

The 17th day of February 1998

**THE STATES**, in pursuance of the powers conferred on them by the Order in Council of the twenty-sixth day of December 1851<sup>1</sup> and Article 49 of the Road Traffic (Jersey) Law, 1956, as amended<sup>2</sup> (hereinafter referred to as “the Law”), have made the following Regulations –

1. After Article 25 of the Law there shall be inserted the following Article –

## “ARTICLE 25A

**Restrictions on holding telephones**

(1) If any person who is driving a vehicle on a road holds a telephone in any way while the vehicle is in motion, he shall be guilty of an offence under this Article.

(2) A person guilty of an offence under this Article shall be liable to a fine not exceeding level 2 on the standard scale.”

<sup>1</sup> Recueil des Lois, Tomes I-III, page 196.

<sup>2</sup> Recueil des Lois, Tome VIII, page 636

The President,  
States of Guernsey,  
Royal Court House,  
St. Peter Port,  
Guernsey.

18th July, 2002.

Dear Sir,

**Use of Mobile Telephones Whilst Driving**

I refer to the Requête dated 31 May 2002 from Deputy Derham and eight other members of the States of Deliberation concerning the above subject.

In accordance with the States Rules of Procedure, the Advisory and Finance Committee has sought the views of the Committee for Home Affairs. Based upon research, which provides clear evidence of the risk of accidents arising from the use of mobile telephones whilst driving, the Committee has declared its support for the Requête. The Advisory and Finance Committee concurs with the views expressed by the Committee for Home Affairs in relation to the use of hand held mobile telephones by drivers of vehicles in motion and, therefore, also supports the Requête.

Yours faithfully,

L. C. MORGAN,  
President,  
Advisory and Finance Committee.

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The States are asked to decide:–

.–Whether, after consideration of the Requête dated the 31st May, 2002, signed by Deputy P. L. Derham and eight other Members of the States, they are of opinion:–

To direct the States Committee for Home Affairs:–

- (a) to report to the States of Deliberation as soon as may be and, in any event, within six months on the measures it proposes should be taken to control the use of hand-held mobile telephones by drivers of vehicles in motion; and
- (b) if such measures involve the creation of a new offence, to consider in due course making that offence a fixed penalty offence.

*STATUTORY INSTRUMENTS LAID BEFORE THE STATES*

**THE DATA PROTECTION (BAILIWICK OF GUERNSEY) LAW, 2001  
(COMMENCEMENT) ORDER, 2002**

**THE DATA PROTECTION (PUBLIC INFORMATION DESIGNATION) ORDER, 2002**

**THE DATA PROTECTION (CREDIT REFERENCE AGENCY) (STATEMENT OF  
RIGHTS) REGULATIONS, 2002**

**THE DATA PROTECTION (MISCELLANEOUS SUBJECT ACCESS EXEMPTIONS)  
ORDER, 2002**

**THE DATA PROTECTION (SUBJECT ACCESS MODIFICATION)  
(EDUCATION) ORDER, 2002**

**THE DATA PROTECTION (SUBJECT ACCESS MODIFICATION) (HEALTH)  
ORDER, 2002**

**THE DATA PROTECTION (SUBJECT ACCESS MODIFICATION) (SOCIAL WORK)  
ORDER, 2002**

**THE DATA PROTECTION (PROCESSING OF SENSITIVE PERSONAL DATA)  
ORDER, 2002**

**THE DATA PROTECTION (FURTHER CONDITIONS CONCERNING FAIR  
PROCESSING) ORDER, 2002**

**THE DATA PROTECTION (NON-DISCLOSURE EXEMPTION) ORDER, 2002**

**THE DATA PROTECTION (CORPORATE FINANCE EXEMPTION) ORDER, 2002**

**THE DATA PROTECTION (FUNCTIONS OF DESIGNATED AUTHORITY)  
ORDER, 2002**

**THE DATA PROTECTION (FEES UNDER SECTION 19(7)) REGULATIONS, 2002**

**THE DATA PROTECTION (SUBJECT ACCESS) (FEES AND MISCELLANEOUS  
PROVISIONS) REGULATIONS, 2002**

**THE DATA PROTECTION (NOTIFICATION AND NOTIFICATION FEES)  
REGULATIONS, 2002**

In pursuance of the provisions of section 66(4) of the Data Protection (Bailiwick of Guernsey) Law, 2001, I lay before you herewith the following Orders and Regulations made by the States Advisory and Finance Committee on the 9th July, 2002:—

**THE DATA PROTECTION (BAILIWICK OF GUERNSEY) LAW, 2001  
(COMMENCEMENT) ORDER, 2002**

EXPLANATORY NOTE

This Order brings the Data Protection (Bailiwick of Guernsey) Law, 2001 into force, with the exception of sections 54(1)(b) and (3) and 56 and those provisions already in force by virtue of section 74(2).

**THE DATA PROTECTION (PUBLIC INFORMATION DESIGNATION) ORDER, 2002**

EXPLANATORY NOTE

The Data Protection (Bailiwick of Guernsey) Law 2001 (“the Law”) imposes certain obligations on data controllers to give data subjects information about the processing of personal data and to give access to personal data. Under section 34 of the Law, the States Advisory and Finance Committee may designate certain information as “public information”, which, as such, is exempt from the subject information and certain other provisions of the Law. This Order has the effect of designating information belonging to the States and held by the Island Archives Service as “public information” for the purposes of the Law.

**THE DATA PROTECTION (CREDIT REFERENCE AGENCY) (STATEMENT OF  
RIGHTS) REGULATIONS, 2002**

EXPLANATORY NOTE

These Regulations supplement section 9(3) of the Data Protection (Bailiwick of Guernsey) Law, 2001 (“the Law”), which relates to the disclosure to individuals of information about their financial standing held by credit reference agencies and the correction of such information where it is found to be wrong or incomplete.

Section 9(3) of the Law requires credit reference agencies to give individuals statements of their rights when complying with requests to disclose information. These Regulations prescribe the form of such statements (regulation 1 and the Schedule). The prescribed form incorporates a statement of certain rights under the Law.

**THE DATA PROTECTION (MISCELLANEOUS SUBJECT ACCESS EXEMPTIONS)  
ORDER, 2002**

EXPLANATORY NOTE

This Order exempts from section 7 of the Data Protection (Bailiwick of Guernsey) Law, 2001, which entitles individuals to gain access to personal data held about them, personal data the disclosure of which is prohibited or restricted by certain enactments and subordinate instruments in the interests of safeguarding the interests of the data subject himself or the rights and freedoms of some other individual (article 1).

The personal data exempted by the Order concern adoption records and reports in Guernsey and Alderney.

**THE DATA PROTECTION (SUBJECT ACCESS MODIFICATION)  
(EDUCATION) ORDER, 2002**

EXPLANATORY NOTE

This Order provides for the partial exemption from the provisions of the Data Protection (Bailiwick of Guernsey) Law 2001, which confer rights on data subjects to gain access to data held about them, of certain data (education records) where the exercise of those rights would be likely to cause serious harm to the physical or mental health or condition of the data subject or another person, or, in some circumstances, would disclose information as to whether the data subject is or has been the subject of or may be at risk of child abuse which disclosure would not be in the best interests of that data subject. The Order does not apply to any data to which the Data Protection (Subject Access Modification) (Health) Order 2002 or any order made under section 38(1) of the Law applies (article 1(2)).

In the case of court reports in certain proceedings, there is a complete exemption under article 2 of the Order from both section 7 of the Law and the first data protection principle to the extent to which it requires compliance with paragraph 2 of Part II of Schedule 1 to the Law (which confers obligations on data controllers to give certain information to data subjects relating to data held about them). For other personal data to which the Order applies, there is an exemption from section 7 of the Law only (article 3).

Article 5 of the Order also modifies section 7 of the Law so that a data controller cannot refuse access on the grounds that the identity of a third party would be disclosed in cases where the third party is a relevant person (as defined), unless serious harm to that relevant person's physical or mental health or condition is likely to be caused such that the exemption in article 3(1) applies.

**THE DATA PROTECTION (SUBJECT ACCESS MODIFICATION)  
(HEALTH) ORDER, 2002**

EXPLANATORY NOTE

This Order provides for the partial exemption from the provisions of the Data Protection (Bailiwick of Guernsey) Law 2001 ("the Law") which confer rights on data subjects to gain access to data held about them relating to the physical or mental health or condition of the data subject (article 1(1)). The Order does not apply to any data to which any order made under section 38(1) of the Law applies (article 1(2)).

An exemption from section 7 of the Law is conferred by article 3(1) only to the extent to which the supply to the data subject of particulars of the information constituting the data would be likely to cause serious harm to his or any other person's physical or mental health or condition. Before deciding whether this exemption applies (and, accordingly, whether to grant or withhold subject access) a data controller who is not a health professional is obliged by articles 3(2) and 4(1) to consult the health professional responsible for the clinical care of the data subject or, if there is more than one, the most suitable available health professional or, if there is none available or the data controller is the States' Board of Health, the States' Social Security Authority, a probation officer or other person in the course of any proceedings relating to families or children, a health professional who has the necessary experience and qualifications to advise on the matters to which the information which is requested relates (definition in article 7). This obligation to consult does not apply where the data subject has already seen or knows about the information which is the subject of the request (article 4(1)), nor in certain limited circumstances where consultation has been carried out prior to the request being made (article 5(1) and (2)).



A further exemption from section 7 of the Law is conferred in certain circumstances where a third party is making the request for access on behalf of the data subject and the data subject does not wish that information to be disclosed to that third party (article 3(3)).

In the case of court reports in certain proceedings, article 2 provides an exemption from section 7 of the Law and also a complete exemption from the first data protection principle to the extent to which it requires compliance with paragraph 2 of Part II of Schedule 1 to the Law (which confers obligations on data controllers to give certain information to data subjects relating to data held about them).

Article 6 modifies section 7 of the Law so that a data controller cannot refuse access on the grounds that the identity of a third party would be disclosed in cases where the information is contained in a health record and the third party is a health professional who has compiled or contributed to that health record or has been involved in the care of the data subject in his capacity as a health professional, unless serious harm to that health professional's physical or mental health or condition is likely to be caused by giving access such that the exemption in article 3(1) applies.

## **THE DATA PROTECTION (SUBJECT ACCESS MODIFICATION) (SOCIAL WORK) ORDER, 2002**

### EXPLANATORY NOTE

This Order provides for the partial exemption from the provisions of the Data Protection (Bailiwick of Guernsey) Law 2001, which confer rights on data subjects to gain access to data held about them, of certain data where the exercise of those rights would be likely to prejudice the carrying out of social work by causing serious harm to the physical or mental health or condition of the data subject or another person (article 1(1)). The Order does not apply to any data to which the Data Protection (Subject Access Modification) (Health) Order 2002, the Data Protection (Subject Access Modification) (Education) Order 2002 or any order made under section 38(1) of the Law applies (article 1(2)).

In the case of court reports in certain proceedings where information in the report is directed to be withheld by the court, article 2 of, and paragraph 2 of the Schedule to, this Order provide a complete exemption from section 7 of the Law and also a complete exemption from the first data protection principle to the extent to which it requires compliance with paragraph 2 of Part II of Schedule 1 to the Law (which confers obligations on data controllers to give certain information to data subjects relating to data held about them). In all other cases, article 3(1) confers an exemption from section 7(1)(b) to (d) of the Law, leaving the right of the data subject to be informed by any data controller whether data about him are being processed by or on behalf of that data controller.

Article 5 modifies section 7 of the Law so that a data controller cannot refuse access on the grounds that the identity of a third party would be disclosed in cases where the third party is a relevant person (as defined), unless serious harm to that relevant person's physical or mental health or condition is likely to be caused by giving access such that the exemption in article 3(1) applies.

A further exemption from section 7 of the Law is conferred by article 3(3) in certain circumstances where a third party is making the request for access on behalf of the data subject and the data subject does not wish that information to be disclosed to that third party.

By virtue of paragraph 1 of the Schedule to this Order, it principally applies to data processed by the States Housing Authority and any other body for the purposes of the allocation of housing or other residential accommodation; the States Social Security Authority for supplementary benefit purposes and the Children Board for all its functions.

**THE DATA PROTECTION (PROCESSING OF SENSITIVE PERSONAL DATA)  
ORDER, 2002**

EXPLANATORY NOTE

The first data protection principle set out in paragraph 1 of Schedule 1 to the Data Protection (Bailiwick of Guernsey) Law 2001 (“the Law”) prohibits the processing of sensitive personal data unless one of the conditions in Schedule 3 to the Law is met. The condition set out in paragraph 10 of that Schedule is that the processing of sensitive personal data is carried out in circumstances specified by the States Advisory and Finance Committee. The Schedule to this Order specifies nine such circumstances.

Paragraph 1 of the Schedule to this Order covers certain processing for the purposes of the prevention or detection of any unlawful act, where seeking the consent of the data subject to the processing would prejudice those purposes. Paragraph 2 is a similar provision for cases where the processing is required to discharge functions which protect members of the public from certain conduct which may not constitute an unlawful act, such as incompetence or mismanagement.

Paragraph 3 of the Schedule covers certain disclosures for journalistic, artistic or literary purposes of personal data relating to a wide range of conduct (e.g. unlawful acts, dishonesty and incompetence etc.).

Paragraph 4 of the Schedule covers processing required to discharge functions involving the provision of services such as confidential counselling and advice, in circumstances where the consent of the data subject is not obtained for one of the specified reasons set out in the paragraph.

Paragraph 5 of the Schedule covers processing in certain insurance or pension scheme contexts, where details of particular relatives of the principal insured or member are required (e.g. health details of relatives used to calculate the life expectancy of the insured). The data controller must not process these data to make decisions or take actions with respect to the relatives, nor if he is aware of the relative withholding his consent to the processing.

Paragraph 6 of the Schedule covers the processing of sensitive data that were already being processed before the coming into force of this Order in certain insurance and pension contexts. Like the provision in paragraph 5, the data controller must not continue to process these data if he is aware of the data subject withholding his consent to the processing. Alternatively, the data controller may continue the processing in the case of group insurance or pension schemes even without the explicit consent of the data subject to avoid prejudice to that insurance policy or pension scheme.

Paragraph 9 of Schedule 3 to the Law, provides as a condition relevant for the purposes of the first data protection principle that the processing is of personal data relating to racial or ethnic origin for the purposes of ethnic monitoring. Paragraph 7 of the Schedule to this Order makes similar provision in relation to the monitoring of equality between persons with different religious beliefs or between persons of differing physical or mental states or conditions.

Paragraph 8 of the Schedule covers, for example, processing in the course of maintaining archives where the sensitive personal data are not used to take decisions about any person without their consent and no substantial damage or distress is caused to any person by the keeping of those data.

Paragraph 9 of the Schedule covers processing by the police in the exercise of their common law powers.

## **THE DATA PROTECTION (FURTHER CONDITIONS CONCERNING FAIR PROCESSING) ORDER, 2002**

### EXPLANATORY NOTE

Paragraph 2 of Part II of Schedule 1 to the Data Protection (Bailiwick of Guernsey) Law 2001 (“Part II”) provides that personal data will not be treated as processed fairly unless certain requirements are met relating to the provision to the data subject of information about the processing (“the information requirements”). Different provisions apply depending on whether data have been obtained from the data subject or from some other source.

Paragraph 3 of Part II sets out conditions which, if met, allow the data controller to disregard the information requirements in cases where the data have been obtained from a source other than the data subject. Power is given to the States Advisory and Finance Committee to prescribe further conditions which must be met before the information requirements can be disregarded in this way.

Article 2 of this Order prescribes further conditions for cases where the disproportionate effort ground in paragraph 3(2)(a) of Part II is being relied upon, or where the disclosure or recording of the data is necessary for compliance with a legal obligation, other than one imposed by contract or by or under an enactment or by a court order. In both cases, the Order provides that any data controller claiming the benefit of the disapplication of the information requirements must still provide the relevant information to any individual who requests it. Further, if a data controller cannot readily determine whether he is processing information about the individual concerned because of a lack of identifying information, that data controller must write to the individual explaining the position. In the former case only (disproportionate effort), article 3 of this Order provides for a further condition to be met: the data controller must keep a record of the reasons why he believes the disapplication of the information requirements is necessary

## **THE DATA PROTECTION (NON-DISCLOSURE EXEMPTION) ORDER, 2002**

### EXPLANATORY NOTE

This Order exempts from the non-disclosure provisions of the Data Protection (Bailiwick of Guernsey) Law, 2002, disclosures of personal data relating to an individual, where the disclosure is reasonably necessary for the purpose of protecting that individual or another individual from suffering serious harm. The provisions of the Order are intended to ensure that restrictions on the disclosure of personal data contained within the Law do not, for example, inhibit the sharing of information by agencies concerned with ensuring the protection of children.

**THE DATA PROTECTION (CORPORATE FINANCE EXEMPTION) ORDER, 2002**

## EXPLANATORY NOTE

The Data Protection (Bailiwick of Guernsey) Law 2001 (“the Law”) imposes certain obligations on data controllers to give data subjects information about the processing of personal data and to give access to personal data. By virtue of section 27(2) of the Law, the provisions imposing these obligations are referred to as “the subject information provisions”. Paragraph 6 of Schedule 6 to the Law creates an exemption from these provisions where, *inter alia*, the exemption is required for the purpose of safeguarding an important economic or financial interest of the Bailiwick.

This Order provides that the inevitable prejudicial effect on the orderly functioning of financial markets or the efficient allocation of capital within the economy resulting from the occasional or regular application of the subject information provisions to certain data is a matter to be taken into account in determining whether exemption from the subject information provisions is required for the purpose of safeguarding an important economic or financial interest of the Bailiwick. The data in question are data to which the application of the subject information provisions could, in the reasonable belief of the relevant person as defined, affect decisions whether to deal in, subscribe for or issue instruments or decisions which are likely to affect any business activity.

