



# BILLET D'ÉTAT

IX  
2002

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WEDNESDAY, 29th MAY, 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 **29th MAY, 2002**, immediately after the Meeting already convened for that day.

**PROJET DE LOI**

ENTITLED

**THE CRIMINAL EVIDENCE AND MISCELLANEOUS PROVISIONS  
(BAILIWICK OF GUERNSEY) LAW, 2002**

The States are asked to decide:—

I.—Whether they are of opinion to approve the Projet de Loi entitled “The Criminal Evidence and Miscellaneous Provisions (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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**THE COMPANIES (SHARES OF NO PAR VALUE) ORDINANCE, 2002**

The States are asked to decide:—

II.—Whether they are of opinion to approve the draft Ordinance entitled “The Companies (Shares of No Par Value) Ordinance, 2002”, and to direct that the same shall have effect as an Ordinance of the States.

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**THE DRUG TRAFFICKING (DESIGNATED COUNTRIES AND TERRITORIES)  
(AMENDMENT) ORDINANCE, 2002**

The States are asked to decide:—

III.—Whether they are of opinion to approve the draft Ordinance entitled “The Drug Trafficking (Designated Countries and Territories) (Amendment) Ordinance, 2002”, and to direct that the same shall have effect as an Ordinance of the States.

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**THE CRIMINAL JUSTICE (PROCEEDS OF CRIME) (ENFORCEMENT OF  
OVERSEAS CONFISCATION ORDERS) (AMENDMENT) ORDINANCE, 2002**

The States are asked to decide:—

IV.—Whether they are of opinion to approve the draft Ordinance entitled “The Criminal Justice (Proceeds of Crime) (Enforcement of Overseas Confiscation Orders) (Amendment) Ordinance, 2002”, and to direct that the same shall have effect as an Ordinance of the States.

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**THE PAROCHIAL COLLECTION OF REFUSE (AMENDMENT) ORDINANCE, 2002**

The States are asked to decide:—

V.—Whether they are of opinion to approve the draft Ordinance entitled “The Parochial Collection of Refuse (Amendment) Ordinance, 2002”, and to direct that the same shall have effect as an Ordinance of the States.

**STATES ADVISORY AND FINANCE COMMITTEE****AMENDMENTS TO LEGISLATION RELATING TO MONEY LAUNDERING**

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

23rd April, 2002.

Dear Sir,

**Amendments to legislation relating to Money Laundering**

Her Majesty's Procureur has written to me in the following terms:

***“Introduction***

*You will recall that during 1999 and 2000 the Bailiwick, Jersey and the Isle of Man were the subject of two evaluations which considered the anti money laundering legislation and enforcement procedures in place within those jurisdictions. The first was a Financial Action Task Force (FATF) evaluation organised by the Offshore Group of Banking Supervisors (OGBS) to assess compliance with the FATF's 40 anti-money laundering recommendations. The second was conducted by the FATF as part of a review to identify uncooperative jurisdictions with laws and practices that can impede the fight against money laundering. The purpose of that review was to encourage all jurisdictions to implement international anti-money laundering standards.*

*Both evaluation reports were on the whole very complimentary about the efforts Guernsey had made in enacting legislation in the Bailiwick and also the day to day enforcement of the anti money laundering regime. We were judged to be substantially in conformity with international standards. Nevertheless, both reports identified some weaknesses in Guernsey, Jersey and the Isle of Man. After consultation with The Bailiwick Financial Crime Committee (on which the Police, Customs, Financial Intelligence Service and the Guernsey Financial Services Commission are also represented) I have concluded that it is essential that the States should consider enacting several provisions which will meet the concerns expressed in the evaluation reports. Enactment would demonstrate to international organisations, foreign law enforcement agencies and regulatory bodies, the Bailiwick's continued and reinforced determination to deter criminals from attempting to use the Bailiwick for the purpose of laundering the proceeds of their crimes. It would likewise be indicative of our full support for the international battle against serious and organised crime.*

***Obligation to report suspicious transactions***

*Under section 60 of the Drug Trafficking (Bailiwick of Guernsey) Law, 2000 there is a direct obligation to report to the Police or Customs, knowledge or suspicion of a person's involvement in laundering drug trafficking monies when the knowledge or suspicion arises during the course of a trade, profession, business or employment. If the information is not*

*disclosed to the Police or Customs as soon as it is reasonably practicable, the receiver of the information is guilty of an offence punishable with up to 5 years imprisonment and/or an unlimited fine.*

*This contrasts with provisions in our Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 in which there is no direct requirement to report suspicions of criminality other than drug trafficking monies. During the course of the two evaluations it was pointed out to the evaluators that there is an indirect obligation to report the laundering of the proceeds of other crimes. Despite the fact that Guernsey's legislation followed UK legislation in this area, the evaluators were not entirely convinced by the robust submissions made to them about the sufficiency of the indirect reporting requirements. They argued that the existence of two different reporting requirements in key pieces of legislation made little sense and could give rise to misunderstanding and confusion in financial institutions. The OGBS evaluators made a recommendation that a direct obligation to report suspicious transactions should be introduced for all types of crime.*

*The Proceeds of Crime Bill will consolidate the various pieces of legislation in force in the United Kingdom concerning the restraint and recovery of the proceeds of crime and also enact several new provisions. Clause 330 of the Bill contains a provision creating an offence of failing to disclose suspicion of money laundering with regard to all types of crime. This will be a direct reporting obligation in conformity with the FATF recommendation. The requirement will apply to all institutions in the Regulated sector which is defined to include banks, insurance companies, fiduciaries and other types of financial services business.*

*For us not to act on the evaluators' recommendation would be viewed internationally as a sign of unwillingness to have in place and enforce anti-money laundering measures fully complying with international standards. I recommend that a direct reporting requirement regarding money laundering associated with the proceeds of all types of crime should be introduced in the Bailiwick.*

### ***The seizure of money***

*Under Part III of the Drug Trafficking (Bailiwick of Guernsey) Law, 2000, Police and Customs have the power to seize sums of more than £10,000 in money imported or exported from the Bailiwick where there are reasonable grounds for suspecting that it directly or indirectly represents a person's proceeds of drug trafficking or is intended by him for use in drug trafficking. "Money" as defined in that Law, includes coins and notes in any currency or any negotiable instrument. The Law details a strict regime for the retention of the money pending the possible institution of forfeiture proceedings. The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 follows the provisions of the United Kingdom's legislation. As a result there is no similar provision for seizure of cash in relation to non-drug trafficking crime.*

*The FATF (OGBS) evaluators were of the opinion that the lack of a power to seize cash where there is a suspicion that the money may be the proceeds of crime relating to offences other than drug trafficking, meant that there is a weakness in Bailiwick legislation. The evaluators recommended that the power to seize cash at the border on an all crimes basis should be introduced.*

*The Isle of Man in Section 48 of the Criminal Justice Act 2001 have introduced a provision allowing for the seizure of cash on an all crimes basis*

*Chapter 3 of Part 5 of the United Kingdom Proceeds of Crime Bill will give the Police and Customs the right to seize cash which is believed to be the proceeds of any crime both at places of entry and inland. Once cash has been seized the law enforcement authorities have to prove to the civil standard that the money is the proceeds of crime. A similar standard of proof is contained within our current Drug Trafficking legislation.*

*In March I wrote to you recommending that seizure of suspected terrorist money should be allowed anywhere in the Bailiwick. I am of the opinion that the Bailiwick should also follow the United Kingdom proposal with regard to other types of crime. Given the great importance of the finance industry to the economy, it is essential that a very clear message is sent to the outside world that only reputable business is acceptable and that the Bailiwick aims to prevent not only the payment into its banking system of large amounts of cash but also aims to prevent the withdrawal of large cash sums by criminals from banks in the Bailiwick who then export the cash. There can be no suspicion of criminality where somebody exporting money has a legitimate explanation for doing so. I therefore recommend that the power to seize money (including negotiable instruments) should be extended from drug trafficking to cover all types of criminal conduct and that the power should be exercisable anywhere in the Bailiwick and not just at places of entry.*

#### **Law Officers' consent under Section 44 of the 1999 law**

*Under section 44 of the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, when a disclosure is made to the Police or Customs concerning a suspicious financial transaction under the provisions of that Law, the consent of Her Majesty's Procureur is required before the Police or Customs can disseminate the information contained in the disclosure to law enforcement authorities in other jurisdictions such as the National Criminal Intelligence Service in England, who might well have an interest in the information. However, when disclosures are made to the Police or Customs under the Drug Trafficking (Bailiwick of Guernsey) Law, 2000, or the Money Laundering Disclosure of Information Laws of 1995 (for Guernsey) and 1998 (for Alderney), or suspicions of criminality comes to their attention in some other way, they are able to pass on such intelligence without a Law Officer's consent.*

*The legislative provision requiring a Law Officer to authorise disclosure by Police or Customs or the Financial Intelligence Service of intelligence provided under the 1999 Law outside the Bailiwick has never had any equivalent in United Kingdom legislation. It was introduced, despite the expression of some concern and little enthusiasm on the part of my predecessor and myself, in order to replicate similar provisions already enacted in the Isle of Man and thereafter in Jersey. Police and Customs Officers had also expressed concern that this provision, which they considered to be unnecessary and cumbersome, ran counter to long established principles of comity between law enforcement agencies. It should also be noted that if criminal intelligence is to be useful to a recipient agency, it needs to be properly evaluated and packaged. An intelligence package may include intelligence reported under the 1999 Law (where the permission of a Law Officer has to be sought) together with intelligence gathered from other sources where no such permission is required. The requirement to obtain a Law Officer's consent to part only of a package of intelligence has the potential to delay transmission of vital intelligence and may result in an unfortunate international perception (even if ill founded) that there is some unwillingness to cooperate speedily with other jurisdictions. It may be self evident that the Law Officers did not welcome a procedure which added further workload burdens to the work of the Police, Customs and Law Officers coupled with the fact that the Law Officers have to give a high order of priority to such applications if the necessary timely despatch of intelligence is to be achieved.*

*Both FATF evaluation teams were critical of this requirement in the 1999 Law and in the equivalent Isle of Man and Jersey legislation. They were of the view that the existence of a requirement for consent could potentially result in delays in exchanging information or could be misinterpreted. They concluded that the existence of the provision would potentially place the Bailiwick in violation of FATF recommendation 32, which requires spontaneous cooperation by jurisdictions.*

*Again, I recommend legislation to repeal this provision which concerned the evaluators. The 1999 Law permits the States by Ordinance to amend or repeal section 44 or any part of it. I therefore recommend that the provision requiring the consent of a Law Officer before onward disclosure can be made outside of the Bailiwick be repealed by Ordinance. The Isle of Man which was the first of the Dependencies to introduce the offending provision repealed it last year. The matter is under consideration in Jersey.*

*When Police, Customs or the Financial Intelligence Service have received intelligence which may be of legitimate interest to other law enforcement agencies or intelligence organisations such as the National Criminal Intelligence Service, but they consider that there are sensitive issues which ought to be discussed with a Law Officer then such matters are discussed. This will continue.*

*If this proposal is accepted I propose to agree with the Chief Officers of Police and Customs and the Director of the Financial Intelligence Service guidelines as to when, exceptionally, advice should be sought from the Law Officers. I anticipate the guidelines would for example, include a provision that advice should be sought when the subject of the disclosure resides in a country with a poor human rights record and could therefore be put in serious physical danger if the information is disclosed to the authorities. The guidance would be promulgated in the same routine way that other guidance is given by the Law Officers to the Police and Customs.*

*When the FATF advised the Bailiwick authorities of their view that the Bailiwick legislation should be enhanced in order to comply with the FATF 40 recommendations, they indicated that they would expect reforms to be enacted and that the Bailiwick's anti-money laundering regime would be kept under review.*