**THE DATA PROTECTION (FUNCTIONS OF DESIGNATED AUTHORITY) ORDER, 2002**

## EXPLANATORY NOTE

Section 54(1) of the Data Protection (Bailiwick of Guernsey) Law 2001 (“the Law”) provides that the Data Protection Commissioner (“the Commissioner”) shall continue to be the designated authority in the Bailiwick for the purposes of Article 13 of the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data which was opened for signature on 28th January 1981 (“the Convention”). Section 54(2) provides that the States Advisory and Finance Committee may by order make provision as to the functions to be discharged by the Commissioner in that capacity.

This Order specifies those functions. In particular, article 1 requires the Commissioner to furnish particular information to the designated authorities in other Convention countries and also provides that he may request such authorities to furnish him with information. Article 2 requires the Commissioner to assist persons resident outside the Bailiwick in exercising certain of their rights under Part II of the Law. In the circumstances specified in article 2(2), he is required to notify a resident outside the Bailiwick of certain of the rights and remedies available under Part II of the Law or to treat any request made to him by such a resident as a request for an assessment to be dealt with under section 42 of the Law. Article 3 provides that if a request for assistance in exercising, *inter alia*, rights of access to personal data in a Convention country is made by a person resident in the Bailiwick and submitted to the Commissioner, the Commissioner will send the request to the designated authority in that country.

The Convention is published in the UK Treaty Series at no. 86 of 1990, Cm 1329. It entered into force in respect of the United Kingdom on 1st December 1987 and its provisions have been extended to the Bailiwick.

**THE DATA PROTECTION (FEES UNDER SECTION 19(7)) REGULATIONS, 2002**

## EXPLANATORY NOTE

These Regulations prescribe a fee of £2 to be paid to the Data Protection Commissioner for the supply of a duly certified copy of any data controller's entry on the register.

**THE DATA PROTECTION (SUBJECT ACCESS) (FEES AND MISCELLANEOUS PROVISIONS) REGULATIONS, 2002**

## EXPLANATORY NOTE

These Regulations make miscellaneous provision in respect of the exercise of the right of access to personal data conferred in section 7 of the Data Protection (Bailiwick of Guernsey) Law 2001 ("the Law").

Regulation 1 provides that a request for access to information under any provision of section 7(1)(a) to (c) of the Law is to be treated as extending to all such information. But a request is not to be taken to extend to information about the logic of automated decision-taking under section 7(1)(d) unless an express intention appears, and where there is such an express intention, the request is to be treated as limited to that information unless an express contrary intention appears.

Regulation 2 provides that, except in the special cases set out in regulations 3 and 4, the maximum fee which a data controller may charge for access to data under section 7(2) of the Law is £10.

The Regulations make special provision as to fees and time limits in relation to two particular types of subject access request: -

In respect of limited requests as provided in section 9 of the Law, where the data controller is a credit reference agency and a subject access request is limited to personal data relevant to the applicant's financial standing, the maximum fee which may be charged by the data controller for access is prescribed as £2, and the period within which a data controller must comply with the request is prescribed as seven working days rather than the sixty day period which, by virtue of section 7(11) of the Law, otherwise applies (regulation 3).

In respect of subject access requests relating to records which are health records (as defined in section 67 of the Law), and which are not exclusively automated or intended for automation within the meaning of the first two paragraphs of the definition of "data" in section 1(1) of the Law, the Regulations make transitional provision in respect of certain requests made before the end of the first transitional period. Firstly, where a permanent copy of the information is to be provided, the maximum fee which may be charged by the data controller for access in the case of such requests is prescribed as £50. Secondly, where the request is restricted solely to data which form part of a health record, and that record has been at least partially created within the sixty days preceding the request, and no permanent copy of the information is to be provided, no fee may be charged; provision is made for requests to be specifically limited to conform to these circumstances (regulation 4).

**THE DATA PROTECTION (NOTIFICATION AND NOTIFICATION FEES)  
REGULATIONS, 2002**

EXPLANATORY NOTE

These Regulations set out a number of arrangements in respect of the giving of notifications to the Data Protection Commissioner by data controllers under Part III of the Data Protection (Bailiwick of Guernsey) Law 2001.

Regulation 1 makes provision exempting data controllers carrying out certain processing from the need to notify. The descriptions of the exempt processing operations are set out in the Schedule to the Regulations, and cover processing operations involving staff administration, advertising, marketing and public relations, accounts and record keeping and certain processing operations carried out by non profit-making organisations. Exemption from notification is lost if the processing falls within any description of assessable processing specified by the States Advisory and Finance Committee under section 22 of the Law.

Regulation 2 makes general provision for the form of all such notifications to be determined by the Commissioner. Regulations 3 and 4 make special provision in two cases where there is more than one data controller in respect of personal data; regulation 3 provides for notification by business partners to be in the name of the partnership, and regulation 4 for notification by the proprietor and head teacher of a school to be in the name of the school.

Regulation 5 prescribes fees to accompany a notification under section 18 of the Law. A fee of £35 is prescribed.

Regulation 6 provides that an entry in the register of notifications maintained by the Commissioner under section 19 of the Law is to be taken to have been made, for the purposes of avoiding the prohibition in section 17 of the Law on processing without a register entry, in the case of a notification sent by registered post or recorded delivery service on the day after the day it was received by the Post Office, and in any other case on the day it was received by the Commissioner.

Regulation 7 requires the Commissioner to give written notice to a data controller acknowledging receipt of any notification which he considers relates to assessable processing within the meaning of section 22 of the Law. The notice must be given within 10 days of receipt of the notification and must indicate the date of receipt and the processing considered to be assessable processing.

Regulation 8 requires the Commissioner to give notice to a data controller confirming his register entry. The notice must be given as soon as practicable and in any event within 28 days of making a register entry under section 19 of the Law or of amending it under section 20. It must contain the date on which the entry is deemed by regulation 6 to have been made or as the case may be the date of alteration, the particulars entered or amended, and, in the case of a notification under section 18, the date on which the fee provided for by regulation 12 falls due.

Regulation 9 authorises the Commissioner to include certain matters in a register entry additional to the registrable particulars set out in section 16 of the Law. Those matters are a registration number, the deemed date of the entry provided by regulation 6, the date on which the entry may lapse under regulation 12 or 13, and additional information for the purpose of assisting communication about data protection matters between persons consulting the register and the data controller.

Regulation 10 imposes on everyone who has a register entry a duty to notify the Commissioner of any respect in which the entry becomes an inaccurate or incomplete statement of his current registrable particulars or in which the latest description of security matters given under section 18(2)(b) of the Law becomes inaccurate or incomplete. The notification must set out the changes which need to be made to ensure accuracy and completeness, and be given as soon as practicable and in any event within 28 days from the time when the inaccuracy or incompleteness arises. Regulation 10 is modified by regulation 11 in its application to persons who have a register entry by virtue of the manner in which the Law's transitional provisions operate on entries in the register maintained under section 3 of the Data Protection (Bailiwick of Guernsey) Law 1986. In these cases, the duty under regulation 10 varies according to the extent to which the entry relates to data which are subject to processing which was already under way immediately before the coming into operation of the Regulations. In respect of such data, the notification must specify certain aspects of processing which are not from time to time included in the existing register entry; in other cases it must specify any respect in which the entry becomes inaccurate or incomplete in certain respects, and set out the changes needed to ensure accuracy and completeness.

Regulation 12 provides that, other than in the transitional circumstances addressed in regulation 13, the fee to be paid annually to secure retention of a registered entry is £35.

Regulation 13 provides for the retention of register entries included by virtue of the manner in which the Law's transitional provisions operate on entries in the register maintained under section 3 of the Data Protection (Bailiwick of Guernsey) Law 1986; these are to be retained until the end of the defined registration period, the expiry of 3 years from the coming into operation of Schedule 7 to the Law or the date on which notification is given under section 18 of the Law, whichever occurs first.

#### **THE DATA PROTECTION (TRANSFER IN THE SUBSTANTIAL PUBLIC INTEREST) ORDER, 2002**

In pursuance of the provisions of section 66(4) of the Data Protection (Bailiwick of Guernsey) Law, 2001, I lay before you herewith the Data Protection (Transfer in the Substantial Public Interest) Order, 2002, made by the States Advisory and Finance Committee on the 14th August, 2002.

#### **EXPLANATORY NOTE**

The eighth data protection principle restricts the transfer of data to a country or territory outside the Bailiwick unless that country or territory ensures a level of protection perceived to be adequate for the purposes of the Data Protection Directive. This Order sets out the limited circumstances in which the Guernsey Financial Services Commission (and its members, officers or servants) may transfer personal data outside the Bailiwick without necessarily complying with the eighth data protection principle.

#### **THE CRIMINAL JUSTICE (PROCEEDS OF CRIME) (BAILIWICK OF GUERNSEY) REGULATIONS, 2002**

In pursuance of the provisions of section 54(1)(c) of the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, I lay before you herewith the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Regulations, 2002, made by the States Advisory and Finance Committee on the 14th August, 2002.

## EXPLANATORY NOTE

These Regulations prescribe for the purposes of the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999:

- the identification procedures, record-keeping procedures, internal reporting procedures and training procedures to be established and maintained by financial services businesses; and
- guidance which the Court shall take into account in determining whether any person has complied with a duty or requirement imposed by or in pursuance of the Regulations.

In addition, these Regulations:

- amend the definition of financial services business in the Schedule to the Law;
- require certain financial services businesses to provide the Guernsey Financial Services Commission with information; and
- include provisions relating to the financing of terrorism, as well as money laundering provisions, in light of the Terrorism (United Nations Measures) (Channel Islands) Order 2001, the Al-Qa`ida and Taliban (United Nations Measures) (Channel Islands) Order 2002 and the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002.

These Regulations also revoke the original Regulations made under the Law and subsequent amendments.

**THE DRIVING LICENCES (AMENDMENT) (GUERNSEY) REGULATIONS, 2002**

In pursuance of the provisions of section 2B(e) of the Motor Taxation and Licensing (Guernsey) Law, 1987, as amended, I lay before you herewith the Driving Licences (Amendment) (Guernsey) Regulations, 2002, made by the States Traffic Committee on the 25th July, 2002.

## EXPLANATORY NOTE

A category P driving licence for a moped entitles the holder to drive any two-wheeled or three-wheeled vehicle which is fitted with an internal combustion engine with a cylinder capacity not exceeding 50cc.

These regulations introduce a new administrative code that the Committee can apply to a driving licence so that, where an individual successfully undertakes a driving test in category P using a three-wheeled vehicle, the full driving licence that is subsequently granted to that person only entitles him or her to drive three-wheeled vehicles in that category.

DE V. G. CAREY,  
Bailiff and President of the States.

The Royal Court House,  
Guernsey.  
The 6th September, 2002.



# APPENDIX I



## STATES OF GUERNSEY GUERNSEY RETAIL PRICES INDEX

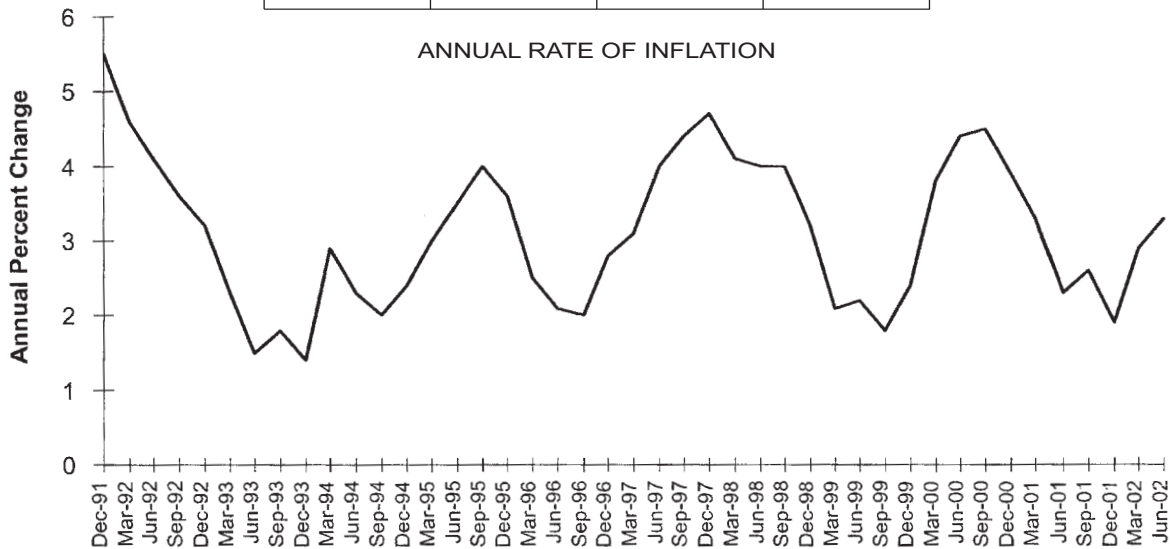
**3.3% annual change as at 30 June 2002**

STATES OF GUERNSEY  
**ADVISORY  
& FINANCE  
COMMITTEE**

At the end of June, Guernsey's annual rate of inflation, as measured by changes in the Index of Retail Prices, was 3.3% compared with 2.9% at the end of the previous quarter.

The Index Figures at the end of June 2002 were 108.6 (Dec 99 = 100), 129.0 (Mar 1994 = 100), 174.2 (Dec 1988 = 100), 232.9 (Dec 1983 = 100), 369.7 (Dec 1978 = 100)

Period	%	Period	%
3 Months	1.0	2 Years	5.7
6 Months	2.9	3 Years	10.4
9 Months	2.5	4 Years	12.9
12 Months	3.3	5 Years	17.4
18 Months	4.6	10 Years	34.1



### Annual % Changes

### Quarterly & Changes

	March	June	September	December		March	June	September	December
1990	10.2	9.7	10.4	9.8		3.1	1.6	3.3	1.4
1991	8.6	8.7	6.1	5.5		2.0	1.7	0.8	0.9
1992	4.6	4.1	3.6	3.2		1.1	1.2	0.3	0.5
1993	2.3	1.5	1.8	1.4		0.2	0.5	0.5	0.2
1994	2.9	2.3	2.0	2.4		1.7	0.0	0.2	0.5
1995	3.0	3.5	4.0	3.6		2.2	0.5	0.7	0.2
1996	2.5	2.1	2.0	2.8		1.1	0.1	0.5	0.9
1997	3.1	4.0	4.4	4.7		1.5	1.0	1.0	1.2
1998	4.1	4.0	4.0	3.2		0.9	0.9	1.0	0.4
1999	2.1	2.2	1.8	2.4		-0.2	1.0	0.5	1.1
2000	3.8	4.4	4.5	3.9		1.2	1.6	0.6	0.5
2001	3.3	2.3	2.6	1.9		0.6	0.6	0.8	-0.1
2002	2.9	3.3				1.6	1.0		

**PERCENTAGE CHANGES IN GROUP INFLATION  
AND THEIR CONTRIBUTION TO OVERALL INFLATION**

**GUERNSEY INFLATION RATE (+3.3%)**

	Weight	Annual % change	Contribution %	
FOOD	127	-0.3%	0.0	
ALCOHOLIC DRINK	52	+3.7%	0.2	
TOBACCO	19	+13.9%	0.3	
HOUSING	216	+5.2%	1.2	
FUEL, LIGHT & POWER	41	-0.9%	0.0	
HOUSEHOLD GOODS	79	+1.5%	0.1	
HOUSEHOLD SERVICES	33	+8.3%	0.3	
CLOTHING & FOOTWEAR	56	-3.7%	-0.2	
PERSONAL GOODS	49	+2.9%	0.1	
MOTORING EXPENDITURE	85	+3.3%	0.3	
FARES/OTHER TRAVEL	33	+2.4%	0.1	
LEISURE GOODS	63	+1.4%	0.1	
LEISURE SERVICES	92	+6.3%	0.6	
FOOD AWAY FROM HOME	55	+2.8%	0.2	
<b>OVERALL</b>	<b>1000</b>		<b>3.3</b>	
<p><b>Weight</b> is the proportion of the total index represented by each group. <b>Contribution</b> shows the effect of price changes in relation to the relative weight of the groups</p>				

**Matters affecting the R.P.I. during the last year**

The main contributors to inflation during the last year were increases in the price of Housing, Leisure Services, Tobacco, Household Services.

Increases in the costs of building and costs for home improvements were the main contributors to the increase in the Housing Group which in itself accounted for 1.2% of the 3.3% annual increase. Increases in the price of holidays contributed to the rise in Leisure Services. Household services saw a rise in the cost of subscriptions to trade unions, funeral expenses and miscellaneous household expenses.

**Matters affecting the R.P.I. during the last three months**

The main contributors to inflation over the last **three months** were increases in the costs of holidays, house purchase, building work, course fees for private tuition, leisure and educational courses.

*This release is also published on the States of Guernsey Web Site <http://www.gov.gg/esu> or telephone (01481) 717012.*

## APPENDIX II

### STATES ADVISORY AND FINANCE COMMITTEE

#### STATES AUDIT COMMISSION: THE MANAGEMENT OF STOCK

The President,  
States of Guernsey,  
Royal Court House,  
St. Peter Port,  
Guernsey.

29th July, 2002.

Dear Sir,

#### **States Audit Commission: The Management of Stock**

The Advisory and Finance Committee has received a report from the States Audit Commission entitled "The Management of Stock".

The Commission has (in accordance with the provisions of the States Audit Commission (Guernsey) Law, 1997) requested the Committee to submit a copy of the report for inclusion as an appendix to a Billet d'État.

The amount of stock administered by States Committees at less than £4 million is relatively modest compared to say a medium sized trading company, however, it is still an important area and one where savings can be made. The Committee therefore welcomes the Commission's report especially as it builds on its previous report on purchasing (Billet d'État XXI, September 1998).

Although the Commission's report highlights a number of areas where further improvement is necessary, it also endorses the Committee's previous initiatives to:

- Introduce accruals accounting, including the introduction of year end stock counts and valuations.
- Preparation and distribution of the Administrative and Accounting Guideline entitled "Stocks".
- Significantly improve the use of IT in respect of purchasing and stock control through Project E-Pact by implementing SAP.

The latter point is particularly welcome as SAP, after very careful consideration, was implemented in the Estates Department of the Board of Health ahead of schedule. The roll out of SAP is an ongoing project with a plan to introduce stock control modules across other States Committees from 2003 onwards.

The Committee commends the Commission's report to the States and for its own part will be examining how best it can address those issues for which it has primary responsibility. However, it is also important that individual committees also continue to review, and where necessary revise, their own procedures for stock control.

I would be grateful if you would arrange for the publication of the States Audit Commission's report as an appendix to a Billet d'État.

Yours faithfully,

L.C. MORGAN,

President,

States Advisory and Finance Committee.



**STATES AUDIT COMMISSION**

**THE MANAGEMENT OF STOCK**

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- 2 INTRODUCTION**
- 3 STOCK HOLDING**
- 4 OBSOLETE AND SLOW-MOVING STOCK**
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- 6 STOCK CONTROL**
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- 8 SPECIAL CONSIDERATIONS**
- 9 CONCLUSION AND RECOMMENDATIONS**

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- I TERMS OF REFERENCE**
- II ANALYSIS OF STOCK HOLDINGS**
- III ADMINISTRATIVE & ACCOUNTING GUIDELINE: STOCKS**

## 1 EXECUTIVE SUMMARY

### 1.1 Current Position

The Advisory & Finance Committee's Administrative & Accounting Guideline entitled "Stocks" (issued in 1995), gives States committees guidance on accounting for stock, how stock should be stored and what records should be kept, as well as on stock taking procedures etc. (see **Appendix III**).

The work of the Internal Audit Department, on whose findings part of this report is based, indicates a wide variation in the adherence to the above guidance, and hence in the adequacy of stock storage facilities, record-keeping, and control procedures.

The States recently implemented an integrated finance and procurement system throughout the States, in an attempt to streamline and automate the process of purchasing and accounting for goods and services. The system purchased was called "SAP", a tier-one business solution, which includes a comprehensive inventory management module. However, at this stage this functionality has only been implemented within certain departments of the Board of Health. This functionality should help to address many of the findings of this review, once it is rolled out to the remaining States committees that hold stock.

### 1.2 Findings

As noted above, this review identified a wide variation in the adequacy of stock storage facilities, record-keeping, and control procedures. Hence, many of the recommendations of this report reinforce the principles embodied within the guideline and suggest that certain committees need to pay much greater adherence to the guidance.

Furthermore, as there is little real incentive to minimise the stock holdings to a more cost efficient level, few, if any, committees make any real effort towards stock level optimisation, i.e. reducing stock quantities to a level which minimises stock holding costs, without impinging on the ability to meet demand.

Similarly, it was found that committees still generally prefer to buy and store stock on an individual basis, rather than on a corporate basis to take advantage of increased buying power and the economies of scale afforded by joint storage and distribution of common items.

Finally, one of the greatest needs in terms of efficiency is the need to automate the current stock movements and recording systems. Manual ledgers are still in evidence in some places and processes need to be rationalised and automated. It is anticipated that the roll out of the SAP functionality to other committees will enable greater efficiency in the management and accounting for stock, in the same way as it has in some areas of the Board of Health.

### 1.3 Recommendations

In general, the recommendations arising from this report relate to the findings noted above, namely that:

- committees need to pay greater attention to the principles embodied within the Administrative & Accounting Guideline "Stocks" to ensure proper stewardship of the assets in their care,
- committees need to be more scientific in their assessment of how much stock to hold, to enable optimal stock levels to be stored which minimise the cost of holding stock, whilst still enabling demand to be met,
- committees should investigate opportunities for purchasing and storing common items on a corporate rather than individual basis, to generate greater buying power, and capitalise on the economies of scale afforded by joint storage and distribution of common goods. This includes the need to investigate opportunities for stopping the storage of goods already stored in large quantities (and hence remaining readily accessible) on the island,
- SAP functionality needs to be rolled out to all stock holding committees to enable the efficient management and accounting for stock.

Detailed recommendations arising from this review are included within the body of the report, and a complete list is included in section 9.

## 2. INTRODUCTION

### 2.1 Background

The States Audit Commission has a mandate to assist Committees in ensuring the effective, efficient and economical management of States' assets and finances.

A major asset held by Committees in the States of Guernsey is stock. At the 2001 year-end, stock held by General Revenue Committees and Trading Departments (but excluding States Trading Companies) was valued at £3.8million. This is in addition to "consumables" (see definitions below), which may also have significant value, although this cannot be quantified meaningfully as records are not generally kept of consumables.

In 1995, the Advisory & Finance Committee issued an Administrative & Accounting Guideline entitled "Stocks", which set out guidance for the proper management, accounting and control of stock. At the same time, the year-end accounting process was altered to account for stock on the accruals accounting basis (see 2.2 below). These two initiatives resulted in a step improvement in the way stock was managed generally throughout the States, and resulted in stock holdings being reduced significantly, as well as the incidence of obsolete stocks being reduced. As a consequence, storage space was freed up and stock holding costs were reduced, representing real savings in public money.

However, section 11 of the Commission's report on "Purchasing in the States of Guernsey" (Billet d'État XXI, 1998) indicated that there was greater scope for improvement in the management of stock, and identified the need for an Audit Commission review of this area.

The States has recently implemented a new integrated purchasing and finance system (referred to as "SAP"), which includes a comprehensive inventory management module. This functionality has been implemented within some departments at the Board of Health, and these departments have benefited from improved processes and better stock management information as a result. This functionality will be rolled out to other States committees in due course, where it is anticipated that similar benefits will be achieved. Hence, this report is cognisant of the fact that many of its recommendations will be addressed by the wider roll out of SAP.

### 2.2 Definitions and Accounting Methods

The States financial accounts are generally prepared on an accruals accounting basis. This means that "stock" is accounted for in the period it is used, which may not necessarily be the period in which it was purchased. Hence, items held and defined as "stock" are valued at the year-end and only the quantity actually used is included as an expenditure in the revenue accounts for the year. This is in accordance with best accounting practice.

Stock that is included in the year-end accounts is valued using a variety of methods throughout the States, including purchase price, weighted average cost and standard price.

The term "consumables" is used to refer to those low value, high volume items that are written off as an expense on purchase and therefore are not accounted for as stock in the year-end accounts, (An example of consumables could be stationery, although if held in large volumes, stationery may also be classified as stock). However, although not accounted for as stock, sometimes these items are held on site in large quantities, hence incurring all the stock management and storage issues as those items which are accounted for as stock.

### 2.3 Terms of Reference

The Terms of Reference for this review are detailed at **Appendix I**.

This report is not intended to duplicate the Commission's previous report on "Purchasing in the States of Guernsey", which looked at how the States procures items, including stock. Hence, the scope of this report is restricted to what is done with stock once it has been delivered to States premises, and how the States manages, records and protects this important asset. It seeks to assess whether savings could be derived from rationalising and standardising many of the storage methods, locations and record keeping.



For the purposes of this report, the management of consumables will also be included, although, for obvious reasons, comments will be restricted to the management of the physical items, rather than (for example) accounting methods, as consumables are not included in the financial accounts.

#### **2.4 Types of Stock Held**

The States of Guernsey holds a plethora of items which it classifies as “stock”. To demonstrate the sheer range of items to be managed, a few examples are listed below:

- fuel oil and lubricants
- electrical equipment
- publications
- notes and coins
- paint and maintenance spares
- medical equipment, medicines, drugs and sterile supplies
- food
- uniforms
- bull semen
- Guernsey promotional / gift items
- goods for resale
- historical objects and collections

The wide range of stock reflects the diversity of States activities. Some of the items held, by their nature, have unique storage requirements.

### **3. STOCK HOLDING**

#### **3.1 Stock Levels**

Perhaps unsurprisingly, the States of Guernsey holds a plethora of types of stock, examples of which are given in section 2, with a value of £3.8million attached to those items which are accounted for as stock rather than consumables.

At present, there is little real pressure on working capital, hence no real incentive for committees to optimise their stock holding. Although some committees make real efforts to manage their stock levels to appropriate levels to minimise the stock holding costs, this is, at best, done in an informal and unstructured way, and, at worst, not at all.

This is evidenced by the high levels of stock held and the high incidence of obsolete stock, as demonstrated in section 4 of this report.

Furthermore, for a sample of committees and departments looked at, it was found that stock coverage (i.e. the quantity of stock held as a factor of the stock actually used during one year), varied from 3 months' usage to 17 months' usage. Even taking into consideration the long lead times some stock items have, as a result of being imported from the UK, the figures would seem to indicate that the levels of stock held far exceed any reasonable foreseeable usage.

#### **3.2 Stock Level Optimisation**

When considering stock items, firstly, a decision needs to be taken as to whether to hold stock at all. In many cases, stock items purchased and stored by States committees are held in large quantities throughout the island hence raising the question why do committees incur the costs and administration of storing goods at all? This is considered further in section 5.4.

Assuming it is decided that particular items do need to be stored on site, decisions then need to be taken on how much to hold.

In any decisions regarding the levels of stock to be held, it is important to balance the cost of storing the stock (which includes store persons salaries, security, utilities, the financial opportunity cost of having cash tied up in stock, depreciation of the store room assets, the opportunity costs of alternative property usage etc.) against the risk of a stock out.

The risk of a stock out can primarily be assessed by forecasting the expected demand and speed of usage of a product, and ensuring that the amount stored will cover sufficient usage to meet requirements until another order can be delivered, based on expected supplier lead times and transport time. Seasonal fluctuations will need to be taken into account, and in many cases, some form of additional safety stock will be appropriate to cover unforeseen supply problems such as industrial disputes, poor quality batches and weather problems

A final consideration will be the discounts to be achieved by ordering in bulk and the freight costs attaching to multiple orders, which will have an impact on the quantity purchased at any one time and hence put into storage.

We recognise that in some areas, meaningful calculations will not always be possible. For example, some stock items have short shelf lives that expire before they can be issued, hence they may require more frequent orders than would otherwise be cost effective. Similarly, for some items of stock it is impossible to accurately gauge demand. An example of this is pharmaceutical anti-dotes to poisons, for which demand cannot be anticipated, but which need to be stored on a "just in case" basis, even though the drugs may not be used within their shelf-life.

These more unique cases aside, modern management of stock necessitates data to be collected on all the above factors to be able to forecast demand, supply times etc. to enable the optimal stock levels to be calculated which minimise the stock levels held, hence minimising the stock holding costs, whilst still allowing for contingencies and taking advantage of bulk discounts. Calculations will need to be reviewed on a regular basis to assess any changes in any of the key factors, for example an increase or decrease in demand.

If stock levels are optimised, this will not only minimise the stock holding costs, but will significantly reduce the risk of wastage through stock becoming obsolete, exceeding its shelf life or otherwise losing its value.

**Recommendation 1:** That committees embody modern best practice in the management of their stock and consumable items to ensure stock holding costs are minimised without affecting the ability to meet anticipated usage requirements.

**Recommendation 2:** That committees determine the optimal stock levels for their key stock items.

**Recommendation 3:** That committees improve the quality of forecast information to enable a more accurate assessment of the above.

**Recommendation 4:** That committees investigate ways of reducing the time taken to order and deliver stock such that lead-time stock levels can be reduced.

### 3.3 Stock Lines

Our review indicated that different committees and departments hold many similar items, but that these varied in some of the smaller details. For example, paper envelopes are used by virtually every committee, but the type, strength, size and specification of those held varied widely. As a result, the stock holding costs incurred by the States are repeated many times over.

It is the Commission's opinion that real opportunities exist for rationalisation of common stock items, which would enable greater buying power, as well as opportunities for joint storage or cross-committee supply, perhaps with the main user of the item buying on behalf of other users.

An example of where this has been successful is the States Works Department, which performed an exercise to rationalise its range of stocked personal protective equipment (PPE) such as gloves, steel capped boots etc. This exercise was estimated to have reduced storage costs by 25%, representing an annual saving of approximately £5,000. Other committees who use PPE could perform a similar exercise, or could consider using the SWD supplies. This principle should also hold true for other types of stock, such as stationery, building supplies, cleaning materials etc.

Other committees have made attempts to join together in the purchasing of common items, which is to be applauded. The States Purchasing Co-ordinator issues regular lists of contractually negotiated items, but it is her belief that take up of these could be much better.

**Recommendation 5:** That the Advisory & Finance Committee continues to investigate the potential for joint purchase, storage and distribution of common items to generate savings on commonly goods.

**Recommendation 6:** That committees rationalise their stock lines held to ease the burden of management and accounting for a multiplicity of stock line items.

#### 4. OBSOLETE AND SLOW-MOVING STOCK

We were concerned to note that, from a sample of revenue committees and department assessed, the proportion of stock value, which was identified as slow moving and/or obsolete, equated to over 50% of the total value.

We recognise that some examples of obsolete stock are held for good reason. For example, parts for old items of equipment, which are still in use, may be held in stock as it would not be possible to purchase these if required.

However, the remaining items of slow-moving and obsolete stock are a symptom of the lack of adequate stock management. Not only does this represent wastage of public funds in so much as these items, by definition, will probably never be used, but they are unlikely to be disposed of for any real value, and in the meantime incur additional stock management and holding costs.

The Commission feels it is essential that committees make greater efforts to appropriately manage stocks to avoid this situation worsening, and indeed to reverse the position.

Whilst going forward, the aim would be to avoid the occurrence of obsolete stock wherever possible, at this time the statistics suggest that it would be beneficial for committees to perform a review to identify obsolete and/or slow-moving stock, with the objective of clearing out unwanted items, realising any residual value, and freeing up wasted storage space. Committees that have performed such a review in recent years, including the Estates Department at the Board of Health and States Works Department, have generated space savings of up to 70% in some areas, albeit as a combined review of obsolete stock, warehouse layout and rationalisation of stock lines.

**Recommendation 7: That committees regularly perform reviews of their stock held to identify any slow-moving or potentially obsolete stock, so that appropriate action can be taken, and informed decisions made in respect of future order quantities for such items.**

**Recommendation 8: That committees produce and analyse stock ageing reports on a regular basis to identify any slow-moving or obsolete stock, or trends which may indicate the future occurrence of such.**

Also of concern was the lack of investigation by management in some areas of stock write-offs. Stock may be written off for a variety of reasons, including failure to properly record usage resulting in inaccurate stock records, wastage, theft, short deliveries, incorrect postings resulting in unders and overs between similar lines etc. It is clear that some of these possible reasons are more serious than others, however, some committees complained that their stock systems provided inadequate visibility over stock write-offs to enable proper investigations to take place. It is envisaged that the roll out of the States new integrated finance and procurement system (SAP), which includes stock management functionality, will assist management in monitoring stock write-offs.

**Recommendation 9: That committees use the new functionality within SAP (when available) to monitor stock write-offs and investigate the reasons for significant variances.**

A final point of note in this section is the need to link stock management to more general fixed asset management. Where the stock held is in the form of spares for machinery and equipment, the management of stock levels needs to be tied in to the scheduling of maintenance of the related asset. This will be assisted in part by the roll out of SAP functionality covering plant maintenance. The States Works Department review of obsolete stock revealed many items held as spares for items of equipment that were no longer in use. Hence, the need for a link between fixed asset management and the management of related spares stock is clear.

## 5. STORAGE AND DISTRIBUTION OF STOCK

### 5.1 Numbers of Storage Sites

At present, most committees have at least one (and some significantly more) designated areas for the storage of stock and consumable items. Each of these areas incur direct costs, such as the salaries of store persons, utility costs, security costs etc, as well as opportunity costs in terms of what the space might be more appropriately used for.

Committees which hold multiple stock locations also incur the significant administration costs of managing these sites, moving stock between them and processing all the necessary stock transactions.

There is no doubt that many of these stores have a distinct purpose and are indeed necessary. However, in an island of the size of Guernsey, the storage of common items by different committees, who employ store persons to manage the locations and move stock between them, presents an opportunity for savings to be made, both in financial and personnel terms. This would free up scarce and valuable resources which could be re-directed, easing the burden on these resources. Approximately twelve members of staff are dedicated to stock management throughout States committees, and it is estimated that in excess of sixty have stock management as part of their role.

Again to use the States Works Department as an example; as mentioned above the Department freed up approximately 70% of its storage space through a review of its stock holdings. This space is now rented out to other committees to hold stock on their behalf, for example kitchen units for the Housing Authority, which has resulted in savings where contractors previously bought units on an ad hoc, as required basis. Storage of a standard range of units has enabled greater buying power, rationalisation of stock lines and pro-active management of obsolete items, by re-directing items to other committees such as the Board of Health.

**Recommendation:** see recommendation 5 above.

### 5.2 Standard of Storage Facilities

The majority of States storage facilities are fit for purpose. However, there were some examples of inadequate storage conditions. Most notable of these perhaps are the stores which house the Heritage Committee's objects collection. Some of the stores are poorly specified, have health and safety issues, with objects stored in overcrowded conditions inappropriate to the special conditions that some of these precious objects require.

Other concerns noted at other storage sites was a lack of proper delivery points for purchased items. In one case, items that had special temperature requirements were left by the supplier's delivery vehicle and not noticed by the committee's staff until the following day, by which time the goods were no longer fit for purpose and had to be written off. A proper goods inwards bay would have prevented this, as would proper controls to check whether stock had been delivered.

Additionally, it was noted that in some cases security over storage sites was inadequate, and in the majority of cases, little thought had been given to the optimal layout of the stores to streamline the delivery, storage and despatch of goods.