*For the reasons outlined above, I recommend the enactment of the necessary reform measures.*

*In addition to the recommendations resulting from the two evaluations I have concluded that other amendments to our legislation are required to ensure that Bailiwick legislation is as effective as possible in the fight against international crime so that Guernsey can have in place an arsenal of legislation to enable it to perform effectively and when necessary very speedily.*

***Amendment to the Criminal Justice (Fraud Investigation) (Bailiwick of Guernsey) Law, 1991***

***(a) Disclosure to Regulators etc.***

*The Criminal Justice (Fraud Investigation) (Bailiwick of Guernsey) Law, 1991 ("Fraud Investigation Law") provides powers for investigating allegations of serious or complex fraud. The powers can be used in relation to both local investigations and requests for assistance from overseas authorities.*

*Under the provisions of the Fraud Investigation Law, a Law Officer may exercise the power conferred on him in any case, where it appears to him that a serious or complex fraud is involved and that there is good reason to require a person to answer questions and produce documents.*

*There are restrictions on the onward disclosure of information obtained under the provisions of that Law. Disclosure may only be made either for the purposes of criminal investigations in the Bailiwick or elsewhere, or under an agreement with a Law Officer for the supply of information.*

*Internationally, it has become more common in the last decade for there to be closer links between investigating and prosecuting agencies and bodies which regulate financial services business. It is now widely expected that investigating and prosecuting agencies should, in appropriate cases, be able to provide information to bodies which have financial service regulatory functions such as the Guernsey Financial Services Commission and the UK Financial Services Authority, in order to assist such bodies in the discharge of their duties.*

*In the United Kingdom, Jersey and the Isle of Man, the legislation equivalent to our Fraud Investigation Law permits information to be disclosed not only to the relevant bodies responsible for the regulation of financial services business but also to persons or bodies having supervisory, regulatory or disciplinary functions in relation to any profession or area of commercial activity. In addition, disclosure may be made to inspectors appointed to investigate the affairs of a company. Under Guernsey Law by way of example, inspectors are appointed for the purposes of investigating allegations of insider dealing in shares under the Company Securities (Insider Dealing) (Bailiwick of Guernsey) Law, 1996 as amended. In the United Kingdom, Jersey and the Isle of Man, disclosures may also be passed on to persons or bodies exercising similar functions in other jurisdictions.*

*I have therefore concluded that there is merit in extending the scope of the Fraud Investigation Law, which has not been amended since it came into force.*

*I recommend that the Fraud Investigation Law be amended to allow for disclosure by a Law Officer or any person authorised to act on his behalf of any information obtained under the provisions of the Law to –*

- (a) any person or body for the purposes of any investigation of an offence or prosecution in the Bailiwick or elsewhere; and*
- (b) to any competent authority.*

*A “competent authority” would include any person or body within the Bailiwick or elsewhere having supervisory, regulatory, or disciplinary functions in relation to financial services, any profession, or any area of commercial activity. In addition, there should be power to disclose information to any inspector appointed to investigate a company’s affairs whether it is in the Bailiwick or elsewhere.*

*Over the years, the Law Officers have provided assistance to divisions of overseas tax authorities specifically empowered by law to investigate serious or complex tax fraud cases when they have properly and lawfully made formal requests for assistance. It would be logical for the Law Officers also to be able to disclose to a relevant Bailiwick Tax Authority spontaneously, any information obtained as a result of the exercise of the powers under the Fraud Investigation Law which a Law Officer considers points to evasion of tax by any person or company appearing to be liable to pay a Bailiwick tax.*



**(b) “Tipping Off”**

*Both the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 and the Drug Trafficking (Bailiwick of Guernsey) Law, 2000 contain provisions preventing the disclosure of the existence of an investigation into money laundering (“tipping off”). The maximum penalty for a breach of these provisions is five years imprisonment. The legislation has the effect, for example, of preventing institutions from telling a client that his or her affairs are under criminal investigation.*

*It is not unusual for potential defendants to be kept unaware by the investigating authorities of the existence of an investigation into a serious or complex fraud. The reason is self-evident. There is a fear, on the part of investigators, that the suspect would either dispose of funds under his control or arrange for the destruction of evidence if alerted to the fact that an investigation is under way. There are records, such as those relating to the activities of companies, which can legitimately be returned to customers without the need for the institution to keep copies, thereby denying to investigators the chance of obtaining vital evidence. Also once a suspect knows of inquiries in one jurisdiction, he may well be tempted to arrange for the disappearance of evidence in another, thus frustrating international cooperation.*

*There is no provision in the Fraud Investigation Law similar to that in the Proceeds of Crime and Drug Trafficking Laws preventing Tipping Off. I have concluded that a “Tipping Off” provision should be added to the Fraud Investigation Law.*

**Visits to Financial Services Businesses by the Guernsey Financial Services Commission**

*In order to carry out verification work to ensure that financial services businesses comply with the anti money laundering Regulations made under Section 49 of The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 it is essential that staff of the Guernsey Financial Services Commission are allowed access to records held by financial services businesses, to take copies of relevant documents and to ask questions of staff. There are currently no legislative powers requiring financial services businesses to allow members of the Commission’s staff to have access to documents etc for the purpose of ensuring compliance with the anti money laundering Regulations.*

*The Commission has confirmed that financial services businesses so far have cooperated with inspections aimed at discovering whether anti money laundering Regulations have been complied with. I believe the Commission should be given powers in law, to effectively carry out their work in this area. This is because first, it is quite possible that a financial services business may not fully co-operate with the Commission during an inspection and second, it is important to show those outside the Bailiwick, for example the Financial Action Task Force, that the Authorities have full powers to carry out their functions.*

*I therefore recommend that the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 and the Regulations be amended to give the Commission the right to:*

- (i) enter any premises used by a Financial Services business;*
- (ii) examine any documents held by the business;*
- (iii) have access to computer records;*

- (iv) take copies of any document or record; and
- (v) ask questions of staff for the purpose of verifying compliance with anti money laundering legislation and guidance issued by the Commission.

*In the event of a Financial Services business failing to allow access to premises or records then the Bailiff should have the power to issue a warrant. In addition the financial services business would face the prospect of criminal sanctions.*

*The maximum penalties should in my opinion be the same as for offences under the Regulations made under the Proceeds of Crime Law. On indictment, two years imprisonment a fine or both, and on summary conviction, a fine of not more than level 5 on the Uniform Scale (currently £5,000).*

### **Disclosure of suspicions by the Income Tax Authority**

*So that the Police, Customs and Financial Services Commission can properly perform their functions with regard to law enforcement and regulation, it is essential that they are able to obtain information from not only financial services businesses but also those who have substantial dealings with people's financial affairs. The Income Tax Authority receives information concerning the financial affairs of individuals, partnerships and companies. There must be occasions when the Tax Authority has suspicions about the legality of the source of some taxpayer's income. This information would of course be of interest to both law enforcement agencies within the Bailiwick and possibly in other jurisdictions.*

*Under the terms of section 206 of the Income Tax (Guernsey) Law, 1975, as amended, all the members of the Income Tax Authority and its employees are required to take an oath. The last paragraph of the oath says as follows:—*

*“That you will not disclose any information contained in any return or other document available to you under the Income Tax Law which to your knowledge may directly lead to the identification of any person, except in the performance of your duties or to persons who have also taken an oath under the Income Tax Law or for the purposes of any prosecution for an offence relating to or connected with income tax or in any other case required by law.”*

*The Money Laundering (Disclosure of Information) (Guernsey) Law, 1995 and its Alderney equivalent of 1998 allow for the disclosure of information concerning money laundering without liability being incurred for breaching an obligation of secrecy, confidence, or other restriction on the disclosure of information. I am of the opinion that the 1995 and 1998 Laws are drafted in wide enough terms to allow for the disclosure of suspicion by the Income Tax Authority, but the point is not beyond argument.*

*Despite the provisions of the Disclosure Law I have reached the conclusion that given the existence of the oath of secrecy under the Income Tax Law together with the widely held view by the general population that the Income Tax Authority will not in any circumstances pass on any information it acquires, it would be appropriate to enact an express provision that disclosure of information by the Income Tax Authority to the Police and Customs would be lawful where there are grounds for suspecting that a crime may have been committed.*

*The authorities in England and Wales have identified a similar problem with regard to disclosure of revenue information by the Inland Revenue and HM Customs and Excise. As a result the Anti-Terrorism, Crime and Security Act 2001, contains a section concerning*

*disclosure of information held by the tax authorities. The section makes it absolutely clear that the tax authorities can make disclosure for the purposes of investigations and the conduct of criminal proceedings both in the United Kingdom and other jurisdictions. Disclosures may also be made to the UK intelligence services in support of their functions. I envisage that in Guernsey the Income Tax Administrator will disclose any suspicions that he has to the Police and Customs Officers who form the Financial Intelligence Service. Similar to the Westminster Act, I recommend the consent of the Administrator be required before the Financial Intelligence Service forward the disclosed information to other law enforcement agencies outside the Bailiwick or the UK intelligence services.*

*The legislation in England does not however extend to the disclosure of information to authorities such as the Financial Services Authority. Given the importance of the Finance Sector to Guernsey, I have concluded that the Income Tax Authority should also be able to pass on information to the Financial Services Commission when it has grounds for suspecting that the information will be of value to the Commission in discharging its regulatory functions.*

#### **Definition of Officer of Police in Fiduciaries Law**

*In the Regulations of Fiduciaries, Administrative Provisions and Company Directors etc (Bailiwick of Guernsey) Law, 2000, the definition of “officer of police” is restricted to members of the Island Police. The Financial Services Commission sometimes has cause to disclose suspicions of crime to the Financial Intelligence Service, which comprises Police and Customs Officers. Indeed its current Director is a Customs Officer. In view of this I recommend that the definition of “officer of police” in the Law of 2000 be amended to include Customs Officers.*

#### **Conclusion**

*The recommendations which I propose will ensure that there will be sufficient powers available to the Law Officers, Police, Customs, the Guernsey Financial Services Commission and States Income Tax to enable the law enforcement authorities and the Commission effectively to cooperate with foreign agencies and bodies in line with international standards which have developed in recent years.*

*I therefore recommend that the Committee should recommend to the States the following items of law reform:*

- (i) that financial services businesses should be required by law to report any suspicions they have concerning any transaction they are involved in;*
- (ii) that the Police and Customs should be permitted to seize money anywhere in the Bailiwick when it is suspected to be the proceeds of crime;*
- (iii) that the requirement under section 44 of the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 for the consent of HM Procureur should be abolished;*
- (iv) that HM Procureur should be allowed to disclose information obtained under the provisions of the Criminal Justice (Fraud Investigation) (Bailiwick of Guernsey) Law, 1991, to “competent authorities” and the Guernsey Income Tax Administrator;*

- (v) *that it should be an offence to disclose the existence of enquiries under the Criminal Justice (Fraud Investigation) (Bailiwick of Guernsey) Law, 1991 to any person who is the subject of the enquiry;*
- (vi) *that the Guernsey Financial Services Commission be given explicit power under statute to visit financial services businesses to obtain information and ask questions;*
- (vii) *that the Guernsey Income Tax Authority should be permitted to disclose any suspicions they have to the Police, Customs and the Guernsey Financial Services Commission;*
- (viii) *that the definition of “officer of police” in the Regulation of Fiduciaries, Administration Business and Company Directors (Bailiwick of Guernsey) Law, 2000 be amended to include customs officers.*

**Recommendation**

The Advisory and Finance Committee concurs with the views expressed by H.M. Procureur and recommends the States to agree that legislation be enacted on the lines set out in this letter.

I would 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,

L. C. MORGAN,

President,

States Advisory and Finance Committee.