**Recommendation 10: That the States Strategic Property Unit performs a global review of States storage facilities to assess their fitness for purpose.**

### 5.3 Cost of Stores

The review found that many committees found it difficult, if not impossible, to calculate a true cost of stores. Direct costs, such as store persons salaries etc. were relatively easily identifiable. However, the total costs of stores, including the apportioned costs of rent, insurance, utilities, depreciation etc. were less easy to quantify due to a lack of accounting information at a sufficiently detailed level.

Without this information, it is not possible to truly estimate the cost of holding stock and hence help in making decisions over whether to store items or not.

**Recommendation 11: That committees use the available information to produce meaningful information on the cost of holding stock and utilise this information to make informed decisions on the optimal stock levels.**

#### **5.4 The Need to Store?**

An additional consideration is where committees hold high levels of items, purchased in bulk to generate discounts, but where such items are already held on the island in large quantities.

An example of this is cleaning materials. During recent years, the Education Council negotiated a contract with a local supplier of cleaning materials, which entailed the supplier holding sufficient stocks of the materials to guarantee supply direct to the Education Council's numerous sites. This meant that the Council no longer needed to hold its own stocks and it is estimated that this has saved approximately £10K per annum in reduced stock holding and delivery costs. If one committee can generate this level of savings from just one product range, the potential savings States-wide across all relevant stock lines are significant.

The savings to be derived from use of this option need always to be borne against the potential loss of control over use of the items, as users are able to request stock directly from the supplier. However, bearing in mind that this solution is perhaps most beneficial when applied to low value, high volume items, the risk may be considered acceptable.

**Recommendation 12: That the Advisory & Finance Committee commissions a review of stock items held locally, and negotiate contracts on behalf of States committees for suppliers to hold stock on their behalf.**

## 6. STOCK CONTROL

As might be expected, there are examples of best practice throughout the States in respect of stock management. This report has already highlighted examples whereby stock line rationalisation and review of obsolete stock has generated financial benefits. Similarly, there are examples where the layout and order of storage sites enables more efficient usage and processing of stock, such as the Harbours and the Board of Health Estates Department

However, it is fair to say that, in general, the work of the Internal Audit Department indicates that internal controls over stock throughout the States are not satisfactory. Whilst in most cases, store persons seemed to display adequate ownership of the stock in their care, they perhaps do not see the full implications of having inadequate controls, or have insufficient resources to put the necessary controls in place. This indicates a need for store persons to be adequately trained in the proper control and efficient management of the stock in their care.

The type of findings raised frequently in Internal Audit Department reports include:

- No / inadequate stock records
- Inadequate security of stock
- No stock takes performed
- Stock takes not performed by independent persons
- Unused stock not returned to stores
- Inadequate control over stock delivered directly to job
- Significant variances between physical stock quantities and expected book stocks
- No segregation of duties over the control of stock
- Inadequate audit trail over write-offs
- No management of write off levels

These findings indicate that the States does not always have adequate stewardship over this asset and the risk of financial loss through damage, wastage or theft is high.

To avoid duplication, this report does not seek to detail all the necessary internal controls that should be put in place, which are detailed clearly in the Administrative & Accounting Guideline “Stock” issued by the Advisory & Finance Committee (see **Appendix III**). Rather, the recommendation is:

**Recommendation 13: That committees pay greater attention to the requirements of the Administrative and Accounting Guideline “Stocks”.**

**Recommendation 14: That committees assess the training needs of persons responsible for stock management and fill any necessary skills gaps.**

This is particularly essential where the stock held is of a desirable or dangerous nature; the former because of the increased attractiveness to thieves, and the latter because of the need to ensure dangerous goods do not fall in to the wrong hands and cause injury to innocent persons.

The Internal Audit Department will continue to assess the controls in place over stock during each of its routine internal audits within committees. Committee Members are asked to take particular note of the Internal Audit Department’s findings when these are reported.

## 7. ACCOUNTING AND RECORD KEEPING

This section seeks to look at the record keeping and accounting processes concerning stock and consumables.

In general, committees are using appropriate valuation methods which are in accordance with accounting standard SSAP9, and which have been endorsed by the External Auditors.

However, it was found that records over stock quantities, and movements in particular, were poor, indeed non-existent in some cases. Although all committees with significant quantities of stock are required to count and value their stock for the year-end accounting process, in many cases this is the only time committees check their stock.

Similarly, management information concerning stock levels, values, ages, turnover etc. was not evident in many areas. Very few committees prepare and consider reports on stock levels, or set themselves performance targets for the management of stock.

Those committees who did attempt to keep accurate records of stock held did so with varying degrees of success, in some cases because of the high number of stock lines maintained, and in some cases because they were trying to work with manual, labour intensive records.

Finally, it was found that, in some areas, items that were treated as consumables because of their rapid turnover, had virtually no control in place over the recording of stock levels despite some of these consumables being of significant value.

Hence, it is the Commission's opinion that greater attention needs to be paid to the recording of stock levels and movements, and hopes that the roll out of SAP across all States committees will facilitate this. In addition, it is our opinion that committees should investigate additional technological advances available to make the management of stock as simple and painless as possible. Success has been achieved in this area through the introduction of bar-coding within the Board of Health Estates Department, which has enabled more efficient stock-counting processes, and will in time be used to facilitate the recording of stock movements.

**Recommendation 15: That committees use the new functionality available within SAP to implement proper stock records and ensure management pay appropriate attention to the management of stock and consumables within their areas of responsibility.**

**Recommendation 16: That the States investigate technological options such as bar-coding and automated stock handling mechanisms for the streamlined management and processing of stock.**

**Recommendation 17: That committees develop stock management key performance indicators, (such as stock coverage ratios, stock value written off, stock ageing statistics etc) and set themselves performance targets to ensure the adequate management of stock held.**



## 8. SPECIAL CONSIDERATIONS

This section seeks to look at certain specific stock issues, and to make appropriate recommendations in these more unique areas.

### 8.1 Linen and Uniforms

Various committees within the States stock uniforms and linen. In many cases, these items have a high degree of wastage, mainly due to staff being issued with a set quantity which are either not returned when staff leave the service, or cannot be re-used if returned.

Whilst we recognise the current issues concerning recruitment of staff into the uniformed services, we also feel that the staff themselves recognise the wastage the system entails and could be presented with alternatives to help reduce the cost to the taxpayer.

**Recommendation 18: That the relevant committees investigate options such as incentivisation schemes for the maintenance and return of uniforms and linen.**

### 8.2 Heritage Objects Collection

As noted above in section 5.2, the storage of the Heritage objects collection is a cause for concern. Whilst it is debatable whether these items should be included in a review of stock, it is our belief that the States should pay greater recognition to this important asset, which includes many irreplaceable and priceless items. It is our opinion that these need to be subject to a strategic risk review, which should also encompass options for the storage and/or display of these assets, to ensure that maximum value is derived from their ownership.

**Recommendation 19: That the Heritage objects collection be subject to a full strategic risk analysis to assess various options for the appropriate storage of the items and possible options for their display to maximise the benefit derived from the ownership of the objects.**

### 8.3 Strategic Stockpiles (Essential Commodities)

At present, no strategic stockpiles (other than long-life biscuits) are held to meet the island's immediate needs in the event of a disaster or global event that cut the island off from normal supply lines. The States used to collect data on the levels of stocks of essential commodities (such as sugar, oil etc.) held within the island, but this process was stopped over ten years ago when central storage of such commodities ended in favour of multiple storage sites held by island supermarkets, and the dock-workers stronghold over importation to the island was removed.

As part of its on-going assessment of business continuity and disaster recovery planning within the States, the Commission believes that this position needs to be reviewed, not necessarily to decide to create stockpiles, but to ensure the rationale behind the decision to stop recording data on stocks of essential commodities continues to remain valid and defensible.

**Recommendation 20: That the Board of Administration and Civil Defence Committee review the position on strategic stockpiles every five years to ensure the stance remains valid in the light of the global climate and the island's supply and transport links.**

### 8.4 Consignment Stock

Some States committees hold consignment stock, namely stock that remains in the ownership of the supplier even though it is held on site at the relevant committee, and only transfers into States' ownership once used.

This is an effective method of having stock readily available on site, without incurring the cost of purchase until the stock is used, hence providing cash flow benefits. It also enables stock that is unwanted, unused or is in danger of becoming obsolete or slow-moving can be returned to the supplier.

Whilst this method of stock sourcing is to be encouraged, it must be borne in mind that:

- The use of consignment stock does not remove the cost of stock holding
- Accurate records are essential to enable proper accountability and identification of which stock items are owned by either party
- Any negotiations in respect of consignment stock must ensure that proper consideration is given to the insurance of the items and that any requirements of the supplier to store and protect the items are rigorously adhered to.

**Recommendation 21: That States committees investigate further opportunities for sourcing stock on a consignment basis, where appropriate and with due regard to the above considerations.**

## 9. CONCLUSION AND RECOMMENDATIONS

The review highlights that, although examples of best practice exist throughout the States, four main themes develop from the findings:

- that the levels of stock held (and hence the value tied up in stock) is much greater than necessary, as is the number and diversity of the range of product lines stored. This has led to unnecessary levels of obsolete and slow-moving stock,
- the level of adherence to the Administrative & Accounting Guideline “Stocks” varied considerably and needs to be brought up to a much higher standard in some areas across the States to ensure proper stewardship of the stock items held,
- that SAP functionality needs to be rolled out to all stock holding committees to enable more efficient management and accounting for stock,
- that committees are not generally capitalising on existing opportunities for purchasing and storing common items on a corporate rather than individual basis, hence are missing out on their ability to generate greater buying power and the economies of scale afforded by joint storage and distribution of common goods. Similarly, despite demonstrable success at the Education Council, committees do not appear to have taken up opportunities for ceasing the storage of items already stored in large quantities (and hence remaining readily accessible) on the island.

The detailed recommendations are as follows:

- Recommendation 1:** That committees embody modern best practice in the management of their stock and consumable items to ensure stock holding costs are minimised without affecting the ability to meet anticipated usage requirements.
- Recommendation 2:** That committees determine the optimal stock levels for their key stock items.
- Recommendation 3:** That committees improve the quality of forecast information to enable a more accurate assessment of the above.
- Recommendation 4:** That committees investigate ways of reducing the time taken to order and deliver stock such that lead-time stock levels can be reduced.
- Recommendation 5:** That the Advisory & Finance Committee continues to investigate the potential for joint purchase, storage and distribution of common items to generate savings on commonly goods.
- Recommendation 6:** That committees rationalise their stock lines held to ease the burden of management and accounting for a multiplicity of stock line items.
- Recommendation 7:** That committees regularly perform reviews of their stock held to identify any slow-moving or potentially obsolete stock, so that appropriate action can be taken, and informed decisions made in respect of future order quantities for such items.
- Recommendation 8:** That committees produce and analyse stock ageing reports on a regular basis to identify any slow-moving or obsolete stock, or trends which may indicate the future occurrence of such.
- Recommendation 9:** That committees use the new functionality within SAP (when available) to monitor stock write-offs and investigate the reasons for significant variances.
- Recommendation 10:** That the States Strategic Property Unit performs a global review of States storage facilities to assess their fitness for purpose.
- Recommendation 11:** That committees use the available information to produce meaningful information on the cost of holding stock and utilise this information to make informed decisions on the optimal stock levels.

- Recommendation 12:** That the Advisory & Finance Committee commissions a review of stock items held locally, and negotiate contracts on behalf of States committees for suppliers to hold stock on their behalf.
- Recommendation 13:** That committees pay greater attention to the requirements of the Administrative and Accounting Guideline “Stocks”.
- Recommendation 14:** That committees assess the training needs of persons responsible for stock management and fill any necessary skills gaps.
- Recommendation 15:** That committees use the new functionality available within SAP to implement proper stock records and ensure management pay appropriate attention to the management of stock and consumables within their areas of responsibility.
- Recommendation 16:** That the States investigate technological options such as bar-coding and automated stock handling mechanisms for the streamlined management and processing of stock.
- Recommendation 17:** That committees develop stock management key performance indicators, (such stock coverage ratios, stock value written off, stock ageing statistics etc) and set themselves performance targets to ensure the adequate management of stock held.
- Recommendation 18:** That the relevant committees investigate options such as incentivisation schemes for the maintenance and return of uniforms and linen.
- Recommendation 19:** That the Heritage objects collection be subject to a full strategic risk analysis to assess various options for the appropriate storage of the items and possible options for their display to maximise the benefit derived from the ownership of the objects.
- Recommendation 20:** That the Board of Administration and Civil Defence Committee review the position on strategic stockpiles every five years to ensure the stance remains valid in the light of the global climate and the island’s supply and transport links.
- Recommendation 21:** That States committees investigate further opportunities for purchasing stock on a consignment basis, where appropriate and with due regard to the above considerations.

It is our intention to perform a follow up review of this report in approximately two years’ time.

States of Guernsey Audit Commission  
July 2002

**APPENDIX I****TERMS OF REFERENCE**

The terms of reference for the review were

1. To identify existing procedures and practices relating to the management of stock and consumable items by the various committees of the States of Guernsey.
2. To determine to what extent the existing practices and procedures are adequate to enable committees to manage and protect their stock and derive optimal value for money from the usage of that stock.
3. To determine to what extent the existing practices and procedures are consistent with existing States policies.
4. To identify potential improvements in procedures to achieve greater stewardship and value for money in respect of stock within the States of Guernsey.
5. To make recommendations in respect of the above.

## APPENDIX II

## ANALYSIS OF STOCK HOLDINGS – YEAR END 2001

<b>General Revenue</b>	<b>Value / £'000</b>
A&F – Currency	350.6
A&F – Other	109.1
Agriculture & Countryside Board	23.5
Board of Administration – Customs	0.8
Board of Administration – General	0.9
Board of Administration – Harbour	266.8
Board of Health	1,183.2
Cadastre Committee	2.8
Civil Service Board	8.0
Education Council	29.5
Heritage Committee – General *	131.7
Heritage Committee – Museum Publications	26.0
Home Affairs Committee – Fire Brigade	60.3
Home Affairs Committee – Police	85.5
Home Affairs Committee – Prison	27.9
Horticulture Committee	17.9
Housing Authority	3.8
Income Tax Authority	37.1
Island Development Committee	5.5
Island Reception Committee	0.5
Priaulx Library	0.5
Public Assistance Authority – St Julian's House	0.8
Public Thoroughfares Committee	154.7
Recreation Committee	56.1
States Traffic Committee	38.6
Tourist Board	231.9
	<hr/>
	<b>2,854.0</b>
	<hr/>
<b>Trading Departments</b>	
Beau Sejour	56.1
States Dairy	220.1
States Works Department	154.1
Water Board	506.7
	<hr/>
	<b>937.0</b>
	<hr/>
<b>Total</b>	<hr/> <b>3,791.0</b> <hr/>

\*NB: The Heritage Objects collection is not included within these stock values.

### APPENDIX III

#### ADMINISTRATIVE AND ACCOUNTING GUIDELINE: STOCKS

##### INTRODUCTION

As stated in the Administrative and Accounting Guideline “Responsibility for Internal Control”, it is the responsibility of each Committee to identify and install a system of internal controls, including financial control, which is adequate for its own purposes.

One of the most important internal controls to safeguard assets is the maintenance of proper controls over stocks.

##### ASSETS TO BE INCLUDED AS STOCK

Stocks are those items which are held for consumption or distribution by States Committees, including trading undertakings, during the normal course of their business. The following list, although not exhaustive, includes examples of commonly held stock:

- Stationery
- Oils, paints, petroleum etc.
- Nuts, bolts, nails etc.
- Cleaning materials
- Tool and machinery parts and spares
- Office equipment spares
- Building materials
- Food and drink
- Video and audio tapes and cassettes
- Clothing
- Goods purchased or manufactured for resale

##### STORAGE OF STOCKS

Stocks should always be kept in an orderly manner in secure, weather proof conditions such that they do not deteriorate or are unnecessarily put at risk from theft or damage, accidental or otherwise. Special conditions for storage may be necessary for certain items of stock which may be particularly hazardous or prone to deterioration.

Access to stocks should always be carefully controlled and restricted to a minimum number of authorised personnel. Staff with access to stocks should not be assigned duties which include the authorisation and processing of orders, supplier invoices and statements, and payments.

##### STOCK RECORDS

Individual Committees should specify the value of stocks at a level appropriate for their own purposes at which formal controls are considered necessary. Adequate records should be kept such that at any given time the amount and value of stocks held can be easily determined from the stock records and verified. Each stock line should have its own separate stock record, giving a full history of deliveries and issues. Such records may be manual or computerised.

Those Committees which carry high levels of stock should ensure that a full system of goods inwards, goods returned and goods issue notes are introduced such that every movement of stock in or out of the stores is supported by the raising of an appropriate document. Such documents should be sequentially numbered, authorised and retained.

When stock is frequently used in small amounts, such as nails, screws, small stationery items etc. it is not appropriate to complete separate goods issue notes. In such circumstances it may be more appropriate for a second stores area to be set aside from which small collections may be made by authorised personnel. The issue of stock from the main store to the second store should be documented as outlined above. However, management should monitor the usage of such stock to ensure its rate of use is reasonable.

## STOCK LEVELS

There are a number of costs attached to the holding of stock, including storage costs and financing costs, therefore the amount of stocks held must be kept to a minimum.

All high value stock items should have an authorised reorder level and reorder quantity. The reorder level is the amount of stock which should be reached before replacement stock should be ordered. The reorder level should be set at such an amount that stock levels are kept low without stock outs occurring. The order time, delivery time, risk of late delivery, and estimated usage need to be estimated when calculating the reorder level. The reorder quantity is the amount of stock which should be reordered. In setting the reorder quantity the costs of delivery, discounts available and costs of storage need to be estimated such that the cost of buying, and storing stock is minimised.

## FINANCIAL RECORDS

It is considered to be best accounting practice to account for stock in the period in which it is used rather than in the period in which it was purchased. General Revenue Committees are encouraged to adopt this method of accounting. **The States Treasurer should be consulted prior to any change of accounting policy as there may be budgetary and cash limit implications.**

In order to account for stock on this basis it is necessary to be able to quantify the value of stock held at the end of each year.