The States are asked to decide:–

VI.–Whether, after consideration of the Report dated the 23rd April, 2002, of the States Advisory and Finance Committee, they are of opinion:–

1. To approve the following items of law reform -
  - (1) that financial services businesses shall be required by law to report any suspicions they have concerning any transaction they are involved in;
  - (2) that the Police and Customs shall be permitted to seize money anywhere in the Bailiwick when it is suspected to be the proceeds of crime;
  - (3) that the requirement under section 44 of the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 for the consent of H.M. Procureur shall be abolished;
  - (4) that H.M. Procureur shall be allowed to disclose information obtained under the provisions of the Criminal Justice (Fraud Investigation) (Bailiwick of Guernsey) Law, 1991, to “competent authorities” and the Guernsey Income Tax Administrator;
  - (5) that it shall be an offence to disclose the existence of enquiries under the Criminal Justice (Fraud Investigation) (Bailiwick of Guernsey) Law, 1991 to any person who is the subject of the enquiry;
  - (6) that the Guernsey Financial Services Commission shall be given explicit power under statute to visit financial services businesses to obtain information and ask questions;
  - (7) that the Guernsey Income Tax Authority shall be permitted to disclose any suspicions they have to the Police, Customs and the Guernsey Financial Services Commission;
  - (8) that the definition of “officer of police” in the Regulation of Fiduciaries, Administration Business and Company Directors (Bailiwick of Guernsey) Law, 2000 shall be amended to include customs officers.
2. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

**STATES ADVISORY AND FINANCE COMMITTEE****TRANSFER OF THE BUSINESS OF BARCLAYS BANK PLC BARCLAYS FINANCE COMPANY (GUERNSEY) LIMITED AND WOOLWICH GUERNSEY LIMITED**

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

23rd April, 2002.

Dear Sir,

**Transfer Of The Business Of Barclays Bank PLC Barclays Finance Company (Guernsey) Limited and Woolwich Guernsey Limited**

Barclays Bank Public Limited Company (“the Bank”) carries on the business of banking in the United Kingdom and elsewhere, including Guernsey, the Isle of Man and Jersey.

The Bank carries on business in Guernsey from its branches in St Peter Port and St Sampson’s. Its wholly owned subsidiary Barclays Finance Company (Guernsey) Limited (“Barclays Finance”) carries on its business in St Peter Port. Both carry on the business in Guernsey of banking and the provision of financial services. Woolwich Guernsey Limited (“Woolwich”) is a wholly owned subsidiary of the Bank through Barclays Holdings (Isle of Man) Limited, and also carries on the business in Guernsey of providing banking and financial services.

Following a review of its existing operations the Bank proposes that its existing business, together with the business of Barclays Finance, and Woolwich be transferred to a company intended to be known as Barclays Private Clients International Limited (“Barclays Private Clients International”) incorporated in the Isle of Man, the change of name to be after the transfer, it being currently called Barclays Finance Company (Isle of Man) Limited.

The Bank has been advised that in order to accomplish the transfer of the business of the Bank, Barclays Finance and Woolwich to Barclays Private Clients International, without interference with the conduct and continuity of that business, such transfer should be effected by legislation. It has been represented to the Advisory and Finance Committee that for the better conduct of the business of the Bank, it is desirable that the transfer of those portions of the undertaking of the Bank, Barclays Finance and Woolwich, which are in Guernsey should be effected by and with the authority of a Law. The companies do not carry on business in Alderney or Sark.

The Bank, Barclays Finance and Woolwich, are regulated by the Guernsey Financial Services Commission under the Banking Supervision (Bailiwick of Guernsey) Law, 1994. The Commission has fully considered the proposals and raises no objection.

The Bank, Barclays Finance and Woolwich, have therefore asked the Committee to recommend the States to direct the preparation of legislation for the transfer to Barclays Private Clients International of those parts of the Bank’s and Barclays Finance’s and Woolwich’s undertakings, the transfer of which falls to be governed by the law of the Island, and for other incidental purposes relating thereto. Any relevant transfer of realty will be effected by conveyance, not by the Law.

It is intended that all existing contracts of employment will be succeeded to by the new entity. Pension rights will be treated the same way although in the event that the United Kingdom legislation does not allow certain benefits to be transferred, equivalent benefits will be provided offshore.

Related draft legislation is to be proposed in the Isle of Man and Jersey.

Her Majesty's Procureur has informed the Committee that there is no reason in Law why the necessary legislation should not be enacted.

The costs for preparing and printing and enacting the necessary legislation and the costs of preparation of this policy letter and all other costs, charges and expenses relating thereto will be borne by the Bank.

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,

L. C. MORGAN,

President,

States Advisory and Finance Committee.

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The States are asked to decide:—

VII.—Whether, after consideration of the Report dated the 23 April, 2002, of the States Advisory and Finance Committee, they are of opinion:—

To direct the preparation of legislation designed:

- (1) to effect the transfer of all the undertakings of Barclays Bank Public Limited Company, Barclays Finance Company (Guernsey) Limited and Woolwich Guernsey Limited to Barclays Private Clients International Limited, the transfer of which falls to be governed by the laws of Guernsey;
- (2) for the transfer to Barclays Private Clients International Limited of contracts of employment governed by the law of Guernsey of persons employed by Barclays Bank Public Limited Company, Barclays Finance Company (Guernsey) Limited and Woolwich Guernsey Limited;
- (3) to provide for all agreements with Barclays Bank Public Limited Company, Barclays Finance Company (Guernsey) Limited and Woolwich Guernsey Limited (including agreements with clients, counterparties and employees) to continue with Barclays Private Clients International Limited;
- (4) to provide for other purposes incidental thereto and consequential thereon.

**STATES BOARD OF ADMINISTRATION**

POLICE AND CUSTOMS CLOSED CIRCUIT TELEVISION SECURITY SYSTEM  
AT GUERNSEY AIRPORT

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

26th March, 2002.

Dear Sir,

**POLICE AND CUSTOMS CLOSED CIRCUIT TELEVISION SECURITY SYSTEM  
AT GUERNSEY AIRPORT**

**1 INTRODUCTION**

- 1.1 The purpose of this Policy Letter is to seek the approval of the States to replace the existing closed circuit television (CCTV) system at Guernsey Airport with an enhanced system to be shared by the Police and Customs and Immigration Departments, and the Airport Authority. This replacement system is proposed to be installed into the new Guernsey Airport Terminal Development. The Committee for Home Affairs has been fully involved in the development of these proposals and endorses the recommendations in this policy letter.
- 1.2 The Guernsey Police and the Customs and Excise, Immigration and Nationality Departments are involved in the detection and prevention of criminal and other illegal activities at Guernsey Airport.
- 1.3 The Guernsey Police currently utilise a CCTV system which covers most areas within the existing terminal building and some exterior areas adjacent to the building. The system was installed in 1989. As a result of events of 11th September an upgrade was carried out. All the new equipment fitted at the time of the upgrade is to be incorporated into the new system. The original equipment needs to be replaced and updated.
- 1.4 The proposed system will provide coverage of the new passenger arrival and departure terminal, aircraft parking areas, car parking areas and airside/landside access and egress roads. It will significantly enhance security at Guernsey Airport.
- 1.5 The system will be digital and is designed to be compatible with existing and future systems installed elsewhere within the Bailiwick. It can also be enhanced to take account of future airport development such as the building of freight sheds.
- 1.6 All cameras can be programmed to record 24 hours a day enabling Police, Customs and Airport Authorities to effectively monitor and quickly respond to crime or security breaches taking place in the areas covered. The system will also give high quality images which could be used evidentially in Court.



- 1.7 24 hour CCTV surveillance will significantly enhance the protection of the Island from serious crime such as terrorism and commercial drug smuggling. The proposed system will also assist the Airport Authority in the management of safety and security, including the prevention and detection of vandalism to airport buildings and parked aircraft.
- 1.8 The system will be operated under an existing Police and Customs Policy and Codes of Practice which are Human Rights compliant.
- 1.9 The need to ensure the continuing confidentiality of Police and Customs operations and airport security measures is recognised and it is considered that it would not be appropriate to publish detailed plans of the proposed installation. However, a plan showing the location of the cameras has been lodged at the Greffe for the information of States Members from the day of publication of the Billet d'État.

## **2 REQUIREMENT FOR REPLACEMENT AND ENHANCEMENT OF CURRENT EQUIPMENT**

### **2.1 The Problem**

- 2.1.1 The current system was installed in 1989, primarily to assist in the policing of the Prevention of Terrorism Law. In recent years it has been increasingly used for the detection of commercial drug smuggling. The majority of the system is now ten years old, has become expensive to maintain and the technology dated. Additionally, whilst some existing equipment can be re-used within the new airport terminal development, a digital recording system and substantially more cameras are now required.
- 2.1.2 In view of the successful working partnership formed between the Police and Customs, the Committee for Home Affairs and the Board of Administration consider it sensible to replace the existing system, with a jointly owned and operated facility, based in the new airport terminal development.

### **2.2 Use of CCTV in Detecting and Preventing Crime**

- 2.2.1 It is public knowledge that the proper use of CCTV systems throughout the United Kingdom has been a cornerstone in the early arrest and successful prosecution of those engaged in illegal activities ranging from terrorism and serious drug smuggling to theft and public order offences.

The importance of quality CCTV systems has become more evident following the terrorist atrocities of September 11th 2001 and has a vital part to play in the deterrence of terrorist activity, apprehension of offenders and subsequent safety of the travelling public.

- 2.2.2 The proposed system will include a licence plate recognition system, similar to the system currently in use successfully at St Peter Port Harbour.
- 2.2.3 The proposed system will also allow airport security staff to monitor and operate cameras on the system from their own mini control room. This will enhance airport security and provide a greater likelihood of those committing theft, malicious damage and public order offences, being successfully prosecuted.

### **3 PREFERRED COURSE OF ACTION**

#### **3.1 Initial Action**

In 1998 a joint, staff level working party was established to explore options for the provision of a CCTV system for the new airport terminal development.

It was concluded that, in light of rapid technological developments, independent advice was needed from a consultant with regard to the most appropriate technical solution that would provide best value for money.

#### **3.2 Appointment of Consultants**

In May 2000 the Advisory and Finance Committee approved the appointment of W S Atkins and Co (Northern) Ltd to provide advice at an estimated initial cost of £14,536. The cost of stage two, post-contract services, is £16,000.

#### **3.3 Appointment of Contractor**

3.3.1 An offer was made to the States of Guernsey, through the Consultant by Videcom Security Ltd which recently successfully completed the installation of the CCTV system at St Peter Port Harbour. Videcom offered to undertake the installation of the airport system, based upon the same component and labour charges as for the harbour system, apart from an agreed retail price index change.

3.3.2 On the basis of the satisfactory performance of the contractor for the system at St Peter Port Harbour, and taking account of the firm's appointment for that project following a competitive tendering procedure, at its meeting on 5 June 2001, the Advisory and Finance Committee, with the concurrence of the Committee for Home Affairs and the Board of Administration, raised no objection to the appointment of Videcom Security Ltd as the contractor for a CCTV system in the airport development project.

#### **3.4 Consultation and Project Development**

3.4.1 Consultation has taken place with the airport terminal development Project Manager, and the Airport Director concerning Department of Transport security requirements, particularly following the tragedy of September 11th. All security requirements have been included in the project.

3.4.2 Certain civil works have been incorporated into the airport terminal development building project, which has resulted in substantial savings being made within the CCTV project

### **4 CAPITAL ALLOCATION AND BUDGETARY PROVISION**

4.1 The total capital expenditure for the proposed system including the provision of an automatic number plate recognition system is £597,000 made up as follows:–

Videcom Security Contract	£453,400
Associated Civil Works	£112,600
Pre-Contract Consultancy	£15,000
Project Supervision	£16,000

The Board of Administration and Committee for Home Affairs have agreed that the capital cost of the proposals with regard to the Police/Customs element of the system should be met equally from their respective capital allocations. The Board of Administration has further agreed that the airport requirements should be treated as capital expenditure in the accounts of Guernsey Airport.