The value of stocks should be calculated in accordance with best accounting practice, namely the lower of cost and net realisable value. In most circumstances, except where obsolete or damaged stock is concerned, cost will be appropriate.

## STOCK TAKING PROCEDURES

An essential part of any control over stock is the regular performance of independent stock takes.

Each item of stock should be counted at least once a year by an independent senior member of staff. Such counts should be documented and these documents retained. Any discrepancies between the stock records and the physical stock should be investigated and the stock records adjusted accordingly.

It is preferable that a full physical stock count of all items of stock is carried out, as close to the year end as possible.

Detailed written stock taking procedures should be prepared and made available to all staff involved, and should contain procedures to ensure that:

- Stock is counted once, and only once

- Stock is marked as having been counted

- Stock counts are recorded on stock sheets

- Stock sheets are properly cast and cross cast

- Stock is inspected to identify any obsolete or damaged stock, any such stock being recorded on the stock sheets

- Any stock which is on site but does not belong to the States is counted but recorded as not being States property.

- Arrangements are made for despatches and deliveries made during the stock count so that they are properly accounted for.

- Arrangements are made to ensure that any stock owned by the States but held by third parties is accounted for.

- The method by which stock is to be valued.

- Reconciliation of stock sheets to the financial records

As an alternative, or in addition, to a single annual stock take a system of continuous stocktaking may be introduced. By this method a sample of stock lines are physically verified, every day, week etc. throughout the year such that all items of stock are counted at least once during any year.

Issued: May 1995

Advisory & Finance Committee



## APPENDIX III

### STATES ADVISORY AND FINANCE COMMITTEE

#### EMERGENCY DISASTER RELIEF

The President,  
States of Guernsey,  
Royal Court House,  
St Peter Port,  
Guernsey.

8th August, 2002.

Dear Sir,

#### **EMERGENCY DISASTER RELIEF**

The States Financial Procedures include the following:

*“That as regards emergency aid for disasters overseas:*

- (i) to authorise the Advisory and Finance Committee, in consultation with the Overseas Aid Committee, to increase the budget of that latter Committee by a total of up to £200,000 in any one financial year for the purpose of providing aid in respect of specific emergency disasters;*
- (ii) to direct the Advisory and Finance Committee to inform the States on each use of the above delegated power by means of a report appended to a Billet d’État for submission at the next available States meeting.”*

The Advisory and Finance Committee wishes to inform the States that on 7 August 2002 it considered a letter dated 31 July 2002 from the President, Overseas Aid Committee proposing that that Committee’s 2002 budget be increased by £50,000 for the purpose of contributing to the Disasters Emergency Committee’s Appeal in respect of the threat of famine in Southern Africa. In view of the scale and nature of the crisis, the Advisory and Finance Committee agreed to the budget increase as requested.

It should be noted that the Overseas Aid Committee has made 47 grants amounting to £736,244 in the last seven years in respect of **long-term development projects** in the region currently affected by the crisis in addition to the £25,000 donation to the Mozambique Flood Appeal in 2000 and considers that it would be entirely appropriate for the States of Guernsey to make a contribution under the terms of the above resolution.

I should be grateful if you would include this Report as an Appendix to the Billet d’État for the States meeting for September 2002.

Yours faithfully,

L. C. MORGAN,

President,  
Advisory and Finance Committee.

**APPENDIX IV****STATES ADVISORY AND FINANCE COMMITTEE**

## INTERNATIONAL CONVENTIONS AND AGREEMENTS

The President,  
States of Guernsey,  
Royal Court House,  
St Peter Port,  
Guernsey.

22nd August, 2002.

Dear Sir,

On the 25th February 1987 the States resolved:

1. ....
2. that the States Advisory and Finance Committee shall submit annually to the Bailiff for inclusion as an Appendix to a Billet d'État, a report setting out the title and brief description of each International Agreement received by the States Advisory and Finance Committee in the preceding year and giving details of the action taken in relation to that Agreement.

In accordance with the resolution of the States I should be grateful if you would publish the report for the period from 1st January, 2001 to the 31st July, 2002 appended hereto as an Appendix to a Billet d'État.

Yours faithfully,

L.C. MORGAN,

President,  
States Advisory and Finance Committee.

## REPORT

for the period from 1st January, 2001 to 31st July, 2002

### ON INTERNATIONAL CONVENTIONS AND AGREEMENTS (in accordance with Resolution VIII (2) of Billet d'État IV 1987)

#### PART I - OUTSTANDING MATTERS FROM PREVIOUS REPORTS

1. United Nations Convention on the Rights of the Child

Object: To make provision for the implementation of 54 wide-ranging articles concerning the right of the child, several of which involve human rights and fundamental freedoms.

Consultation: Alderney and Sark  
H.M. Procureur  
H.M. Government  
Education Council  
Children Board  
Guernsey Social Security Authority  
Committee for Home Affairs  
Board of Industry  
Board of Health

Action: In 1987 the States resolved that where international agreements involved questions of human rights and fundamental freedoms the terms of such agreements should be laid before the States.

Much consultative work has been carried out to establish the legislative requirements which will be necessary to enable compliance with the Convention. That process continues and it is hoped that a report will be presented to the States early in 2003.

2. European Convention and additional Protocol on Mutual Assistance in Criminal Matters

Object: To provide that the contracting parties shall afford each other the widest measure of mutual assistance in proceedings in respect of offences the punishment of which falls within the competence of the judicial authorities of the requesting party. The Protocol provides that a party to the Convention cannot refuse to grant assistance solely on the grounds that the conduct under investigation amounts to a fiscal offence.

Consultation: H.M. Procureur  
H.M. Government  
Jersey and Isle of Man Authorities  
Income Tax Authority  
Financial Services Commission

Action: Extension of the Convention to Guernsey agreed. Protocol not to be extended at present.

3. **Treaty between the United States of America and the United Kingdom on Mutual Legal Assistance in Criminal Matters**

Object: To improve the effectiveness of the Law enforcement authorities of both countries in the investigation, prosecution and combating of crime through co-operation and mutual legal assistance in criminal matters and to reaffirm the Contracting Parties' determination to enhance assistance in the fight against crime as set out in an earlier Agreement.

Consultation: H.M. Procureur  
Financial Services Commission

Action: The general question of this Treaty is still under review. A separate Agreement relating to the sharing between the representative jurisdictions of assets which have been confiscated as being the proceeds of drug trafficking was concluded on 29th July, 1996.

4. **Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds of Crime**

Object: To increase the co-operation between the Parties in investigations and proceedings aimed at the confiscation of instrumentalities and proceeds of crime by requiring each Party to adopt legislative and other measures to enable it to comply with requests for confiscation of proceeds of crime and for investigatory assistance.

Consultation: As in 2 above.

Action: Extension to Guernsey agreed.

5. **Convention on the Crossing of the External Frontiers of the Member States of the European Community**

Object: To put into effect article 8a of the Treaty establishing the European Economic Community which sets the common objective of an area without internal frontiers.

Consultation: Alderney and Sark  
H.M. Procureur  
H.M. Government  
Jersey Authorities  
Isle of Man Authorities  
Board of Administration

Action: Not to be extended to Guernsey but the position may be reviewed should the Schengen Acquis be extended to the United Kingdom in matters relating to border controls, particularly with regard to the impact that such an extension may have on the Common Travel Area.

6. **World Declaration on the Survival, Protection and Development of Children and Plan of Action for Implementing the aforesaid World Declaration in the 1990's**

Object: To undertake a joint commitment, and to make an urgent universal appeal, to give every child a better future.

Consultation: H.M. Procureur

Action: The issues involved are closely related to those under consideration in relation to the U.N. Convention on the Rights of the Child (see Part I No. 1) and will be examined when a decision is reached with regard to the Convention.

7. **Convention for the Protection of the Marine Environment of the North East Atlantic**

Object: To provide that the Contracting Parties shall take all possible steps to prevent and eliminate pollution and shall take the necessary measures to protect the maritime area against the adverse effects of human activities so as to safeguard human health and to conserve marine ecosystems and, when practicable, restore marine areas which have been adversely affected.

Consultation: Alderney and Sark  
H.M. Procureur  
Board of Administration  
Board of Health  
Sea Fisheries Committee  
Public Thoroughfares Committee

Action: The issues involved are linked to the control of environmental pollution and the implementation of the Waste Strategy Assessment. In February, 1997 the States directed the preparation of legislation to control environmental pollution. The first report on the Waste Strategy Assessment was considered by the States in June, 1997. The possible extension of the Convention will be considered once those issues are decided.

8. **Extradition Treaty between the United Kingdom and the Republic of India**

Object: To make more effective the co-operation of the two countries in the suppression of crime by making further provision for the reciprocal extradition of offenders and in the recognition that concrete steps are necessary to combat terrorism.

Consultation: Alderney and Sark  
H.M. Procureur

Action: This matter is still under consideration.

9. **United Nations Convention on Biological Diversity**

Object: To conserve the maximum possible biological diversity for the benefit of present and future generations and for its intrinsic value by ensuring that the use of biological resources is sustainable; and by securing economic and legal conditions favourable for the transfer of technology necessary to accomplish this objective.

Consultation: Alderney and Sark  
H.M. Procureur  
H.M. Government  
Board of Administration  
Agricultural and Milk Marketing Board  
Island Development Committee

Action: This matter is still under consideration.

**10. United Nations Framework Convention on Climate Change**

Object: To achieve stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. Such a level should be achieved within a time frame sufficient to allow ecosystems to adapt naturally to climatic change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner.

Consultation: Alderney and Sark  
H.M. Procureur  
H.M. Government  
Board of Administration  
Board of Health  
Electricity Board

Action: Extension to Guernsey agreed.

**11. European Information System Convention**

Object: To contribute to the maintenance of public order and security including state security and to combat illegal immigration.

Consultation: Alderney and Sark  
H.M. Procureur  
Board of Administration

Action: This matter is closely related to the External Frontiers Convention (item 5). As a consequence of the decision not to request extension of that Convention no decision is required with regard to the European Information Systems Convention.

**12. European Convention on Extradition  
(Second Additional Protocol Chapter 2)**

Object: To extend the terms of the principal Convention to include fiscal offences

Consultation: Alderney and Sark  
H.M. Procureur  
Jersey and Isle of Man Authorities  
Financial Services Commission

Action: Extension to Guernsey agreed.

**13. Agreement establishing the World Trade Organization**

The Agreement establishing the World Trade Organization comprises three separate parts: the General Agreement on Tariffs and Trade, 1994 (GATT); the General Agreement on Trade in Services (GATS) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). It puts the GATT on a formal footing.

**a. The General Agreement on Tariffs and Trade, 1994**

Object: To increase market access by reducing or eliminating trade barriers. This objective was met by reductions in tariffs, reductions in non-tariff support in agriculture and the elimination of bilateral quantitative restrictions.

To increase the legal security of the new levels of access. This has resulted in strengthened and expanded rules, procedures and institutions.

To implement a phased reduction in tariffs on a wide range of goods.

To reduce non-tariff barriers.

To provide a new framework of rules on subsidies and trade restrictions.

To provide for a free global textile trade.

To bring agriculture fully within the GATT for the first time. This includes the conversion of all restrictions on trade to tariffs which are transparent. A minimum reduction in every tariff of 15%. A guarantee that at least 3% of domestic agricultural product markets will be open to imports. Controls will be introduced on domestic support and export subsidies.

The Multifibre Agreement will be phased out and trade in textiles will be re-integrated into the GATT system over a ten year period.

Anti-dumping rules will be strengthened and clarified.

To provide for more rapid and effective settlement of trade disputes.

Consultation: Alderney and Sark  
 H.M. Procureur  
 H.M. Government  
 Financial Services Commission  
 Board of Administration  
 Guernsey Transport Board  
 Telecommunications Board  
 Tourist Board  
 Recreation Committee  
 Board of Health  
 Education Council  
 Committees at Raymond Falla House  
 Jersey and Isle of Man authorities

Action: This matter is still under consideration.

b. General Agreement on Trade in Services.

Object: To introduce the principles of the GATT regarding multilateral trade rules to services, including the principles of national treatment, most-favoured-nation, transparency and progressive liberalisation.

To liberalise trade in a wide range of services as a basis for freer trade in the future.

To guarantee existing levels of access in many areas.

Consultation and Action: As in a. above.

c. Agreement on Trade-Related Aspects of Intellectual Property Rights.

Object: To introduce a set of agreed multilateral rules requiring basic protection of intellectual property rights including the principles of national treatment and most-favoured-nation.

Consultation: H.M. Government  
H.M. Procureur  
Jersey authorities  
Board of Industry

Action: The Board of Industry is currently reviewing the issue of intellectual property rights. The review will, inter alia, determine what legislation would be necessary to fulfil our obligations if this Agreement was extended to the Island.

14. **Agreement on Government Procurement**

Object: To broaden and improve the 1979 Agreement on Government Procurement (as amended in 1987) on the basis of mutual reciprocity and to expand the coverage of the Agreement to include Service Contracts.

Consultation: Alderney and Sark  
H.M. Procureur  
Committee for Home Affairs  
Board of Industry  
Public Thoroughfares Committee  
Post Office Board  
Education Council  
Water Board  
Telecommunications Board  
Electricity Board  
Agricultural and Milk Marketing Board  
Board of Health  
Board of Administration

Action: This matter is still under consideration.

15. **Draft UNCITRAL Convention/Model Law on Independent Guarantees and Stand-by Letters of Credit**

Object: To promote a uniform law regulating independent guarantees and stand-by letters of credit.

Consultation: Alderney and Sark  
H.M. Procureur  
Financial Services Commission

Action: The Convention is still under consideration by H.M. Government. This matter will not be included in future annual reports until such time as H.M. Government reaches a view thereon.

16. **Council of Europe Convention relating to questions of copyright law and neighbouring rights in the framework of transfrontier broadcasting by satellite**

Object: To promote the broadest possible harmonisation of the Law of the Member States, and the other States party to the European Cultural Convention, on copyright and neighbouring rights with regard to new technical developments in the field of broadcasting by satellite.

Notably the need to safeguard the rights and interests of authors and other contributors when protected works and other contributions are broadcast by satellite. To consider further legal aspects of broadcasting by satellite from the viewpoint of copyright law and neighbouring rights.



Consultation: Alderney and Sark  
H.M. Procureur  
Broadcasting Committee  
Board of Industry

Action: The Committee has deferred a decision on this Convention pending the completion of the Board of Industry's review of the Island's legislation regarding Patents, Designs, Trademarks and Copyright.

17. **International Convention for the Prevention of Pollution from Ships (MARPOL)**

Object: To achieve the complete elimination of intentional pollution of the marine environment by oil and other harmful substances and the minimization of accidental discharge of such substances.

Consultation: H.M. Government  
Alderney and Sark  
H.M. Procureur  
Board of Administration

Action: The possible extension of the Convention will be considered once Guernsey's new Merchant Shipping Legislation is in place.

18. **United Nations Convention on Contracts for the International Sale of Goods**

Object: The Convention provides a uniform law for international sales of goods. It provides common ground between the parties to a contract. For example, it could be used where a seller and an overseas buyer are unable to agree on which of their national laws should apply to their contract.

Consultation: Alderney and Sark  
H.M. Procureur  
Board of Industry  
Financial Services Commission

Action: This matter remains under consideration.

19. **Council of Europe Framework Convention for the Protection of National Minorities**

Object: To specify the legal principles which States undertake to respect in order to ensure the protection of national minorities.

Consultation: Alderney and Sark  
H.M. Procureur

Action: This matter remains under consideration.

20. **International Criminal Court Statute**

Object: To provide a permanent independent forum to investigate and try genocide, war crimes and crimes against humanity.

Consultation: Alderney and Sark  
H.M. Procureur

Action: UK International Criminal Court Act to be extended to Guernsey but right to enact similar domestic legislation reserved.

21. **Convention on the Protection of the European Communities' Financial Interest**

Object: To combat fraud affecting the European Communities' financial interest by undertaking obligations concerning jurisdiction, extradition and mutual co-operation and to make such conduct punishable with effective, proportionate and dissuasive criminal penalties, without prejudice to the possibility of applying other penalties in appropriate cases and of the need, at least in serious cases, to make such conduct punishable with deprivation of liberty which can give rise to extradition.

Consultation: Alderney and Sark  
Jersey authorities  
Isle of Man authorities  
H.M. Procureur

Action: Not to be extended to Guernsey but legislation which fully meets the requirements of this Convention will be laid before the States in 2003.

22. **Convention on the Fight Against Corruption Involving Officials of the European Communities or Officials of Member States of the European Union**

Object: To improve judicial co-operation in the fight against acts of corruption involving National or Community officials which are damaging or likely to damage European Communities' financial interest.

Consultation: Alderney and Sark  
Jersey authorities  
Isle of Man authorities  
H.M. Procureur

Action: Not to be extended to Guernsey but anti-corruption legislation, the drafting of which the States directed on 1st November, 2001, will achieve the objective of this Convention.

23. **Agreement between the United Kingdom and Australia concerning the Investigation, Restraint and Confiscation of the Proceeds and Instruments of Crime**

Object: To provide the widest measure of mutual assistance in the investigation, restraint and confiscation of the proceeds and instruments of crime.

Consultation: Alderney and Sark  
H.M. Procureur

Action: Not to be extended to Guernsey as appropriate assistance can be provided under existing procedures.

24. **Agreement between the United Kingdom and Canada regarding the Sharing of Forfeited or Confiscated Assets or their equivalent funds**

Object: To enable the Parties to share confiscated criminal proceeds where the non-confiscating country has made a significant contribution to the investigation.

Consultation: Alderney and Sark  
H.M. Procureur

Action: H.M. Government has been asked to investigate the possibility of a separate Guernsey/Canada agreement being negotiated.