- 4.2 If approved, it is expected that the installation of the system will be completed in conjunction with the new airport terminal development project.

## **5 SUMMARY OF RECOMMENDATIONS**

The Board of Administration therefore recommends the States:–

- (i) To approve the installation of a CCTV system at Guernsey Airport, as set out in this report, at a total cost, inclusive of associated civil works and consultants' fees, not exceeding £597,000;
- (ii) To confirm that Videcom Security Ltd be appointed as contractor for the installation;
- (iii) To vote the Board of Administration a credit of £597,000 to cover the cost of the above works, which total sum shall be charged as £263,000 to the capital allocation of the Board of Administration, £263,000 to the capital allocation of the Committee for Home Affairs and £71,000 as capital expenditure in the accounts of Guernsey Airport.

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

Yours faithfully,

R. C. BERRY,

President  
States Board of Administration.

19th April, 2002.

Deputy R Berry,  
President,  
States Board of Administration,  
PO Box 43,  
Sir Charles Frossard House,  
La Charroterie,  
St Peter Port,  
GUERNSEY  
GY1 1FH

Dear Deputy Berry,

**RE: CCTV – STATES AIRPORT**

I write to confirm that at its meeting of Monday, 8 April 2002 the Committee for Home Affairs considered the draft Policy Letter in respect of the above matter.

The Committee support the Policy Letter as drafted and note your intention to raise the matter at the May sitting of the States of Deliberation.

Yours sincerely,

M. W. TORODE,  
President,  
States Committee for Home Affairs.

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**[N.B. – The States Advisory and Finance Committee supports the proposals.]**

The States are asked to decide:–

VIII.–Whether, after consideration of the Report dated the 26th March, 2002, of the States Board of Administration, they are of opinion:–

1. To approve the installation of a CCTV system at Guernsey Airport, as set out in that Report, at a total cost, inclusive of associated civil works and consultants' fees, not exceeding £597,000.
2. To confirm that Videcom Security Limited be appointed as contractor for the installation of that CCTV system.
3. To vote the States Board of Administration a credit of £597,000 to cover the cost of the above works, which total sum shall be charged as £263,000 to the capital allocation of that Board, £263,000 to the capital allocation of the States Committee for Home Affairs and £71,000 as capital expenditure in the accounts of Guernsey Airport.

**STATES HOUSING AUTHORITY****SURVEY OF GUERNSEY'S HOUSING NEEDS**

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

11th April, 2002.

Dear Sir,

**SURVEY OF GUERNSEY'S HOUSING NEEDS****INTRODUCTION**

The States will be aware that at the end of 2000/beginning of 2001 a Housing Needs Survey was carried out. The Survey has, unsurprisingly, raised a number of issues some of which are complex.

The Authority has decided to submit this initial report on the Survey so that members are aware of the key findings and so that the Authority can obtain States' approval to the investigation of specific solutions designed to address the issues identified.

**BACKGROUND**

In August 1999, a judgment was handed down by the Royal Court in the case of an appeal against a decision of the Authority to refuse the grant of a housing licence under the provisions of the Housing (Control of Occupation) (Guernsey) Law 1994.

In that judgment it was made clear that the Court expected the Housing Authority to justify the proportionality of its decisions by providing or publishing meaningful statistics that indicated the current housing need.

The judgment also mentioned the need to monitor persons resident under housing licences in order to indicate the pressures on the housing stock resulting from the grant of housing licences.

While the Authority immediately put into place measures to establish and update the number of housing licences in issue at given times, it recognised that this was only one element in a complex equation.

The latest report on the number of "live" housing licences – which details the position at 31 March for the years 1999, 2000 and 2001 – is attached as Appendix 1, and is commented on later in this report.

The Authority also undertook, with the assistance of the Advisory and Finance Committee's Economics and Statistics Unit, an assessment of the housing situation by analysing all available data sources at that time. However, while this work provided some very useful information, once again it did not profess to be a full assessment of housing need. (The report was published as an appendix to a policy letter on "Guernsey's Housing Situation" in Billet d'État XX, 27 September 2000 – see also below.)

During the 2000 General Election of People's Deputies, a major issue was the "housing crisis". Within days of the Election, a Requête was signed by ten States' Members under the heading "Adequate Housing for All in the Community" (Billet d'État XIV, 9 June 2000). This proposed that an independent working party, excluding representatives from the Authority and the Island Development Committee, be established to carry out tasks that were part of their mandates. The States negated that Requête and, in so doing, acknowledged that the two committees were already carrying out the mandate of the proposed working party.

Ahead of that debate, the Authority had already given an undertaking to report comprehensively to the States on the housing situation. It partially discharged this obligation when, in September 2000 (Billet d'État XX, 27 September 2000), the Authority brought forward a policy letter outlining the work that had been carried out to address the housing situation, and that which was currently in progress. In addition, the Authority submitted the outline for a comprehensive report to the States on the housing situation, making it clear that a key element in the compilation of this report would be well-researched statistics derived from the conduct of a Housing Needs Survey: this was accepted by the States.

This present policy letter reports on the main findings from that Survey.

#### Housing Needs Survey

Of particular note is that one of the tasks proposed for the independent working party in the aforementioned Requête was "to pursue and research the specific needs of all sectors of the community". In responding to the Requête, the Authority made clear that it had already commissioned such research which was, and remains, part of the mandate of the Housing Authority.

This response reflected the fact that, for some time the Authority had been considering carrying out some form of well-defined "market research" on the housing situation and on 20 July 2000 it approved a detailed research brief for Guernsey's first-ever Housing Needs Survey.

The objectives of the Survey were as follows:

- To identify and quantify housing needs and demands;
- To obtain accurate information to allow the Authority to recommend:
  - the quantity and type of housing required to meet housing needs;
  - policies and programmes required to meet those needs;
- To assist in identifying opportunities to make better use of the existing housing stock;
- To assist in the administration of the Housing Control Laws;
- To establish a socio-economic profile of those most likely to have difficulty meeting their housing needs.

It was also anticipated that the Survey would inform the following main strategic planning issues:

- How many additional units will be required – ie assessing total 'demand'?
- How many of those additional units should be subsidised, social sector homes?
- How will 'demand' and 'need' change over the next 5 years?

Expressions of Interest were sought from firms suitably qualified and experienced to undertake such a Housing Needs Survey and twelve expressions were received.

Four were short-listed: and after presentations by those four firms, Opinion Research Services Limited was selected to undertake the Survey, which was launched on 13 November 2000.

#### Opinion Research Services Limited (ORS)

ORS is a limited company operating from the University of Swansea. ORS works exclusively with public agencies and local authorities to undertake a wide range of quantitative and qualitative studies. It is self-financing but not primarily commercial. Its work involves close liaison with the client throughout the project.

While the persons involved in overseeing the Survey and producing the report have an academic background, they have demonstrated a very sound knowledge of housing and other social issues and have substantial experience in the field.

The company has designed its own unique approach to both the method of surveying and analysing the resulting data to enable interactive modelling of the housing situation to be undertaken.

#### Method of Survey

The four firms that were short-listed offered very varied methods.

One of the major attractions of ORS's proposal was that it was not based on sample surveying, which is commonplace in this type of research; instead, its basis was a 100% postal survey which means that every householder in Guernsey was given the opportunity to contribute their requirements and comments.

That is not to discount the worth of sample surveys which have been proved to produce statistically sound results, but the openness of the ORS survey was considered to be of great importance in view of the political and public interest in the subject of housing in the Island. The Authority has no doubt that many people would have been sceptical of the results of the Survey if they had been denied the opportunity to contribute.

Staff from the Authority and the Island Development Committee contributed to the unique format of the Survey questionnaire that was used by ORS. This sought information not only about established forms of accommodation, but also about types of tenure not currently available in Guernsey such as shared ownership. It also included specific questions relating to housing associations and sheltered housing, each of which were the subject of separate reports to the States by the Authority during 2001<sup>1</sup>.

In addition to questions about individuals' current housing situation, the questionnaire sought to determine the housing requirements of persons who intend to form new households within the next few years, ie "emerging households". This is possibly the most important factor of all in relation to housing demand but one that has, in the past, always been incapable of accurate assessment when making predictions about the number and type of new units of accommodation required. In addition, the Survey asked questions about household members who had left within the previous two years, as this provides useful information to corroborate likely demand from emerging households.

The Authority's decision to circulate the Survey questionnaire to all Island households was vindicated when ORS reported very early in the process that the response rate of the Guernsey Housing Needs Survey was at an unprecedented high level.

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<sup>1</sup> "Partial Ownership Schemes" Billet d'État II, 28 February 2001; "The Introduction of Housing Associations in Guernsey" Billet d'État II, 28 February 2001; "Housing Associations in Guernsey: Funding and Regulatory Issues" Billet d'État XIX, 26 September 2001; "Development of Sheltered Housing at Rosaire Avenue" Billet d'État VIII, 25 April 2001.

An effect of the high return rate was to delay the final report, due to the substantial amount of data that had to be analysed. Finally, 10,113 (44%) of the Island's 22,765 households returned completed questionnaires – the highest response rate that ORS has ever received for a Survey of this kind.

It is also important to note that, in considering the Survey results, the current tenures of respondents closely match the tenure profile shown in the most recent Census. Consequently, not only are the results generally very accurate, they are also very accurate within tenure groupings.

### Survey results

The final report on the Survey findings is a substantial document including a mass of detailed data covering the full range of housing issues. This huge database will play an invaluable part in enabling the Authority to continue to develop a comprehensive housing strategy which involves all aspects of housing provision and quality – from first time buyers to sheltered accommodation for the elderly, from one bedroom units to rent to large houses for purchase, etc. Such a strategy can only be established from a firm base of detailed information of the type sought through the Survey.

However, while that data will be extremely useful to the Authority in its ongoing work in dealing with all aspects of the housing situation, the Executive Summary which is reproduced in full at Appendix 2, sets out the Survey's key findings; and it is these findings which are the focus of this policy letter.

The Executive Summary draws out many key issues and facts. Some confirm what was already known from other sources, but nonetheless this assists in validating the new information. Other parts confirm or contradict information which was previously anecdotal.

The Executive Summary analyses existing housing conditions and reports on the following:

- Current tenures;
- Household incomes related to tenures;
- Proportion of income spent on housing costs;
- Special housing needs;
- Household mobility;
- Affordability.

The report goes on to cover the following main areas:

- Demand for local market housing and the supply which results from normal turnover (i.e. before new provision);
- Housing requirements by tenure;
- Housing requirements by price and size;
- Longer term requirements;
- Planning issues – meeting the shortfall.

These points are the main focus of what follows in this policy letter.

### Requirement for additional dwellings

In analysing the housing requirement, the Survey has assessed the shortfall that arises from supply and demand before taking into account new provision.



The biggest single element in the housing market is the movement of households from one dwelling to another within the Island. The information on household mobility shows that over 1,200 households expect to move within the Island each year. (However, it is also noteworthy that a large proportion is relatively static in that 52% of respondent households have lived in their present home for 10 years or more – approximately 25% more than a comparable area in the UK.)

These 1,200+ movements have a neutral effect on the overall numerical housing requirement. They neither take up nor provide any additional dwelling. They will, however, be examined in detail later, to illustrate their significant effect upon the type, size and tenure of accommodation that is both available and needed.

The questionnaire required those persons intending to move within the Island to tick two boxes – one showing the circumstances of their current dwelling, the other showing the circumstances of their required dwelling.