25. **EU Convention on Mutual Assistance in Criminal Matters**

Object: To improve judicial co-operation in criminal matters between the Member States of the E.U.

Consultation: Alderney and Sark  
H.M. Procureur

Action: Not to be extended to Guernsey as the Convention deals with E.U. matters which are not covered by Protocol 3.

26. **United Nations Convention Against Transnational Organized Crime**

Object: To promote co-operation to prevent and combat transnational organized crime more effectively. This will be achieved by Member States adopting such legislative and other measures as may be necessary to establish certain transactions as criminal offences under domestic law.

Consultation: Alderney and Sark  
H.M. Procureur

Action: The United Kingdom has signed the Convention and will ratify it following the enactment of legislation. Guernsey has requested that the Convention be extended to it as soon as the necessary Bailiwick legislation has been enacted.

27. **Council of Europe Convention on Cyber Crime**

Object: To deter actions directed against the confidentiality, integrity and availability of computer systems, networks and computer data as well as the misuse of such systems, networks and data by providing for the criminalisation of such conduct and to facilitate the detection, investigation and prosecution of such criminal offences at both the domestic and international level.

Consultation: Alderney and Sark  
H.M. Procureur

Action: This matter is still under consideration.

28. **International Labour Organization Convention 138 concerning Minimum Age for Admission to Employment**

Object: To pursue a national policy designed to ensure the effective abolition of child labour and to raise progressively the minimum age for admission to employment or work to a level consistent with the fullest physical and mental development of young persons.

Consultation: Alderney and Sark  
H.M. Procureur  
Education Council  
Board of Industry  
Children Board

Action: Not to be extended to Guernsey pending a current review by the Education Council and Board of Industry regarding the minimum age at which children may be employed.

29. **International Labour Organization Convention 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour**

Object: To require participating Member States to take immediate and effective measures to secure the Prohibition and Elimination of the Worst Forms of Child Labour as a matter of urgency.

Consultation: Alderney and Sark  
H.M. Procureur  
Education Council  
Board of Industry  
Children Board

Action: Extension to Guernsey agreed.

30. **International Labour Organization Convention 111 concerning Discrimination in respect of Employment and Occupation**

Object: To declare and pursue a national policy to promote, by methods appropriate to national conditions and practice, equality of opportunity and treatment in respect of employment and occupation, with a view to eliminating any discrimination in respect thereof.

Consultation: Alderney and Sark  
H.M. Procureur  
Education Council  
Board of Industry  
Civil Service Board

Action: Not to be extended to Guernsey at present as existing legislation is not sufficient to allow full implementation of the provisions of the Convention.

31. **European Vehicle and Driving Licence Information System Treaty**

Object: To make provision for co-operation between the central authorities responsible for the registration of vehicle and driving licence data and to lay down procedures enabling these authorities both to co-ordinate their actions and to exchange personal and other information concerning the registration of vehicles and driving licences with the aid of new data management and data transmission technology.

Consultation: Alderney and Sark  
H.M. Procureur  
Committee for Home Affairs  
Traffic Committee

Action: Not to be extended to Guernsey as the benefits of doing so would have been minimal but the costs substantial.

**PART II – NEW MATTERS CONSIDERED SINCE PREVIOUS REPORTS****32. Agreement between the United Kingdom and Romania on the Return and Readmission of Persons Present without Authorization**

Object: To improve co-operation between the two contracting parties in order to contribute to the prevention and combating of illegal cross-border migration and to facilitate readmission and transiting in cases of expulsion of persons whose entry or residence on their territories is illegal.

Consultation: Alderney and Sark  
H.M. Procureur  
Board of Administration

Action: This matter is still under consideration.

**33. Convention on the Conservation of Migratory Species of Wild Animals : Agreement on the Conservation of Albatrosses and Petrels**

Object: To set out management requirements for the Conservation of Albatrosses and Petrels both in the Marine and Terrestrial Environments.

Consultation: Alderney and Sark  
H.M. Procureur  
Board of Administration  
Agriculture and Countryside Board

Action: This matter is still under consideration

**34. Stabilization and Association Agreement between the European Communities and their Member States and the former Yugoslav Republic of Macedonia**

Object: To provide an appropriate framework for political dialogue allowing the development of close political relations between the parties; to support the efforts of the former Yugoslav Republic of Macedonia to develop its economic and international co-operation; to promote harmonious economic relations and to foster regional co-operation.

Consultation: Alderney and Sark  
H.M. Procureur

Action: Extension to Guernsey agreed, only to the extent that the Agreement applies within the terms established by Protocol 3 to the United Kingdom's Act of Accession to the Treaty of Rome.

**35. Stabilization and Association Agreement between the European Communities and their Member States and the Republic of Croatia**

Object: To provide an appropriate framework for political dialogue allowing the development of close political relations between the parties; to support the efforts of Croatia to develop its economic and international co-operation and to complete the transition into a market economy and to foster regional co-operation.

Consultation: Alderney and Sark  
H.M. Procureur

Action: Extension to Guernsey agreed, only to the extent that the Agreement applies within the terms established by Protocol 3 to the United Kingdom's Act of Accession to the Treaty of Rome.

36. **Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States**

Object: To create a more favourable context for sustainable development and poverty reduction, and to reverse the process of social, economic and technological marginalization.

Consultation: Alderney and Sark  
H.M. Procureur

Action: Extension to Guernsey agreed, only to the extent that the Agreement applies within the terms established by Protocol 3 to the United Kingdom's Act of Accession to the Treaty of Rome.

37. **Beijing Amendment to the Montreal Protocol to the Vienna Convention for the Protection of the Ozone Layer, on substances that deplete the Ozone Layer**

Object: To extend production controls on hydrochlorofluorocarbons (HCFCs) to both developed and developing countries, although on different timescales: complete phase out in developed countries is 2030 while developing countries have until 2040; to phase out a completely new substance to the Protocol, bromochloromethane (CBM) a substance used in fire suppression and as a solvent; to introduce trade restrictions on both HCFCs and CBM; to set up mandatory data reporting for quarantine and pre-shipments uses of methyl bromide.

Consultation: Alderney and Sark  
H. M. Procureur  
Board of Administration  
Board of Industry

Action: Amendment to the Protocol to be extended to Guernsey.

38. **Sixth Protocol to the General Agreement on Privileges and Immunities of the Council of Europe**

Object: To guarantee the necessary privileges and immunities to members of the new permanent Court of Human Rights.

Consultation: Alderney and Sark  
H.M. Procureur

Action: On 27th March, 2002 the States of Deliberation resolved that the Sixth Protocol be extended to Guernsey.

39. **European Agreement Relating to Persons Participating in Proceedings of the European Court of Human Rights**

Object: To accord certain immunities and facilities to persons taking part in proceedings before the European Court of Human Rights.

Consultation: Alderney and Sark  
H.M. Procureur

Action: On 27th March, 2002 the States of Deliberation resolved that the Agreement be extended to Guernsey.

40. **Agreement between the United States of America and the United Kingdom regarding the Sharing of Forfeited or Confiscated Assets or their Equivalent Funds**

Object: To improve the effectiveness of law enforcement in both countries in the investigating, prosecution and suppression of crime and in the tracing, freezing, seizure and forfeiture or confiscation of assets related to crime and to create a framework for sharing the proceeds of the disposition of such assets.

Consultation: Alderney and Sark  
H.M. Procureur

Action: H.M. Government has been asked to investigate the possibility of a separate Guernsey/U.S.A. agreement being negotiated.

41. **Gothenburg Protocol to the 1979 Convention on Long-Range Transboundary Air Pollution to abate Acidification, Eutrophication and Ground-level Ozone**

Object: To set national annual emission ceilings for sulphur, nitrogen oxides, volatile organic compounds and ammonia which can cause a range of harmful environmental effects, mainly acidification, eutrophication and ground-level ozone.

Consultation: Alderney and Sark  
H. M. Procureur  
Board of Health  
Board of Industry

Action: This matter is still under consideration.

42. **Association Agreement between the European Communities and their Member States and Egypt**

Object: To provide an appropriate framework for the political dialogue, allowing the development of close political relations between the parties; to establish the conditions for the progressive liberalization of trading goods, services and capital; to foster the development of balanced economic and social relations between the parties through dialogue and co-operation; to contribute to the economic and social development of Egypt; to encourage regional co-operation with the view to the consolidation of peaceful co-existence and economic and political stability; to promote co-operation in other areas which are of mutual interest.

Consultation: Alderney and Sark  
H. M. Procureur

Action: Extension to Guernsey agreed, only to the extent that the Agreement applies within the terms established by Protocol 3 to the United Kingdom's Act of Accession to the Treaty of Rome.

43. **UNESCO Convention on the means of prohibiting and preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property.**

Object: To take measures to stop and prevent the illicit import, export and transfer of cultural property; to set up national services for the protection of the cultural heritage; to introduce an export certificate system; to impose penalties for the infringement of prohibitions; to protect adequately archaeological sites; to submit periodic reports to the United Nations on the implementation of the Convention.

Consultation: Alderney and Sark  
H. M. Procureur  
Heritage Committee

Action: This matter is still under consideration.

44. **Protocol 13 to the European Convention for the Protection of Human Rights and Fundamental Freedoms**

Object: To provide for the abolition of the death penalty in all circumstances.

Consultation: Alderney and Sark  
H. M. Procureur

Action: This matter is still under consideration.

45. **Amendment to the International Convention for the Safety of Life at Sea**

Object: To enhance maritime security by requiring all vessels over 500 gross tons to file security plans and have an approved security officer. International ports will also require security plans and must carry out port security assessments.

Consultation: Alderney and Sark  
H. M. Procureur  
Board of Administration

Action: This matter is still under consideration.



**PART III – MATTERS FROM PREVIOUS REPORTS TO BE RECONSIDERED**

1. **United Nations Convention on the Elimination of All Forms of Discrimination against Women**

Object: To achieve equal rights for women throughout the world in all fields of life - political, economic, social, cultural and civil.

Consultation: Alderney and Sark  
H.M. Procureur  
H.M. Government  
all States Committees

Action: Having resolved, inter alia, on the 15th December, 1993 not to seek ratification of this Convention, on the 28th November, 1996 the States further resolved:-

1. To note the progress made since the previous report on the UN Convention on Elimination of all Forms of Discrimination against Women was considered by the States on the 15th December, 1993.
2. To endorse the States Advisory and Finance Committee's intention, prior to its next report on the Convention, to carry out a detailed review in both the public and private sector to identify what measures and potential resource implications might be required to eliminate discrimination against women and to meet the aims and objectives of the Convention.
3. To direct the States Advisory and Finance Committee to implement a confidential service to record complaints by, and provide advice to, women who claim to have been discriminated against, and to report back to the States annually (by means of an appendix to a Billet d'État) with appropriate details of such service.
4. To instruct the States Advisory and Finance Committee to enquire officially what steps, legislative or otherwise, the States would be obliged to take before Her Majesty's Government would be willing to request that the Convention be ratified on the Island's behalf and to report back to the States as soon as may be on the substance of the reply.
5. Further to instruct the States Advisory and Finance Committee to enquire officially of Her Majesty's Government what reservations, if any, it would be willing to enter on the Island's behalf if it were to request that the Convention be ratified on the Island's behalf and how those reservations would affect the answer to the question posed in resolution 4.
6. To instruct the States Advisory and Finance Committee to report back to the States with the replies of Her Majesty's Government arising from resolutions 4 and 5 as soon as may be.

The Committee was unable to meet the deadline of reporting to the States by November, 1999 and a statement was made to the House in October, 1999. The current position is that the Committee is carrying out the detailed review and consultations required by the States.

A confidential service to record complaints by, and provide advice to, women who claim to have been discriminated against was established in April, 1998. Annual reports on the numbers of complaints made are included as appendices to Billets d'État.

**PART IV - REPORTS SUBMITTED BY GUERNSEY**

In October 2001 the Advisory and Finance Committee submitted a periodic report on the U.N. Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment.

In May 2002 the U. N. Committee on Economic, Social and Cultural Rights conducted an oral examination of the United Kingdom's fourth periodic report under the International Covenant on Economic, Social and Cultural Rights. The U. N. Committee's concluding observations were published in a report.

Copies of these reports and other reports published by the United Nations Human Rights Committee are available, free of charge, on request from the Head of External and Constitutional Affairs at Sir Charles Frossard House.

Copies have also been deposited at the Royal Court Library and with the Citizens' Advice Bureau, Guille-Allès Library, Priaulx Library, Alderney Library and Sark Library.

## APPENDIX V

### STATES ADVISORY AND FINANCE COMMITTEE

#### STRATEGIC AND CORPORATE PLAN

The President,  
States of Guernsey,  
Royal Court House,  
St. Peter Port,  
Guernsey,  
GY1 2PB.

21st August, 2002.

Dear Sir,

The Draft Strategic and Corporate Plan formed part of the 2002 Policy and Resource Planning Report. The States, without amendment, adopted the Draft Plan.

I should, therefore, be grateful if the attached Strategic and Corporate Plan in its definitive form could be published as an Appendix to the Billet for the September 2002 States meeting but as a separate document.

Yours faithfully,

L. C. MORGAN,  
President,  
Advisory and Finance Committee.

## APPENDIX VI

### STATES EDUCATION COUNCIL

#### AMHERST JUNIOR SCHOOL : VALIDATION REPORT

The President,  
States of Guernsey,  
Royal Court House,  
St. Peter Port,  
Guernsey.

27th June, 2002.

Dear Sir,

#### Amherst Junior School : Validation Report

I enclose two copies of the summary of the validation report and the Council's response for the above school. I shall be grateful if you will arrange for this to be published as an appendix to the Billet d'État for September.

Copies of the full report will be made available for any member of the public to inspect at both the school and the Education Department.

Yours faithfully,

M. A. OZANNE,

President,  
States Education Council.

**ISLANDS' FEDERATION FOR THE EVALUATION OF SCHOOLS  
(IFES)**

**Summary of the Validation Report**

**AMHERST JUNIOR SCHOOL  
GUERNSEY**

**April 2002**

**SUMMARY OF THE VALIDATION REPORT****AMHERST JUNIOR SCHOOL**

Amherst Junior is a three form entry school, taking children mainly from the urban St. Peter Port area. There are 253 pupils on roll, made up of 136 boys and 117 girls, aged from 7 to 11.

They are taught by 13 full-time staff, including the headteacher, and 3 part time staff. There are 12 classes with an average class size of 21 and a pupil/teacher ratio of 18:1.

**Background**

The validation team consisted of five inspectors. Four were Ofsted inspectors from the UK and one was an IFES trained headteacher from Jersey. The team met informally with the staff and toured the school accommodation on the Sunday before the validation and then spent four days inspecting the school.

The school provided a comprehensive range of documentation and information in advance of the visit, having spent a year working on its self-evaluation activities. It received good support from the Island's Primary Education Officer and the Primary Advisory Teacher. All staff had attended the Education Department's IFES Internal Evaluator training course on how to carry out a self-review.

The evidence base to validate the school's findings was collected through:

- \* observation of 80 whole or part lessons;
- \* scrutiny of a wide range of whole school and subject documentation from the last three years, including School Improvement Plans, portfolios, minutes of meetings and SATs results;
- \* examination and discussion of teachers' planning;
- \* attendance at assemblies and some extra curricular activities;
- \* examination of pupils' current and previous work;
- \* approximately 15 hours of planned discussions with teachers and other staff, pupils and parents;
- \* observation of pupils on arrival and departure from the school and at other times around the buildings and grounds;
- \* scrutiny of letters and 120 returns from the confidential parental questionnaire.

At the end of the week, subject leaders received an oral feedback on their areas of responsibility, and the team's main findings were reported to the headteacher and the Director of Education.

## Main Findings

- \* The headteacher and his staff are commended for the good progress which the school has made in many areas since the last inspection in 1996.
- \* Significant improvements have been made in the quality and quantity of school policies and documentation. These include areas such as school development planning, job descriptions, the monitoring roles of the senior management team and subject leaders, and the provision of updated schemes of work to support the teaching of the National Curriculum (Guernsey).
- \* The school's self-evaluation exercise was well planned, organised and conducted in a thoroughly professional manner. The report provides an excellent basis for continued development and progress, and the drawing up of the next School Improvement Plan. All members of staff have attended the IFES Internal Evaluator training course on how to carry out a school self-review, and all contributed effectively to the successful completion of the self-evaluation and the production of the internal report. The school appreciated the support it received from the Department's Primary Education Officer and the Advisory Teacher
- \* During the week, 80 whole or part lessons were observed by the validation team, in addition to some assemblies and extra-curricular activities. The quality of teaching, learning and attainment in these lessons has been significantly strengthened since the last report, with 88% being at least sound and effective, and a commendable 40% being good or excellent (the figures for 1996 were 75% and 23% respectively). School assemblies are of a high standard and provide a positive start to the day for children.
- \* Good standards of teaching and learning were observed in most subject areas. The National Literacy Strategy is helping to raise performance in English. The school is rightly focusing on raising standards in mathematics through the National Numeracy Strategy and other initiatives. Work of high quality was observed in PSHE, PE and games, art, RE and DT.
- \* The school offers a broad curriculum, which includes particularly strong elements of SMSC, PSHE and PE. The Curriculum Report and Homework Guide' is a document which provides helpful information for parents. The school is in the process of strengthening its provision for ICT, music and French. The adoption of QCA documentation in a number of subjects is assisting with continuity and progression in pupils' learning. Several staff give generously of their time to provide extra-curricular activities, particularly in sport.
- \* Most lessons are well planned and enthusiastically taught. Children benefit from teachers' joint planning in each year group. Learning objectives are clear and usually shared with the children, and due attention is paid to differentiation. Relationships are good, and most teachers have high expectations of the quality of work and behaviour. The weaker lessons are characterised by slow pace, inappropriate match of activities and resources to children's abilities, and ineffective use of the plenary session at the end of lessons.
- \* The school is making steady progress in the development of its practices for assessment, recording and reporting. It has also begun the process of analysing available test and statistical data to assist with forward planning and target setting.
- \* Good provision is made for pupils with special educational needs. Effective support is provided by visiting specialists from the Learning Support Service and from the schools behaviour counsellor. Individual Education Plans (IEPs) have been beneficially introduced and the SENCO and other staff collaborate to write the learning objectives. Most staff are familiar with the Island's recently published Code of Practice.
- \* Pupils' attitudes and behaviour are a considerable strength of the school. Children work hard, behave well and enjoy their work and play. They are considerate to others, and are happy to show and discuss their work with visitors. The headteacher and staff's well considered hard work in the

areas of children's social, moral, spiritual and cultural development is reflected in the schools positive and happy atmosphere.