Table 1 (see below) actually shows a mismatch of 10 households between this element in the supply and demand equation. This is a margin of error of less than 1% and is not considered to be significant. It has been assumed that some respondents ticked the box to vacate a household who would not take up another separate dwelling and are, therefore, recorded as “Other Household Dissolution”.

The full table, which is useful to indicate the overall requirement by tenure, is printed below (see Table 2), but in establishing the minimum or net housing requirement these 1,200+ transfers are ignored.

Ignoring, therefore, intra-Island housing movements, the principal demand and supply elements in assessing the overall additional housing requirement are as follows:

**“Demand”** (extra households requiring dwellings)

**Immigrant households** – this figure is assessed based on the proportion of existing households that moved into the Island within the last two years. (It was, of course, impossible to give potential immigrant households the opportunity to participate in the Survey because they cannot be identified until they arrive.)

**Hidden households** – this figure includes persons becoming households for the first time (e.g. leaving their parents’ home), and was based on the proportion of households who said that someone was likely to leave their household to live independently in Guernsey in the next two years.

**“Supply”** (households ceasing to require dwellings)

**Emigrant households** – this figure represents households who stated in the Survey that they would be vacating dwellings and leaving the Island in the next two years.

**Household dissolution** – the likely dissolution of households, principally through death, was calculated based on age and gender profiles.

Combined, these elements of supply and demand produced the following raw annual shortfall in housing provision.

*Table 1 – Summary of annual shortfall in housing provision***New Demand**

Immigrant Households –	200
Emerging Households –	375
Total New demand	575

**Total Supply (excluding new provision)**

Emigrant Households –	275
Household dissolution	
By death –	111
Other –	10
Total Supply	<u>396</u>
Net Shortfall	<u>179</u>

In pure numerical terms, this shortfall could be addressed by simply building 179 additional dwellings per annum. **However, as is explained below, meeting this shortfall in purely numerical terms would, of itself, do little or nothing to eliminate the “mismatches” between supply and demand across tenure, size and price bands, which are the real problems in Guernsey’s housing market.**

“Mismatches” between supply and demand

If supply and demand simply balanced up on the narrow basis of building the number of dwellings shown to be the net shortfall, ie 179 per annum, fewer houses would be built than is the current strategic target of 250 dwellings per annum<sup>2</sup>. **More importantly, nothing would be done to address the “mismatches” between the tenure, size and price of dwellings that householders require; and the mobility that is needed to provide vacancies in the appropriate tenures would not exist. Put simply: the needs of the majority would not be met.**

The Survey illustrates the point that what is needed is a package of proposals to provide a sufficient number of dwellings to meet the overall shortfall and to provide a surplus which facilitates movement within the housing market while, at the same time, addressing the important issues of affordability and tenure.

The word “mismatches” is frequently used in the Survey and has been used several times above. The term is applied to households:

- (i) who would prefer to occupy a dwelling of a different tenure, eg to occupy their own home rather than rent; or
- (ii) who are in accommodation which is larger or smaller than their needs; or
- (iii) who do not yet have separate accommodation; or
- (iv) who are simply mismatched by cost and ability to pay.

The ideal solution would clearly be to satisfy all of these “mismatches”, and not simply provide the number of dwellings shown to be the net mismatch between supply and demand in overall terms.

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<sup>2</sup> “Strategic Policy 1 – Provision will be made for an additional 250 new homes per annum.”

### Addressing tenure and affordability “mismatches”

Affordability and availability are key elements in resolving “mismatches” in the Guernsey housing market.

Table 2 below gives a more detailed breakdown of supply and demand, by relating this to tenure types. The table shows that the total annual demand for owner-occupied dwellings would be 1,064 and the total supply from market forces 605.

There would thus be a shortfall of 459 owner-occupied dwellings each year. **Consequently, if 179 new owner-occupied units were built, the annual shortfall would still be 280 owner-occupied dwellings, and this shortfall would grow year on year.**

In the private-rented sector, the table shows a potential surplus of 317 dwellings<sup>3</sup>. However, this surplus will only be created if the supply of owner-occupied dwellings satisfies the demand for that tenure. **If there is a shortfall in owner-occupied accommodation, then there will not be the capacity for tenants in the private-rented sector to move to their desired tenure and the surplus of rented accommodation will not materialise.**

The table further indicates that **252 of those “demanding” owner-occupation could not actually afford full ownership in the current housing market** and that is another important element of the equation. If there were to be no provision for those persons then the net shortfall of owner-occupied accommodation would be 207 dwellings per annum.

**However, in that event, the whole table would have to be redrawn because those 252 households would continue to rent in the public or private sectors, or would simply not emerge from their present situations as part of other households.**

It is clear, therefore, that if the housing market is to operate to take proper account of the housing requirements of persons who have indicated a wish to emerge or change their tenure, there are two principal elements that need to be addressed.

The first is to decide the annual provision necessary to provide sufficient housing to enable the “musical chairs” process to operate so that the majority have the opportunity to move to the tenure of their choice.

The second is to address the affordability issue.

**It is unrealistic to expect all these issues to be dealt with simply through the provision of new housing. If, to solve these issues, reliance is placed solely on the building programme and/or increasing the supply of land released for residential development, the problems will never be eliminated. Whether the building programme consists of 180, 300, or 500 dwellings per annum, it will represent only one or two per cent of the overall housing stock annually. It will, therefore, also be necessary to look to proposals for the existing stock to deal with these issues realistically.**

These matters are given further specific consideration below, but also in recommending a new strategic target for the housing requirement.

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<sup>3</sup> The shortfall in the social rented sector is 38 dwellings per annum

Table 2 – Mismatches between Demand and Supply in the Guernsey Housing Market

A Total Demand (over the next year)					
	Owner Occupied	Private Rented	Social Rented	Total Demand	
1	Requirement of households moving within Guernsey	805	278	156	1,239
2	Immigrant households to the Island	47	147	6	200
3	Hidden households emerging into the market	212	133	30	375
4	Total Demand = 1+2+3	1,064	558	192	1,814
B Total Supply (over the next year)					
	Owner Occupied	Private Rented	Social Rented	Total Demand	
5	Vacation by households moving within Guernsey	454	661	134	1,249
6	Emigrant households vacating properties	80	189	6	275
7	Household dissolution due to death	71	26	14	111
8	Total Supply = 5+6+7	605	876	154	1,635
C Net Excess Shortfall (over the next year)					
[4]	Total Demand	1,064	558	192	1,814
[8]	Total Supply	605	876	154	1,635
9	Net Shortfall (Surplus)	459	(318)	38	179
10	HH unable to complete in the market for full ownership	(252)			
11	REVISED NET SHORTFALL	207			

### Setting a strategic target for the housing requirement

On the general issue of deciding how many additional dwellings should be provided, it is appropriate to recall that there is an annual target for housing provision in the Strategic and Corporate Plan of 250 new dwellings per annum (Strategic Policy 1). However, Strategic Policy 2 states that: “The housing requirement will be subject to regular monitoring and review.”

The information on supply and demand for housing provided by the Housing Needs Survey is clearly critical in reviewing the housing requirement and, accordingly, the Authority has analysed the Survey findings with a view to recommending a new strategic target. Using data derived from the Survey, several options have been considered, ranging from providing the minimum to the maximum number of dwellings required per annum.

These options are examined in more detail below.

#### ***Option 1 – Provide a minimum number of units to satisfy the net annual shortfall (179)***

This is the minimum number of new dwellings required per annum. **However, attaining this target will do nothing to satisfy the aspirations of persons wanting to move from the rented sector to owner-occupation and, as a result, demand will remain unsatisfied and under-provision of housing will continue as the majority of households who wish to emerge will be prevented from doing so.**

**While, in theory, everybody would be housed it would not be in a dwelling type of his or her choice.** If the States adopted this target figure it would effectively be giving a clear message to the population that in future some Guernsey residents would have to accept they would never move into the owner-occupied sector.

#### ***Option 2 – Provide sufficient dwellings per annum to satisfy that sector of the market that can afford to purchase in the owner-occupied sector (207)***

This option is similar to Option 1, except that it takes account of the demand for owner-occupied dwellings by those who have the means to purchase them in the current market. **However, it does nothing to meet the demand for affordable units and the net result is the same as for Option 1: persons emerging into the housing market would be most unlikely to emerge from an existing household to set up their own household in a tenure type of their choice, and many potential new households would be prevented from emerging altogether.**

Consequently, while there would a slight theoretical surplus of 20/30 dwellings Island-wide – probably in the private-rented sector – this would have little or no effect on the housing market as a whole.

#### ***Option 3 – Provide for the owner-occupied demand as above (207) plus meet the social rental demand (38): a total of (245) dwellings per annum.***

Option 3 goes a little further in that it provides for both the demand for owner-occupied housing from those with the means to purchase and for the demand for social rented housing. **Affordability issues would not be resolved by attainment of this target, but those people who could afford to purchase would be able to do so, and social housing would be provided for those that were least able to afford the private sector.**

Interference in the housing market would be minimal and the net over-supply of 60/70 units would have some impact on the private-rented sector, a result of which might mean the release of rented units primarily into the owner-occupied sector, but possibly also for social renting, for emerging households to occupy.

***Option 4 – Provide sufficient dwellings per annum to meet the demand from emerging households (375)***

Option 4 is based upon meeting the demand from those households who have indicated a desire to emerge. The target figure in this option is predicated upon the notion that if everybody is housed (albeit not in a dwelling or tenure of their choice) and 375 households wish to emerge, then to house them 375 units have to be provided.

This of course ignores the net effect of in/out migration and dissolution due to death and as a result is a gross oversimplification. Nevertheless, if the current annual shortfall of 179 dwellings (that results in over demand and house price inflation) is to be relieved, then a realistic surplus could well be the answer.

Apart from the fact that such an annual building programme is probably unsustainable from a construction point of view, providing 375 units of mixed tenure and price would provide a surplus of 196 dwellings in the first year. Most of these dwellings would be in the private-rented sector and this could have the tendency of releasing such units into the owner-occupied sector. **Tenure choices for all would be improved, but not to such an extent that everybody would be accommodated in a home of their choice.**

***Option 5 – Meet the annual shortfalls in both the owner-occupied and social sectors (497).***

This option sets out the maximum number of dwellings required to be provided in one year to satisfy both the owner-occupied and the social-rented demands. Providing 497 units of accommodation, *252 of which would have to be affordable units*, would mean, *in theory*, that everybody would be housed in a property of their choice.

**However, in theory, at least 317 units of private-rented accommodation would be unoccupied, and over-provision of housing would result.**

The Annual Provision of Housing: Conclusions and Recommendations

From the Survey, the Authority is advised that, in general terms, the overall housing requirement is likely to remain constant for some time, although the requirement in terms of tenures and sizes of dwellings could fluctuate.

The annual shortfall of 179 dwellings referred to above, can therefore be projected into a 5 year requirement of approximately 900 dwellings.

Consequently, having considered the pros and cons of the options set out above, the Authority has concluded that an intermediate target set at a level of provision between Options 3 (245) and 4 (375) should be recommended; namely, 300 new dwellings per annum, commencing this year.

**The Authority further recommends that this target of 300 new dwellings per annum should have a maximum currency of three years: (i) to enable formal monitoring of its success to take place at the end of that period; and (ii) to enable further measures to be developed to address the issues of tenure, size, and affordability that will not be resolved solely by the adoption of this new target figure.**

In recommending the provision of 300 dwellings per year for the next three years, it is to be noted that this would, in theory, provide 121 dwellings per year over and above that year's requirement. This is illustrated in Table 3 below.