\* The headteacher provides charismatic and positive leadership for the school. He is well supported by his senior management team and his teaching and non-teaching staff. A positive ethos has been established to support purposeful teaching, learning and personal development. Sound progress has been made on improving internal communication, and work is continuing on strengthening the roles of subject leaders.

\* The school makes effective use of its available staffing, accommodation and learning resources. Financial systems are efficiently overseen by the headteacher and secretary. The school office is well administered, and is welcoming and friendly to parents and visitors. The buildings and grounds are well cleaned and maintained by the caretaking staff. Within the constraints imposed by the old building, a number of beneficial improvements have been made to classrooms and the playground areas. The school is adequately resourced to meet the requirements of the National Curriculum (Guernsey).

\* The school works hard and successfully to develop its links with parents and the local community. The returns from the parental questionnaire (Appendix A) are very supportive of the headteacher and his staff, and of the work of the school. They report that they are happy with Amherst's warm, caring and well disciplined ethos, and that their children enjoy going to school. The PTA raises valuable extra funding for the school, and a number of parents assist with swimming, reading and extra-curricular activities.

#### **Key Issues that the School Needs to Address**

\* The school's internal report has correctly identified a number of areas for attention and these are endorsed by the validation team. The next School Improvement Plan will need to prioritise these issues over the medium and long term. Continued attention should be paid to:

- increasing the SMT focus on guiding the monitoring activities of subject leaders;
- raising the profile of ICT once the new computer suite is operational;
- matching activities and resources to children's different abilities and special needs through increased emphasis on planning for differentiation;
- raising overall standards and provision for mathematics, music and French;
- using assessment and statistical data to strengthen planning and target setting;
- establishing a clear staff development policy, allied to the new system of performance management;
- maintaining the existing high standards of behaviour and pupil support.

*The school is responsible for drawing up an action plan after receiving the Report, showing what it is going to do about the issues raised and how it will incorporate them in the school's Development Plan.*

*A follow-up visit to the school will be made in summer 2003 in order to monitor and discuss the progress the school has made, and a written report will be made to the Director of Education.*



## APPENDIX A

## Amherst Junior School

## PARENTAL SURVEY

Number of questionnaires sent out	207
Number of questionnaires returned	120
Percentage return	58

Percentages of responses in each category	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree	Don't know	Nil Response
My child likes school	60	34	3	2	1	0
My child is making good progress in school	50	46	2	2	0	0
Behaviour in the school is good	46	49	3	2	0	0
My child gets the right amount of work to do at home	37	48	11	2	2	0
The teaching is good	56	38	2	2	2	0
The school gives me a clear understanding of what is taught	42	50	5	3	0	0
I am kept well informed about how my child is getting on	48	43	7	2	0	0
I would feel comfortable about approaching the school	74	21	3	1	1	0
The school handles complaints from parents well	43	33	3	2	19	0
The school expects my child to work hard and achieve his best	73	23	3	0	1	0
The school is well led and managed	73	21	2	1	2	2
The school's values & attitudes are helping my child to become mature and responsible	53	37	3	2	5	0
The school provides an interesting range of activities outside lessons	38	41	7	5	10	0
The school works closely with parents	50	40	5	2	3	0

**STATES EDUCATION COUNCIL**

## RESPONSE TO THE VALIDATION REPORT

ON

## AMHERST JUNIOR SCHOOL

The Education Council and the staff of Amherst Junior School welcome and accept the Validation Report of April, 2002. It is pleasing to note that recognition was given to the considerable progress the school has made since the previous validation. In addition, the school's own report was seen to provide an excellent basis for continued development and progress.

Observations of lessons showed that the quality of teaching, learning and attainment had been significantly strengthened since the last report, with the school offering a broad curriculum which includes particularly strong elements of SMSC, PSHE and PE. Provision for pupils with special educational needs is good.

A considerable strength of the school is the attitude and behaviour of the pupils, and this is reinforced by good relationships with staff who have high expectations of the quality of work and behaviour.

The school works hard and successfully to develop its links with parents and the local community, the former being very supportive of the work of the headteacher and his staff.

As identified in the school's internal report, there are some areas for development, but these will be addressed within the post-validation action plan.

The school has made significant progress and has a solid foundation on which to build for its future development. The report has highlighted many positives, showing that Amherst Junior is a school of which the community can be proud.

## APPENDIX VII

### STATES EDUCATION COUNCIL

#### THE GRAMMAR SCHOOL : VALIDATION REPORT

The President,  
States of Guernsey,  
Royal Court House,  
St. Peter Port,  
Guernsey.

22nd July, 2002.

Dear Sir,

The Grammar School : Validation Report

I enclose two copies of the summary of the validation report and the Council's response for the above school. I shall be grateful if you will arrange for this to be published as an appendix to the Billet d'État for September.

Copies of the full report will be made available for any member of the public to inspect at both the school and the Education Department.

Yours faithfully,

M. A. OZANNE,

President,  
States Education Council.

**ISLANDS' FEDERATION FOR THE EVALUATION OF SCHOOLS  
(IFES)**

**Summary of the Validation Report**

**THE GRAMMAR SCHOOL  
GUERNSEY**

**March 2002**

## SUMMARY OF THE VALIDATION REPORT

### THE GRAMMAR SCHOOL

The Grammar School is a selective secondary school for boys and girls aged 11 - 18

There are 588 students aged 11 - 16, and 325 in the sixth form.

The total school roll is 913

They are taught by 64 full time and 7 part time members of staff providing a student/teacher ratio of 16:1 in Y7 - Y11 and 11:1 in the sixth form.

The contact ratio is 0.74

### Background

The validation team consisted of thirteen experienced inspectors. Twelve were Ofsted inspectors from the UK and one was an education adviser from Jersey, all of whom had completed the Islands' Federation for the Evaluation of Schools (IFES) training course. The team was led by a former senior HMI and Ofsted Registered Inspector.

The team was introduced to the staff at the pre-school briefing on Monday morning, and met with subject staff at the end of the school day. The team spent four days inspecting the school. The school provided a range of documentation and information in advance of the visit, having spent a year working on its self-evaluation activities. Some staff had attended the Education Department's IFES Internal Evaluator training course on how to carry out a self-review.

The evidence base to validate the schools findings was collected through:

- \* observation of 180 whole or part lessons;
- \* scrutiny of a wide range of whole school and departmental documentation from the last three years, including School Improvement Plans, minutes of meetings and examination results;
- \* examination and discussion of teachers' planning;
- \* attendance at assemblies and some extra curricular activities, including the Spring Music Concert;
- \* examination of students' current and previous work;
- \* approximately 30 hours of planned discussions with teachers and other staff, students and parents;
- \* observation of students on arrival and departure from the school and at other times around the buildings and grounds;
- \* scrutiny of letters and returns from the parental questionnaire.

At the end of the week, heads of department received an oral feedback on their subject area from the specialist inspector. On Friday, the team leader reported the main findings of the inspection team to the headteacher and his senior management team at the school. This was followed by a verbal report to the Director of Education.

## Main Findings

- \* The school has made commendable progress since the previous inspection in 1996, particularly in the important areas of curriculum and management. There are a number of excellent features relating to the school's purposeful and friendly ethos and the quality of teaching and learning. The sixth form is a particular strength of the school.
- \* Significant developments since the last validation are well documented in the self evaluation report. The school's aims are clearly expressed and have been adapted to meet the demands of the National Curriculum (Guernsey). Most subject areas have developed appropriate policies, schemes of work and handbooks. School documentation is more comprehensive and detailed, and development planning to guide the work of the school has improved.
- \* The school has conducted a well planned and organised self-review, and produced an evaluation report which is accurate about many aspects of the school's work. A few sections of the school's internal report were brief and descriptive rather than evaluative, and some key issues were overlooked. Nevertheless, appropriate areas for attention and improvement have been identified, and they provide a secure base for future development. Contributions to the review were made by all teaching and non-teaching staff, parents, students and visitors to the school (Appendix B).
- \* Most parents and staff appreciate the committed leadership provided by the headteacher and his warm and open management style. He receives good support from his deputies and the senior management team.
- \* The current School Improvement Plan identifies the need to focus on staff performance management, the strengthening of monitoring skills at middle management level, the development of ICT, PSHE, citizenship and careers guidance, the more widespread interpretation and use of statistical data to inform student reviews and target setting, the adoption of new teaching and learning approaches in Key Stage 3 to complement those taking place in primary schools, an expansion of the student rewards system and improvement of the schools external communications. The school's intention to make progress in these areas is endorsed by the validation team.
- \* Internal communication has been strengthened through regular staff briefings, a weekly diary and a regular pattern of minuted meetings at all management levels. The school office operates efficiently since its expansion and its appointment of an office manager and a financial administrative assistant
- \* Significant progress has been made in the management and development of the school's sixth form and in the overall quality of the teaching and learning within it. The expansion of numbers and related administrative tasks are placing a heavy burden on the Director of Sixth Form. Nevertheless, she provides clear leadership and is successfully developing the monitoring of teaching and tutoring, and the analysis of relevant curriculum and student data.
- \* The school curriculum is broad and generally well balanced, meeting the requirements of the NC(G), and provides many extra-curricular opportunities for students. A wide range of AS and A level courses is offered in the large sixth form, together with complementary and additional studies. Areas for attention include the short length of the teaching week, which at 23 hours 20 minutes is below the UK recommended minimum of 25 hours, more flexible option blocks, and better provision for ICT and PSHE.
- \* A new and comprehensive policy for assessment, recording and reporting has been introduced. This now needs to be implemented effectively in all subject areas.
- \* During the self-review period, staff carried out 132 internal classroom observations, and many feel that this has impacted positively on their own professional development. A rolling programme of observations should be maintained as part of the school's regular monitoring procedures.

- \* During the validation week, 180 lessons were observed by the validation team. Of these 93% were at least satisfactory in the quality of teaching, learning and attainment, with a commendably high proportion (66%) being of a good or excellent standard. All subject areas provided some examples of well planned, effective teaching and good relationships with students. Consistently good practice was observed in English, MFL, biology, media studies, psychology, RS, history, geography, economics, PSHE, business studies, complementary studies and some aspects of DT. The quality of teaching and teaming in the sixth form is generally high.
- \* The small percentage of teaching with unsatisfactory features related to dull exposition, lack of encouragement, over dependence on a text book, and the lack of differentiation in order to challenge the most and least able students.
- \* Levels of attainment have improved over the last three years at all key stages. They are generally above average when compared with UK selective schools at both Key Stage 3 and Key Stage 4. Performance at A level shows an improving trend and is above that for all UK schools with sixth forms but below that for selective schools. Value added analysis in all key stages shows good progress in relation to prior attainment but with scope for improvement in the achievement of the highest grades.
- \* The school rightly acknowledges the need to strengthen its provision for students with special educational needs and to designate a co-ordinator (SENCO). It should become part of a more cohesive pastoral organisation, encompassing more effective use of form tutor time, strengthening the PSHE programme, developing an equal opportunities policy, and ensuring uniform provision of personal, educational and vocational guidance.
- \* Students' attitudes and behaviour are a strength of the school. Good provision is made for their moral and social development. Arrangements for cultural and spiritual development would benefit from more coherent planning, and the place of collective worship within assemblies needs clarification in the context of a whole school policy.
- \* The provision and take up of in-service training are variable. Staff would benefit from the establishment of a whole school policy providing more opportunities to enhance their professional development.
- \* The school's financial systems are secure with effective oversight of spending. Allocation of funds to departments has yet to be determined on a formula basis, and the school is at an early stage of evaluating the educational outcomes of spending decisions.
- \* Within the constraints imposed by the five year licence system and increasing student numbers, good use is made of available staffing, accommodation and learning resources. The school is now severely overcrowded. Sixth form numbers are causing pressures on staffing, suitable teaching spaces, and available levels of administrative and technical support. It is hoped that the provision of the new Sixth Form Centre will alleviate some of these pressures.
- \* The school has forged successful and mutually supportive links with parents and the local community. An active PTA raises valuable extra funding for the school. There was a high (71%) return rate from the parental questionnaire (Appendix A). The responses, together with the additional 116 letters, express high levels of support and appreciation for the work of the school.
- \* A significant minority of parents articulate concerns about lack of communication, variable standards of tutoring, insufficient PSHE provision, bullying, poor behaviour, and unsatisfactory attitudes from a few teachers. The headteacher and his senior team are intending to address these issues following the establishment of a rigorous and systematic programme of performance management, quality assurance and control to ensure that there is a consistent application of agreed policies across the whole school.

**Key Issues that the School Needs to Address**

\* In order to sustain and improve upon existing good standards, and to achieve greater efficiency, the headteacher, senior management and staff should:

- (i) establish a rigorous system of performance management, quality assurance and control; provide formal links, with clearly designated responsibilities, between senior management and subjects and year groups;
- (ii) continue to strengthen the monitoring roles of heads of department and heads of year,
- (iii) establish a more coherent pastoral system, encompassing higher expectations for the use of tutorial time, greater tutor involvement in data analysis and individual target setting, increased provision for PSHE, citizenship and careers, the designation of a SENCO, and the provision of a co-ordinated programme of personal, educational and vocational guidance;
- (iv) review the provision of existing curriculum time;
- (v) ensure greater consistency in the quality of departmental handbooks, schemes of work, annual subject development plans, and the implementation of the school's new ARR policy;
- (vi) draw up a school policy for staff development, annual reviews and the dissemination of INSET;
- (vii) establish clear management structures for the development of ICT;
- (viii) ensure the needs of all students, including the most able, are met through attention to suitably differentiated work;
- (ix) reassure parents that concerns raised in the returns from the parental questionnaire are being addressed;
- (x) continue to monitor staffing and accommodation pressures, and to plan carefully for the new Sixth Form Centre.

*The school is responsible for drawing up an action plan after receiving the Report, showing what it is going to do about the issues raised and how it will incorporate them in the school's Development Plan.*

*A follow-up visit to the school will be made in spring/summer 2003 in order to monitor and discuss the progress the school has made, and a written report will be made to the Director of Education.*



## APPENDIX A

## Guernsey Grammar School

## PARENTAL SURVEY

Number of questionnaires sent out	787
Number of questionnaires returned	558
Percentage return	71

Percentages of responses in each category	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree	Don't know	Nil Response
My child likes school	51	41	5	2	0.5	1
My child is making good progress in school	50	44	4	1	1	1
Behaviour in the school is good	34	54	5	1	6	1
My child gets the right amount of work to do at home	25	54	15	2	3	1
The teaching is good	35	55	5	1	3	1
The school gives me a clear understanding of what is taught	25	47	18	5	2	2
I am kept well informed about how my child is getting on	37	46	13	3	1	0.5
I would feel comfortable about approaching the school	52	40	6	1	0.5	0.5
The school handles complaints from parents well	21	24	7	2	42	3
The school expects my child to work hard and achieve his best	66	30	2	0.5	0.5	0.5
The school is well led and managed	51	39	4	2	4	1
The school's values & attitudes are helping my child to become mature and responsible	44	44	4	3	5	0.5
The school provides an interesting range of activities outside lessons	36	41	7	1	13	1
The school works closely with parents	25	47	16	4	7	1

## THE VALIDATED SCHOOL SELF-EVALUATION PROCESS

The stages by which the Self-Evaluation was carried out were as follows:

5 February 2001

Preliminary Meeting of DEB with Gina Roots and Kelven Smart to discuss the key features of the VSSE year.

1 May 2001

Meeting of DEB and MDS with Graham Wilson and Kelven Smart to discuss the programme for the Monday of the Validation Week.

2 May 2001

Graham Wilson and Kelven Smart introduced the VSSE Process to a full Staff Meeting.

4 May 2001

**A school closure day.** DEB outlined to all the staff the way in which the school proposed to undertake its Self Evaluation and the key dates involved. The teaching staff were split into 8 groups to review the 'Aspects of the School' 2.1-2.7. A ninth group of non-teaching staff reviewed relevant Aspects.

16 May, 23 May, 6 June 2001

In hourly sessions after school, Review Groups completed their scrutiny of the remaining 'Aspects of the School'. The summaries of each section were completed by team leaders and passed to SMT.

Summer Term 2001

Departments and Subjects began the collection of evidence and documentation.

14 September 2001

Meeting between DEB and Kelven Smart for a progress report and to prepare for the Parental Questionnaire.

28 September 2001

**A school closure day.** DEB explained the way in which the subjects of the curriculum were to be evaluated and the findings reported, and the way in which lesson observations were to be carried out. Subject groups met to carry out their self-evaluation.

1-19 October 2001

Lesson Observations were carried out. All staff, except part-time staff with a minimal teaching load, were formed into groups of three by the drawing of lots, ensuring that no teachers of the same subject were grouped together. Each member of the group observed and was observed by the other two. A total of 132 lessons were observed in three weeks and the forms returned to DEB.

2 November 2001

Subject Self-Evaluations completed and passed to assigned member of SMT.

6 November 2001

Questionnaire issued to random and representative groups of parents.

8 November 2001

Questionnaire completed by random and representative groups of students. Throughout November visitors to the school were invited to complete a questionnaire.

12 November, 27 November, 3 December 2001

Afternoon SMT Meetings began writing the Evaluation of the School Aspects.