Table 3 – 5 Year Projection of Housing Requirements

<b>ORS 5 YEAR PROJECTIONS</b>						
<b>Elements of the Market</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Total for</b>
Total demand for Housing	1814	1829	1844	1859	1874	9220
Total supply of housing	1635	1648	1663	1675	1688	8309
<b>NET SHORTFALL</b>	<b>-179</b>	<b>-181</b>	<b>-181</b>	<b>-184</b>	<b>-186</b>	<b>-911</b>
<b>Cumulative Shortfall</b>	<b>-179</b>	<b>-360</b>	<b>-541</b>	<b>-725</b>	<b>-911</b>	

<b>Recommended Option</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Projected new provision	300	300	300	?	?
Excess of supply over yearly shortfall	121	119	119	?	?
<b>Cumulative shortfall to date</b>	<b>121</b>	<b>240</b>	<b>359</b>		

While admitting that, to some extent, that “surplus” could be swallowed up by dealing with a backlog of potential householders, the Authority believes that the achievement of this target could provide a little spare capacity to enable the resolution of some of the current “mismatches” in housing provision referred to above.

#### Addressing tenure and affordability issues

In putting forward this new target figure, the Authority is at pains to stress that this will not deal with the tenure and affordability “mismatches” that are at the root of the Island’s current housing problems. Consequently, if the States is to address the needs of those persons in Table 2 who cannot afford their desired tenure, it is necessary to focus on their particular difficulties and look for specific remedies.

#### Short-term solutions

Focused housing provision and additional forms of tenure, such as one or more of the various partial ownership schemes outlined by the Authority in a previous policy letter<sup>4</sup> clearly require further consideration in this respect; and the Authority intends to discuss these matters in greater detail with the Guernsey Housing Association in the near future.

The Authority will also be working closely with the Guernsey Housing Association to increase the provision of social rented housing, as the inability of the market to deliver affordable units to rent or buy will inevitably lead to increased demand for social housing – whether provided by the States or the Association – as this will be the only affordable option for many people in the short-term.

In addition, the creation of a substantial number of affordable sheltered housing units to rent and buy at Rosaire Avenue, will not only increase the stock of affordable housing, but should also release a number of family houses on to the market for owner-occupation.

#### Medium-term solutions

As stated above, the creation of additional units of accommodation does not of itself address tenure, size or affordability issues. **Moreover, in the light of the Survey findings, the Authority has come to the conclusion that there are presently no effective policy instruments to control house prices or the size of dwellings built.**

The Authority has therefore commenced research into two initiatives designed to rectify this situation.

#### Housing Market Study

It is of concern to the Authority that the Survey shows that the proportion of income paid on housing costs is disturbingly high in some cases, with 15% of respondents paying 40% or more of their income on housing. This would seem indicative of spiralling housing prices and high rents, which has social as well as economic consequences for the households concerned, as demonstrated by the recently published Survey of Guernsey Living Standards.

On the affordability issue, it is frequently said that if supply exceeds demand the price of housing will come down.

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<sup>4</sup> “Partial Ownership Schemes” Billet d’État II, 28 February 2001.



The Island Development Committee advises that it is granting approvals beyond the current strategic target of 250 new dwellings per annum. At the end of 2001, construction was under way on a total of 423 additional dwellings, representing over 18 months supply of housing using this current target. A further 544 units had some form of development permission. Even so, there is no evidence that the price of housing is being influenced by this rate of provision. The House Price Index continues to increase at a faster rate than in the UK. **Increasing housing supply alone is not, therefore, the answer to rising prices.**

On the other hand, while an excess of supply over demand may be a good general economic principle, it is probably also true that reduced prices can fuel demand. In housing terms, a reduction in prices would clearly enable more hidden households to emerge.

Over the years, there have been many theories on what are the key elements that affect the operation of the Guernsey Housing Market. However, there has never been a professional study of the operation of the market to advise on these elements and the means, if any, by which they can be influenced or adjusted.

The Authority has, therefore, recommended to the Advisory and Finance Committee that a Study of the Local Housing Market should be commissioned before any measures are proposed or introduced to influence or adjust the operation of the market. In the Authority's view, it is essential not only to understand how the current market operates, but also to be able to predict the likely consequences of any proposed actions.

The overall aim of the Study would, therefore, be to carry out a broad based review of the operation of the Local Housing Market in Guernsey; and to identify and assess measures that can be taken to control house price inflation and to influence supply and demand within that market.

The Study will thus identify the factors affecting house prices, and to what extent house price inflation is due to local issues, and the extent to which it is subject to external influences.

The Advisory and Finance Committee has agreed that such a major study is necessary, and by the time this policy letter is published the Study should be underway. It is being jointly commissioned and funded by the Authority and the Advisory and Finance Committee.

#### "Mismatches" and Affordability

While this Study will be a necessary part of solving the affordability issue, the Authority considers that there should be no delay in attempting to correct the associated imbalances in size and tenures.

Paragraph 8.3.13 of the 2001 Policy and Resource Planning Report (Billet d'État, XV 2001) stated that "affordable" housing was intended "to meet the needs of local people who for financial reasons are unable to compete for accommodation in the ... housing market", but went on to say that: "It is clear the operation of the housing market is not responding adequately to these needs." Consequently, it was incumbent upon the States to "identify levels of housing need, indicate overall targets for the provision of affordable housing, and determine specific requirements for development."

Although size, tenure and price are separate issues, the question of affordability has a substantial effect on the market generally, and also causes some of the "mismatches". A family might be living in overcrowded accommodation because they simply cannot afford a dwelling suitable for their needs.

Consequently, as well as considering the simple number of additional dwellings required, it is necessary to consider to what extent the additional housing provision can be focused at particular sizes, prices and tenures.

### Planning Agreements or Covenants

In other jurisdictions the existence of planning agreements is commonplace. For example, land which otherwise might not be developed can be given planning permission, and the planning authority and the owner/developer strike a bargain that a proportion of the site will be developed with affordable housing. In some instances the developer makes that proportion of the site available to a Housing Association free of charge.

Planning agreements have not been part of the Island Development (Guernsey) Laws 1966-1990, although in the 1970's there was in operation for a short time an amendment to the Law – Liberalisation of Land<sup>5</sup> – which bore some similarities to the principles of planning agreements and provided some additional housing in the Island.

However, the proposed new Planning and Development Law sets out proposals to establish “planning covenants”. These would be brought into effect by a specific Ordinance, the content of which is yet to be decided.

As the UK equivalent of planning covenants – planning agreements – have been successfully used as a means of providing a proportion of affordable housing in residential developments, the Authority and the Island Development Committee intend jointly to review their possible utility for this purpose locally. However, as the IDC points out in its Planning Law consultation document, the use of planning agreements is a complex and controversial matter (with application beyond purely residential developments) and, therefore, at this stage, it would be premature to place too much reliance on this single measure as a solution to the problems identified by the Housing Needs Survey.

### Other medium-term measures

Alongside the above studies, it will also be appropriate to examine what measures may be necessary to ensure that affordable homes stay within the affordable market.

In the past houses have been sold at below market prices, but the only beneficiary has been the initial owner, who has subsequently been able to sell at the full market value (which may be outside the affordable market). Artificial controls which prevent or discourage that first buyer from selling mean that subsidy has no ongoing influence on the housing market, and the first owner is effectively trapped by not being able to step up to the normal market.

Further investigation will, therefore, be made into effective measures to deal with affordability issues including, leasehold sales and repurchase options.

### Monitoring and review of housing policies

Essential to the success of any policy is constant monitoring, review and evaluation.

The best means of monitoring and review of housing policies will be via future Housing Needs Surveys, which the Authority considers should be undertaken at intervals of not more than five years. Such surveys need not necessarily be as wide in scope as the survey recently undertaken, although the actual questions to be asked will clearly need to reflect the issues current at the time the survey is commissioned. There will also be certain core data relating to the size, price and tenure of dwellings that will need to be determined by survey on an ongoing basis, in order to provide time series data to monitor the success of policy initiatives and any changes in requirements.

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<sup>5</sup> See Billet d'État II, 1973

In particular, if the States adopts the recommended new strategic target of 300 new dwellings per annum for the next three years, at the end of the three year period it will be essential to undertake a follow-up Housing Needs Survey, ie in 2004. While measuring demand for the following period, this survey will provide a good comparator to test to what extent the general housing situation has changed and on which to set future strategic targets and policies.

In the years between surveys, it will be important to monitor annually the extent to which the housing market is meeting the needs identified by the most recent survey. Although some annual monitoring currently takes place, this largely focuses on crude provision, ie numbers of dwellings created, and does not give the finer detail of size, price and tenure. It is also primarily focused upon the *supply of land* for housing, rather than *the conversion of that land supply into actual dwellings*.

Five sets of separate information are currently used for monitoring purposes:

- (i) Island Development Committee information on the approval of planning applications;
- (ii) Island Development Committee information from Building Control inspections of dwellings under construction;
- (iii) Cadastre Committee information on the re-rating of properties;
- (iv) data derived from the House Price Index on the sale price of dwellings;
- (v) for dwellings sold, information provided by the Cadastre Committee on the size of individual dwellings conveyed.

These data sources act independently to support the operation of individual Committee functions and are not designed to provide corporate information on the provision of new housing. Moreover, the derivation of data is largely manual, is reported on months in arrears of its collection and, in some cases, may appear to conflict because it has been collected for subtly different purposes.

The Authority is of the view that this unsatisfactory state of affairs cannot continue and is, therefore, currently working with the Island Development Committee, the Cadastre Committee, and the Advisory and Finance Committee's Economics and Statistics Unit, to develop better means of monitoring: (i) the annual supply of land for housing; and (ii) the actual annual supply of housing in terms of tenure, size and price.

In relation to the latter, the Authority is hopeful that the planned introduction of a new Cadastre computer system for the rating of properties will provide the means by which real time data on housing development can be provided.

#### Establishment of a Housing Roll

While surveys provide valuable statistical information, like the Census they remain anonymous. If the States introduce measures to focus on the provision of dwellings of particular types and tenures to meet the needs of those who need what is loosely described as "affordable" housing, it would almost certainly be desirable to establish a specific "waiting list" for this purpose. This would supplement the waiting lists currently operated by the Authority for States' housing<sup>6</sup> and States' Loans, which, though useful, are designed for specific purposes and do not show the full housing picture.

The States agreed back in 1991 that such a "Housing Roll" should be established<sup>7</sup> and, although this was not implemented at the time, the Authority will now consider the means by which a live waiting list for "affordable" housing can be established.

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<sup>6</sup> A joint waiting list will be operated with the Guernsey Housing Association in due course.

<sup>7</sup> See: "Housing Strategy" Billet d'État V, 27 February 1991.

### Secondary Housing Issues

The issues set out above are those that emerge from the Housing Needs Survey's Executive Summary. The main Survey report reveals further interesting and useful information about a wide variety of housing issues which, although significant in their own right, might be regarded as secondary to the issues of demand, supply, size, tenure and affordability.

These issues include the quality of housing conditions in which people live; the requirement for specialist homes (both for "special needs" and "key workers"); overcrowding and under-occupation (although these are touched on under the heading of "mismatches"); and rental issues (touched on under "affordability")

These will be dealt with in a separate policy letter when the full Survey report has been considered in depth. However, the Authority feels it necessary to register now that, it is likely that the desire to move from private rented accommodation and the resultant potential surplus of such accommodation is due in part to the high rents charged for poor quality private-rented accommodation. If the overall quality of private-rented housing could be improved and rents pegged to levels that were "affordable" to their occupants, not only might private-rented accommodation be a more attractive option for many Islanders, but the various "mismatches" between supply and demand, referred to in this policy letter, would change in their complexion.

This, however, presents a challenge not only to the Authority, but also to other States' Committees with responsibilities in these areas.

### Administration of the Housing Control Law

At the start of this policy letter mention is made of the need for the Authority's decisions under the Housing Control Law to be seen to be proportionate to the aims of the Law. The relationship between Housing Control and housing needs is complex.