14 December 2001

Departmental documentation and evidence completed and submitted to assigned member of SMT.

20 November 2001, 4 January, 8 January, 29 January 2002

Full day SMT Meetings to write the Self-Evaluation Report and to collate the Pre-Validation Evidence and Statistical Data.

24 January 2002

Outline School Improvement Plan for 2002 submitted to the Education Department and discussed with Gina Roots on 28 January.

8 February 2002

School Self-Evaluation Report and Pre-Validation Documentation completed and passed to the Education Department.

**STATES OF GUERNSEY****EDUCATION DEPARTMENT**Response to the Validation Report on the Grammar School

The Education Council and the Grammar School welcome and accept the Validation Report of March 2002. The Education Council is pleased to note that the Validation Team felt the school had conducted a well planned and organised self-review and described the school as having made commendable progress since the previous inspection in 1996.

It is also pleasing to note that, in the view of the Validation Team, there have been significant developments since the last validation and that the school has a number of excellent features relating to its purposeful and friendly ethos and the quality of teaching and learning. Of particular note is the fact that 93% of the lessons observed were at least satisfactory in the quality of teaching, learning and attainment, with a commendably high proportion (66%) being of good or excellent standard. It is also gratifying to note that the sixth form is seen as a particular strength of the school.

Students' ability in using ICT in their written work and presentation, using a variety of software, is evidence of their confidence and competence with the technology. This is in no small part due to the significant investment made by the States and the enthusiasm of the majority of teachers in the school to embrace the new technology.

Like any large and complex organisation, the school has a number of areas, identified by the self-review and the validation team, which now require attention and the Education Council is pleased to note that the staff at the Grammar School is not complacent in its future plans for improvement. The school is now working to address areas of development which include:

- addressing the concerns raised by the significant minority of parents through the questionnaire returns;
- provision of a more coherent and extensive programme of Careers, Citizenship and PSHE teaching in Years 7-11;
- raising further the standards of achievement by extending the system of student self-review and target-setting;
- improving the quality of pastoral care by identifying more clearly the special educational needs of students, including the gifted and talented;
- reviewing the provision of existing curriculum time.

The school will now formulate a comprehensive and strategic school improvement plan, which will provide a clear agenda for future development, building on the good progress already made.

IN THE STATES OF THE ISLAND OF GUERNSEY

ON THE 25TH DAY OF SEPTEMBER, 2002

The States resolved as follows concerning Billet d'Etat No. XX  
dated 6th September, 2002

**STATES ADVISORY AND FINANCE COMMITTEE**

**ABOLITION OF TREIZIÈME**

- I. After consideration of the Report dated the 10th July, 2002 of the States Advisory and Finance Committee:-
1. To approve the abolition of treizième and its replacement by additional document duty, including the transitional arrangements in relation to transactions presently exempt from liability to treizième as set out in that Report.
  2. To approve the Projet de Loi entitled "The Feudal Dues ( General Abolition of Congé) (Guernsey) Law, 2002", and to authorise the Bailiff to present a most humble Petition to Her Majesty in Council praying for Her Royal Sanction thereto.
  3. To direct the preparation of an Ordinance making comprehensive provision as to the incidence and rates of document duty, including the provision for the remaining matters referred to in that Report, such Ordinance to be laid before the States at the same time as the Ordinance bringing the Projet de Loi into force.
  4. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

**PROJET DE LOI**

entitled

**THE PUBLIC TRUSTEE (BAILIWICK OF GUERNSEY) LAW, 2002**

- II. To approve the Projet de Loi entitled "The Public Trustee (Bailiwick of Guernsey) Law, 2002", and to authorise the Bailiff to present a most humble Petition to Her Majesty in Council praying for Her Royal Sanction thereto.

## **PROJET DE LOI**

entitled

### **THE INCOME TAX (RELIEF ON MAINTENANCE PAYMENTS) (GUERNSEY ) Law, 2002**

- III. To approve the Projet de Loi entitled "The Income Tax (Relief on Maintenance Payments) (Guernsey) Law, 2002", and to authorise the Bailiff to present a most humble Petition to Her Majesty in Council Praying for Her Royal Sanction thereto.

### **THE SUNDAY TRADING ORDINANCE, 2002**

- IV To approve subject to the following amendment, the draft Ordinance entitled "The Sunday Trading Ordinance, 2002", and to direct that the same shall have effect as an Ordinance of the States.

#### AMENDMENT

In clause 34 (1) of the draft Ordinance, in the definition of "small shop" (on page 100 of the Brochure), for "220 square metres" substitute "400 square metres".

### **THE STATES TRADING COMPANIES (BAILIWICK OF GUERNSEY) (AMENDMENT) ORDINANCE, 2002**

- V. To approve the draft Ordinance entitled "The States Trading Companies (Bailiwick of Guernsey) (Amendment) Ordinance, 2002", and to direct that the same shall have effect as an Ordinance of the States.

### **STATES TRAFFIC COMMITTEE**

#### **LA ROUTE DE CARTERET 25 MPH SPEED LIMIT**

- VI. After consideration of the Report dated the 19th August, 2002 of the States Traffic Finance Committee:-
1. That the experimental extension of the 25 mph speed limit zone in place in the Route de Carteret shall be made permanent.
  2. That the States Traffic Committee shall, in future, be enabled to make provision for amendments to Island speed limits by Order, providing that any measure being considered has been introduced beforehand on an experimental basis for a period of between nine and twelve months.
  3. To approve the draft Ordinance entitled "The Vehicular Traffic (Speed Limits) (Amendment) Ordinance, 2002", and to direct that the same shall have effect as an Ordinance of the States.

## **STATES BOARD OF ADMINISTRATION**

### **NEW MEMBER**

- VII. To elect Mr. R. H. Barneby as a member of the States Board of Administration, who need not be a sitting member of the States, to complete the unexpired portion of the term of office of Mr. M. W. Collins, who has resigned as a member of that Board, namely, to the 31st May, 2004.

## **STATES HERITAGE COMMITTEE**

### **NEW MEMBER**

- VIII. To elect Advocate M. J. S. Eades as a member of the States Heritage Committee, who need not be a sitting member of the States, to complete the unexpired portion of the term of office of Mr. A. B. Dyke, who has resigned as a member of that Committee, namely, to the 31st May, 2004.

## **STATES ADVISORY AND FINANCE COMMITTEE**

### **REFORM OF MATRIMONIAL LAW**

- IX. After consideration of the Report dated 22nd August, 2002 of the States Advisory and Finance Committee:-
1. That the Matrimonial Causes Law, 1939 shall be amended so as-
    - (a) to empower the Matrimonial Causes Division of the Royal Court to make interim occupation orders where appropriate;
    - (b) to give the Matrimonial Causes Division of the Royal Court specific statutory power to make wage arrest orders; and
    - (c) to give the Matrimonial Causes Division of the Royal Court statutory power to remit arrears of maintenance and other relevant payments.
  2. To defer consideration of issues relating to the appointment of guardians ad litem and Advocate child representatives until such time as the Children Board concludes its child care legislation and makes any recommendations it then considers appropriate.
  3. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

IN THE STATES OF THE ISLAND OF GUERNSEY

ON THE 26TH DAY OF SEPTEMBER, 2002

(Meeting adjourned from the 25th September, 2002)

The States resolved as follows concerning Billet d'Etat No. XX  
dated 6th September, 2002

**STATES SOCIAL SECURITY AUTHORITY**

**BENEFIT AND CONTRIBUTION RATES FOR 2003**

X. After consideration of the Report dated the 22nd August, 2002, of the States Social Security Authority:-

1. That, with effect from the 6th January, 2003, the standard rates of social insurance benefits shall be increased to the rates set out in paragraph 20 of that Report.
2. That, with effect from the 6th January, 2003, the standard rate of survivor's grant shall be £1,160.
3. That maternity grant shall be increased to £236.00 in respect of confinements which take on or after the 6th January, 2003.
4. That the full rate amount of death grant payable in respect of the death of a person on or after 6th January, 2003 shall be £367.00.
5. That, with effect from the 1st January, 2003, for employed and self employed persons the upper weekly earnings limit, the upper monthly earnings limit and the annual upper earnings limit shall be £591, £2,561 and £30,732 respectively.
6. That, with effect from the 1st January, 2003, for non-employed persons the upper and lower annual income limits shall be £30,732 and £10,790 respectively.
7. That the Social Insurance (Guernsey) Law, 1978, as amended, be further amended:
  - (a) to replace the provisions of the Law relating to 'waiting days' and the number of days in a benefit week with enabling powers for similar provisions to be made by Regulations of the Authority;
  - (b) to provide for decisions concerning entitlement to widow's benefits, where questions of cohabitation arise, to be determined by the Administrator;
  - (c) to provide for a right of appeal against findings of the extent of loss of faculty in the award of industrial disablement benefit.



8. That, with effect from the 1st January, 2003, the prescription charge per item of pharmaceutical benefit shall be £2.20.
9. That the definitions of 'approved dentist' and 'approved medical practitioner', for the purposes of the Health Benefit (Guernsey) Law, 1990, be amended to exclude dentist and medical practitioners who have access to Board of Health radiology and pathology departments on a private basis only.
10. That, with effect from the 7th April, 2003, subject to the coming into force of the Long-term Care Insurance (Guernsey) Law, 2002;
  - (a) the contribution (co-payment) required to be made by the claimant of care benefit shall be £119 per week;
  - (b) (b) 'care benefit' shall be a maximum of £518 per week for persons resident in a nursing home or the Guernsey Cheshire Home and a maximum of £280 per week for persons resident in a residential home;
  - (c) 'respite care benefit' shall be a maximum of £638 per week for persons receiving respite care in a nursing home or the Guernsey Cheshire Home and a maximum of £399 per week for persons receiving respite care in a residential home.
11. That, with effect from the 10th January, 2003, the normal requirements of a person for the purposes of paragraph 5 of Part II of the First Schedule to the Supplementary Benefit (Implementation) Ordinance, 1971, shall be the appropriate amount set out in paragraph 93 of that Report.
12. That, with effect from the 10th January, 2003, the limit of the weekly income for the purposes of paragraph 3 of Part 1 of the First Schedule to the Supplementary Benefit (Implementation) Ordinance 1971 shall be:
  - (a) £250 for a person whose requirements are in accordance with paragraph 5 of the Schedule;
  - (b) £346 for a person who is residing in a residential home and whose requirements are in accordance with paragraph 7 of the Schedule;
  - (c) £497 for a person who is residing as a patient in a hospital, nursing home or the Guernsey Cheshire Home, whose requirements are in accordance with paragraph 7 of the Schedule.
13. That, with effect from the 10th January, 2003, the amount of the personal allowance payable to persons in residential or nursing homes who are in receipt of supplementary benefit shall be £17 per week.
14. That a supplementary fuel allowance, for supplementary beneficiaries who are householders, of £12 per week be paid, for 31 weeks, from 25th October, 2002.
15. (a) That, with effect from the 7th January, 2003, the allowance payable under the Family Allowances (Guernsey) Law, 1950, as amended, shall be increased from £10.80 to £11.25 per week; and

- (b) that, with effect from the 7th January, 2003, the cost of providing for a child (for the purposes of determining in whose family a child not living with his parents is to be included under the Law), shall be increased from £10.80 to £11.25.
16. That, with effect from the 6th January, 2003 the rates of attendance allowance and invalid care allowance and the annual income limits shall be as set out in paragraph 106 of that Report.
  17. That the Attendance and Invalid Care Allowances Law, 1984, as amended, be further amended:
    - (a) to provide for questions concerning entitlement to attendance allowance to be determined by the Administrator;
    - (b) to delete the provisions of the Law relating to the payment of attendance allowance in cases of terminal illness and replace with enabling powers for similar provisions to be made by Regulations of the Authority.
  18. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

## **STATES PUBLIC ASSISTANCE AUTHORITY**

### **PUBLIC ASSISTANCE RATES FOR 2003**

#### **PROPOSED AMENDMENTS TO THE CENTRAL OUTDOOR ASSISTANCE BOARD REGULATIONS**

XI After consideration of the Report dated the 20th August, 2002, of the States Public Assistance Authority:-

1. That, with effect from the 10th January, 2003, the ordinary maximum rates of public assistance for the purposes of paragraph 10 of the Schedule to the Central Outdoor Assistance Board Regulations, as amended, shall be those set out in paragraph 3 of that Report;
2. That, with effect from the 10th January, 2003, the limitation of weekly income in paragraph 2 (2) of the Schedule to the Regulations shall be £250.00.
3. That, with effect from the 10th January, 2003, capital not exceeding £2000 shall be wholly disregarded.
4. That a winter fuel allowance at a maximum of £12.00 per week shall be payable at the discretion of the Relieving Official to a person in receipt of public assistance in the period 1st November, 2002 to 28th March, 2003, inclusive.

5. That, with effect from the 1st January, 2003, the Central Outdoor Assistance Board Regulations, as amended, be further amended:
- (a) to remove reference to persons who are absent from work through sickness;
  - (b) to allow the President of a Parochial Public Assistance Board to nominate a member of that Board to act as a Relieving Official in the absence of the incumbent officials;
  - (c) to provide that applications for public assistance be made in a prescribed manner;
  - (d) to provide that an application for public assistance is made only in respect of the week in which the application is received; and not, unless at the discretion of the States Public Assistance Authority, more than seven days after the expiration of that week;
  - (e) to empower the Relieving Official to demand the production of any documents likely to contain evidence of an applicant's means;
  - (f) to allow the States Public Assistance Authority to recover overpayments of public assistance as a civil debt.
6. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

## **REQUÊTE**

### **DEATH WITH DIGNITY**

- XII. After consideration of the Requête dated the 28th June, 2002, signed by Deputy Mrs. P. Mellor and thirteen other Members of the States:-

To instruct the States Advisory and Finance Committee to carry out appropriate investigations and consultations with whomever it deems fit; and thereafter, but at the earliest opportunity, to bring a report to the States of Deliberation, on the implications of allowing Doctor Assisted Death or some other similar Death with Dignity Legislation to be implemented within Guernsey, and containing that Committee's recommendation in connection with that matter.

## **REQUÊTE**

### **USE OF MOBILE TELEPHONES WHILST DRIVING**

- XIII. After consideration of the Requête dated the 31st May, 2002, signed by Deputy P. L. Derham and eight other Members of the States:-

To direct the States Committee for Home Affairs:-

- (a) to report to the States of Deliberation as soon as may be and, in any event, within six months on the measures it proposes should be taken to control the use of hand-held mobile telephones by drivers of vehicles in motion; and
- (b) if such measures involve the creation of a new offence, to consider in due course making that offence a fixed penalty offence.

*STATUTORY INSTRUMENTS LAID BEFORE THE STATES*

**THE DATA PROTECTION (BAILIWICK OF GUERNSEY) LAW, 2001  
(COMMENCEMENT) ORDER 2002**

**THE DATA PROTECTION (PUBLIC INFORMATION DESIGNATION) ORDER, 2002**

**THE DATA PROTECTION (CREDIT REFERENCE AGENCY) (STATEMENT OF RIGHTS) REGULATIONS, 2002**

**THE DATA PROTECTION (MISCELLANEOUS SUBJECT ACCESS EXEMPTIONS) ORDER, 2002**

**THE DATA PROTECTION (SUBJECT ACCESS MODIFICATION) (EDUCATION) ORDER, 2002**

**THE DATA PROTECTION (SUBJECT ACCESS MODIFICATION) (HEALTH) ORDER, 2002**

**THE DATA PROTECTION (SUBJECT ACCESS MODIFICATION) (SOCIAL WORK) ORDER, 2002**

**THE DATA PROTECTION (PROCESSING OF SENSITIVE PERSONAL DATA) ORDER, 2002**

**THE DATA PROTECTION (FURTHER CONDITIONS CONCERNING FAIR PROCESSING) ORDER, 2002**

**THE DATA PROTECTION (NON-DISCLOSURE EXEMPTION) ORDER, 2002**

**THE DATA PROTECTION (CORPORATE FINANCE EXEMPTION) ORDER, 2002**

**THE DATA PROTECTION (FUNCTIONS OF DESIGNATED AUTHORITY) ORDER, 2002**

**THE DATA PROTECTION (FEES UNDER SECTION 19(7)) REGULATIONS, 2002**

**THE DATA PROTECTION (SUBJECT ACCESS) (FEES AND MISCELLANEOUS PROVISIONS) REGULATIONS, 2002**

**THE DATA PROTECTION (NOTIFICATION AND NOTIFICATION FEES) REGULATIONS, 2002**

In pursuance of the provisions of section 66(4) of the Data Protection (Bailiwick of Guernsey) Law, 2001, the above Orders and Regulations made by the States Advisory and Finance Committee on the 9th July, 2002, were laid before the States.

**THE DATA PROTECTION (TRANSFER IN THE SUBSTANTIAL PUBLIC INTEREST)  
ORDER, 2002**

In pursuance of the provisions of section 66(4) of the Data Protection (Bailiwick of Guernsey) Law, 2001, the Data Protection (Transfer in the Substantial Public Interest) Order, 2002, made by the States Advisory and Finance Committee on the 14th August, was laid before the States.

**THE CRIMINAL JUSTICE (PROCEEDS OF CRIME) (BAILIWICK OF GUERNSEY)  
REGULATIONS, 2002**

In pursuance of the provisions of section 54(1)(c) of the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Regulations, 2002, made by the States Advisory and Finance Committee on the 14th August, 2002, were laid before the States.

**THE DRIVING LICENCES (AMENDMENT) (GUERNSEY)  
REGULATIONS, 2002**

In pursuance of the provisions of section 2B(e) of the Motor Taxation and Licensing (Guernsey) Law, 1987, as amended, the Driving Licences (Amendment) (Guernsey) Regulations, 2002 made by the States Traffic Committee on the 25th July, 2002, were laid before the States.

**D. R. DOREY  
HER MAJESTY'S DEPUTY GREFFIER**