The aim of the Law is, in simple terms, to assist in ensuring that there is sufficient accommodation to meet the housing requirements of qualified residents and persons who have been granted housing licences (other than short-term licences). The Law is also now the main tool for controlling the growth in population as set out in the latest Policy and Resource Planning Report.

A secondary issue is that individual licence holders may be directed to specific areas of the housing market related to their needs and their means.

Theoretically, the States could agree to a large building programme to create a surplus of housing so that no controls on the occupation of local market housing could be justified. However, such a programme would almost certainly be unsustainable on environmental, economic, and social grounds.

However, it is more conceivable that a surplus of a particular type of dwelling could be created, which would dissipate the Authority's ability to direct licence holders to specific areas of the market; and the loss of such controls could have further effects on the supply and demand issues set out in the Housing Needs Survey, by increasing the number of persons who are permitted to create separate households.

Any additional pressure on the housing market resulting from a relaxation in the criteria by which employment-related housing licences, or other licences are granted to persons with limited personal connections with the Island or the type of accommodation they may occupy, will have a detrimental effect on those persons described above as emerging households.

All aspects of the housing market, including demand for licences and their effects, must thus be carefully monitored.

The “live” licence statistics in Appendix 1 illustrate that the cumulative growth in licensed occupation of dwellings is substantially lower than the number of new licences issued each year.

The categories of “Other licences (en famille)” and “Short-term licences” can be ignored for this purpose because they do not allow the holders to occupy separate self-contained dwellings.

In the categories of “Essential Licences” and “Other Licences (Compassionate)”, it can be seen that in two years the number of essential licences has grown by 58 and the number of compassionate licences has reduced by 23.

In the two year period there was, therefore, a net growth in the number of “live” licences, enabling the holders to occupy separate dwelling units, of 35 (or an average of 18 per year).

However, in those two years the number of new licences issued totalled 545, made up of 415 essential employment licences and 130 compassionate licences. Therefore, comparing the number of “live” licences with the number of licences issued, it is clear that the vast majority of licence holders do not continue to occupy separate units of accommodation in Guernsey under licence in the long term.

Consequently, it is not appropriate to use the housing situation as a reason for denying a person, who has a strong personal connection with the Island, the right to occupy a controlled dwelling.

Nevertheless, it remains the Authority’s responsibility to assess the strength of that connection and that decision remains within the Authority’s absolute discretion albeit that, on appeal, it must satisfy the Court that the decision was a reasonable exercise of its powers.

The other way in which the Housing Needs Survey and “live” licence statistics assist the Authority, is in deciding whether a licence holder should be granted a licence for a separate dwelling or whether accommodation options should be restricted.

There remain some situations where the Authority considers it appropriate to limit accommodation options to sharing a dwelling, ie living in lodgings or living “en famille” for a defined period, subject to regular review. The small growth in overall numbers shown by the “live” licence statistics suggests that, in the case of “Essential licences” and “Other licences (compassionate)”, restricted options will not be justified long term.

However, the Authority considers that to limit accommodation options in the short-term is justified in order to monitor the effect of the issue of such licences on housing demand. This is principally because it is not possible to anticipate, in advance, the number of applications that are likely to be received for compassionate licences, which frequently arise due to circumstances beyond the control of even the applicant.

The Authority will, therefore, continue to limit new licence holders to lodgings and en famille situations for an initial defined period of time where they are either:

- Unmarried persons who are potential qualified residents, who are granted licences in advance of qualification, eg to enable them to live separately from their parents; or
- Persons whose marriage to, or cohabitation with, a qualified resident breaks down and where their other connections with Guernsey are not considered to be strong (although the Authority will have due regard to the need to provide accommodation, whether on a permanent or occasional basis, for their children).

However, the Authority will annually review the options set in individual cases based on the “live” licence statistics and other monitoring of the housing situation, and will extend those options as soon as practicable.

### Conclusion

**The main findings from the Housing Needs Survey are that releasing more land for housing and/or creating additional units of accommodation, do not of themselves address tenure, size or affordability issues. The Island will, therefore, continue to have housing problems of unmet need until those issues can be effectively tackled.**

**Moreover, in the light of the Survey findings, the Authority has come to the conclusion that there are presently no effective policy instruments to control house prices or the size of dwellings built. Accordingly, it has set in motion further investigations to find ways of addressing these problems.**

Clearly it is essential that the States adopts integrated and coordinated policies to support an overall Housing Strategy that will address future housing needs in terms of the number, tenure, size and price of dwellings required by Islanders. However, from a practical point of view, this Strategy will have to be developed incrementally over a period of time, and will need to involve other Committees whose activities and duties affect the provision and price of local housing.

The Authority, therefore, asks the States to note and endorse the findings of this initial report on the Housing Needs Survey, which represents one further step along the journey to the achievement of this Strategy. The Authority further undertakes to report to the States as soon as possible on other issues arising from the Survey as work proceeds.

Accordingly, the Authority recommends the States as follows:

1. To note and endorse the findings of this initial report on the Housing Needs Survey;
2. To agree that, in bringing forward proposals to amend the Strategic and Corporate Plan as part of the 2002 Policy and Resource Planning Report, the Advisory and Finance Committee should note the wish of the States that the benchmark target for additional new homes should be set at 300 per annum over a maximum period of three years commencing in 2002;
3. To note the Authority’s general intention to review what additional measures are necessary to influence the provision of houses of particular tenures, size and price;
4. To direct that the Authority, in conjunction with the Island Development Committee, report to the States on the results of their investigations into the suitability of Planning Covenants as a means of producing lower cost homes, together with details of the Authority’s review of measures designed to ensure that homes stay in the low cost bracket in the long term;
5. To note the Authority’s intention to continue to liaise with the Island Development Committee, Cadastre Committee and Advisory and Finance Committee, to improve and develop better means of monitoring the annual supply of land for housing, and the actual annual provision of housing of particular tenures, size and price;
6. To note the Authority’s intention to implement the establishment of an “affordable” Housing Roll;

7. To agree that a follow up Housing Needs Study be carried out in 2004 and, thereafter, at intervals of not more than five years;
8. To direct the Advisory and Finance Committee to take account of the budgetary requirements of such surveys in recommending to the States the Authority's general revenue allocations in the years concerned;
9. To note the Authority's statement on the administration of the Housing Control Law as set out in the body of this policy letter;
10. To note that the Authority will continue its investigations into other housing issues arising from the main Housing Needs Survey report and report back to the States on these matters as soon as possible.

Yours faithfully,

J. E. LANGLOIS,

President,

States Housing Authority.

**LIVE LICENCES as at 31 March**

<b>ESSENTIAL EMPLOYMENT</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>Change (2000/2001)</b>
Finance Sector	337	316	321	+5
Tourism/Catering	133	140	148	+8
Education	114	119	133	+14
Health	146	166	162	-4
General Public Services	50	51	62	+11
General industry	168	174	180	+6
<b>Total</b>	<b>948</b>	<b>966</b>	<b>1006</b>	<b>+40</b>
<b>OTHER LICENCES (COMPASSIONATE)</b>				
Marriage Breakdown	159	173	169	-4
Other Compassionate	413	388	380	-8
<b>Total</b>	<b>572</b>	<b>561</b>	<b>549</b>	<b>-12</b>
<b>OTHER LICENCES ("EN FAMILLE")</b>				
"En Famille"	968	981	931	-50
Nursing Homes	55	50	40	-10
<b>Total</b>	<b>1023</b>	<b>1031</b>	<b>971</b>	<b>-60</b>
<b>SHORT-TERM LICENCES</b>				
Tourism	620	526	503	-23
Horticulture	269	260	269	+9
Other Industries	258	286	445	+159
Not Employment Related	12	15	14	-1
<b>Total</b>	<b>1159</b>	<b>1087</b>	<b>1231</b>	<b>+144</b>



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# **Guernsey Housing Needs Study 2001**

## **Executive Summary for The States of Guernsey**



**Opinion Research Services**  
University of Wales Swansea



## Executive Summary

### Introduction

In the last few years there has been a growing interest in local housing needs studies, given the realisation that appropriate strategic planning, based on a comprehensive local housing assessment, is an essential prerequisite for planning for housing and the effective delivery of housing services.

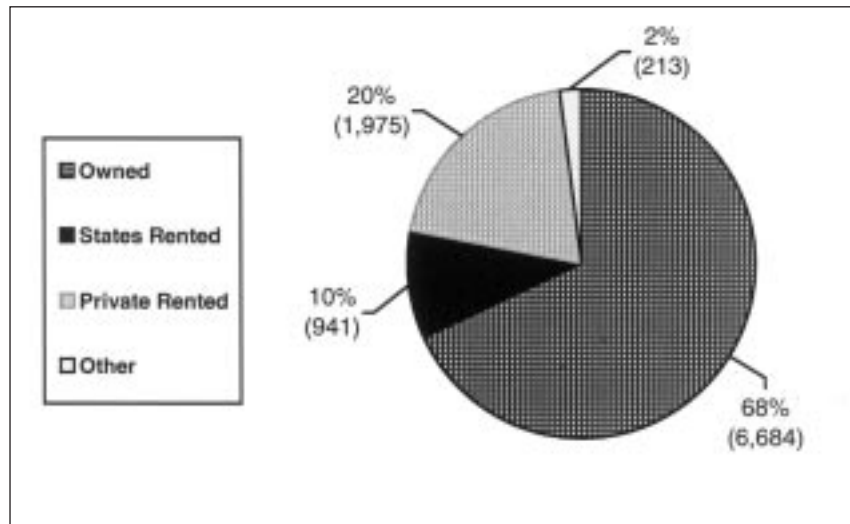
The study has been based upon a postal census of the Island's 22,765 households. 10,113 completed questionnaires were returned yielding a 44% response rate. This response rate was excellent and vastly exceeds those experienced for postal censuses conducted by ORS in England, Wales and Scotland.

The survey data has been interpreted through the ORS model which analyses the whole housing market to compare the match and mismatch of households' needs and demands with likely housing availability to produce outputs in subjective and objective forms. These profile housing requirements, availability, affordability and net excesses or shortfalls.

### Key Survey Findings

#### *Current Tenure*

Of all those who responded, nearly seven-in-ten (68% or 6,684) households owned their home, 10% (941) rented from the States, and 20% (1,975) were private tenants.



**Figure 1: Current Tenure, by all Households**

#### *Current Property Values*

All households who owned their home (with or without a mortgage) were asked how much they felt their home would be worth if sold in the present market. The following results reflect the generally high property values on the Island:

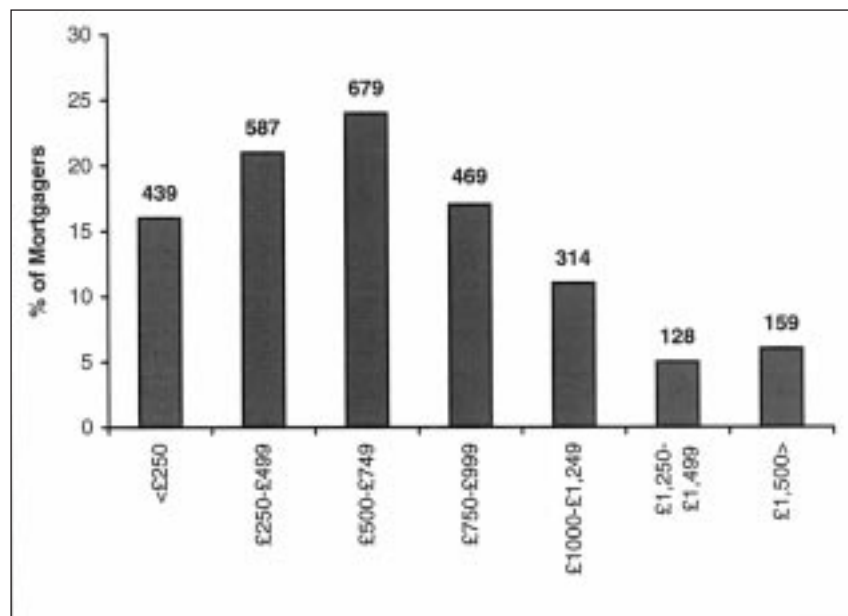


- Less than £100,000..... 1% (84)
- £100,000 to £174,999..... 19% (1,212)
- £175,000 to £249,999..... 32% (2,009)
- £250,000 to £349,999..... 27% (1,706)
- £350,000 to £449,999..... 10% (621)
- £450,000 or more..... 11% (676)

#### *Current Housing Costs*

##### *Mortgage Payments*

All owner occupiers with a mortgage or loan were asked how much their payments were per month. The results are shown in figure 2.



**Figure 2: Current Monthly Mortgage Payment, by all Owner Occupier Households with a Mortgage**

##### *Rent Payments*

All households who rented their home were asked how much rent they paid each week. The results were as follows:

- No rent ..... 1% (35)
- Less than £75 per week ..... 33% (914)
- £75 to £99 per week..... 17% (484)
- £100 to £149 per week ..... 25% (715)
- £150 to £199 per week ..... 12% (327)
- £200 to £299 per week ..... 7% (199)
- £300 per week or more..... 5% (137)



### Household Income

Only 12% (310) of mortgagers had an income of less than £20,000, while a very large proportion (53% or 1,347) of owner occupiers with a mortgage had an income of £40,000 or more. This data shows that households with a mortgage generally had a high income and it is likely to be very difficult for households with a relatively low income to access home ownership.

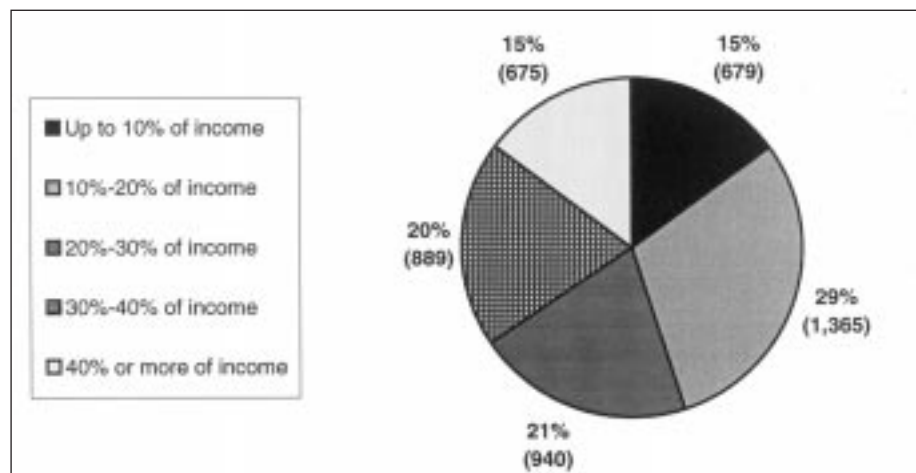
Household Income	Tenure				
	Own Outright	Own with Mortgage	States Rented	Private Rented	All HH
£0 - £10,000	20% (411)	3% (85)	41% (225)	16% (244)	15% (1,036)
£10,000 - £20,000	21% (433)	9% (225)	36% (201)	20% (297)	18% (1,225)
£20,000 - £30,000	18% (360)	18% (459)	15% (81)	20% (297)	18% (1,262)
£30,000 - £40,000	11% (216)	17% (419)	7% (38)	16% (236)	14% (945)
£40,000 - £60,000	15% (294)	29% (739)	1% (8)	21% (312)	20% (1,408)
£60,000+	15% (302)	24% (608)	*% (2)	8% (122)	16% (1,086)
Total	100% (2,016)	100% (2,535)	100% (555)	100% (1,508)	100% (6,963)

**Figure 3: Household Income, by Tenure of all Households**

It should be noted that some States tenants rent accommodation from other States departments apart from the Housing Authority. Therefore it is possible for some States tenants to have a high household income.

### Proportion of Income Spent on Housing Costs

Housing costs were gathered in bands, and annual household incomes were also recorded in this way. In order to calculate the average proportion of a household's income spent on housing costs we divided the mid-point of the housing cost band by the mid-point of the income band. From this calculation, on average, 15% (675) of all households were spending 40% or more of their household income on housing costs (see figure 4).



**Figure 4: Proportion of Income Spent on Housing Costs by all Households (Using Mid-Points)**



*Special Needs*

19% (1,872) of all households contained someone with a health problem/disability. The most common health problems experienced were:

- Difficulties due to old age
- Other difficulties in walking
- Hearing problems
- Long-term illness

*Household Mobility*

35% (3,032) of all households felt they were likely to move home in the next five years. Of these households:

- 49% (1,587) expected to move within their current parish, 41% (1,329) expected to move elsewhere in Guernsey and 21% (681) thought they would leave the Island and move to the UK or abroad#.
- 58% (1,439) felt most likely to purchase their next home, while 31% (771) felt most likely to rent from a private landlord at their next home. 10% (257) felt most likely to rent from the States.

*Affordability*

Due to the extremely high house prices on the Island, affordability is a major issue for likely movers in Guernsey. Whether households can afford their self-assessed tenure and housing costs will depend upon their income and existing equity. These issues are considered in detail within the ORS housing market model.

Of all households likely to move in the next five years:

- Considering only those likely to buy their next home, 35% (750) believed they could afford between £100K and £175K. 25% (543) believed they could afford £175K to £250K, and 18% (377) could afford £250K to £350K. 12% (266) felt they would be able to afford £350K or more.
- 10% (213) could only afford up to £100K – it is unlikely that these households will achieve owner occupation as there are few dwellings on the Island in this price range.
- Considering only those likely to buy a home with a mortgage/loan, 28% (457) stated they could afford up to £499 per month. 23% (378) felt they would be able to repay £500-£749 each month, and 18% (292) could afford to pay back £750 to £999 per month. 15% (250) could afford to repay £1,000 to £1,249 per month, and 16% (259) would be able to repay £1,250 or more each month.
- Considering only those that would rent their next home, 2% (27) felt they would not be able to afford any rent. 23% (351) would expect to pay less than £75 per week, 22% (339) would expect to pay £75 to £99 each week, and 25% (393) would anticipate making weekly payments of £100 to £149. 14% (219) would be able to afford £150 to £199 per week in rent, and 14% (216) would be able to afford £200 or more each week.

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# Likely movers were able to select more than one likely destination.



## Current Local Market Housing Requirements (Over the Next Year)

### *Introduction*

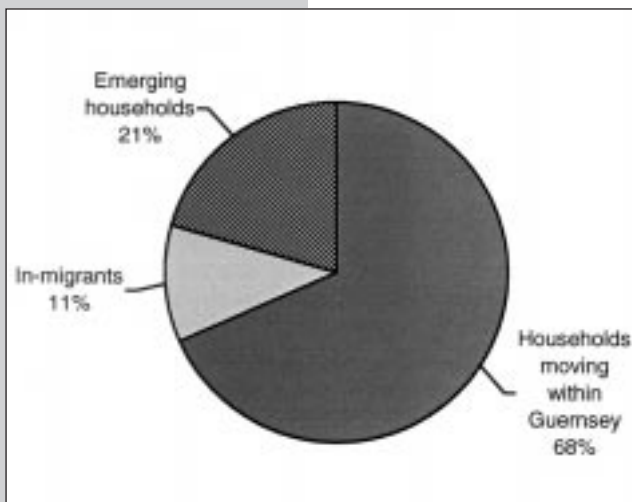
To assess the *Local Market* housing requirements for Guernsey, we have modelled the data gathered in the household census.

The ORS housing market model interprets the housing market dynamically by likening the interchange between households and vacancies to 'musical chairs'. As some households move, others take up the released vacancies, and the extent to which the market will clear depends upon the match or mismatch between the available stock (housing supply) and households seeking housing (demand for housing). The main components of the model are demand and supply.

### *Local Market Housing Demand*

#### Components of Demand in Guernsey

It can be seen in figure 5 that there is a demand for 1,814 dwellings over the next year in the Island. In-migration accounts for 11% of the demand for housing. Established households moving within the Island constitute more than two-thirds (68%) of the total demand, while hidden households account for about a fifth (21%) of the demand. The figure for hidden households forming is based upon trend information from the census on the households that have newly formed in the last two years.



Source of Demand	Households
Established households moving to another home in Guernsey	1,239 (68%)
In-migrant households to the area	200 (11%)
Hidden households emerging into market	375 (21%)
<b>TOTAL DEMAND (over the next year)</b>	<b>1,814</b>

**Figure 5: Source of Demand, by Housing Market Elements**

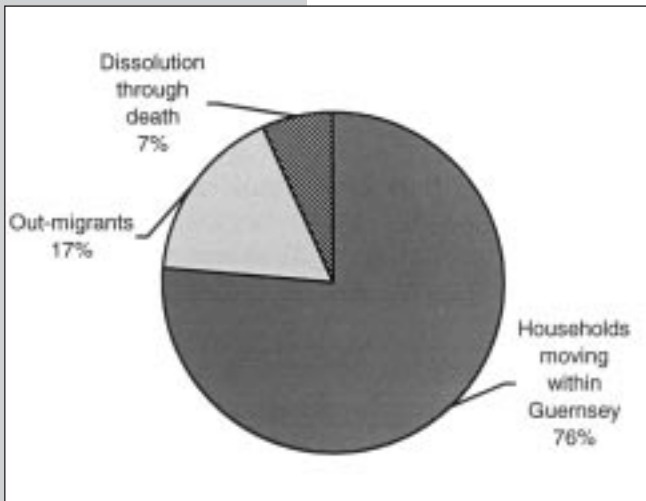
### *Available Local Market Housing Supply*

#### Components of Supply in Guernsey

Figure 6 shows the number of households producing each source of housing supply from the existing housing stock and also shows this figure as a percentage of the total housing supply.

It can be seen that there will be a supply of 1,635 available dwellings over the next year in the Island. Out-migration will provide 17% of the supply over the next year. Established households moving within the Island constitute over three-quarters (76%) of the total supply, while household dissolution due to death will account for 7% of the total supply of available housing.





Source of Demand	Households
Established households vacating properties by moving to another home in Guernsey	1,249 (76%)
Out-migrant households vacating properties	275 (17%)
Household dissolution due to death	111 (7%)
<b>TOTAL SUPPLY (over the next year)</b>	<b>1,635</b>

**Figure 6: Source of Supply, by Housing Market Elements**

#### *Current Overall Local Market Housing Shortfall*

By comparing the total demand for housing against the total supply likely to become available over the next year from the existing housing stock, the excess or shortfall in the housing market can be calculated (figure 7). There will be a shortfall of 179 Local Market dwellings over the next year in the Island.

Element of Market	Number of Units
Total demand for housing	1,814
Total supply of housing	1,635
<b>NET SHORTFALL (over the next year)</b>	<b>179</b>

**Figure 7: Shortfall of Local Market Housing in Guernsey, by Housing Market Elements**

#### *Current Local Market Housing Requirements by Tenure*

The shortfall of housing over the next year in Guernsey is mainly for owner occupied dwellings (-459) with a smaller shortfall of social rented sector (-38) homes. The modelling shows a surplus (+317) of private rented accommodation (see figure 8). It should be noted that the surplus of private rented accommodation will only occur if the take up of owner occupied accommodation is fulfilled, and it is likely that some who are unable to afford home ownership will occupy the surplus of private rented homes.

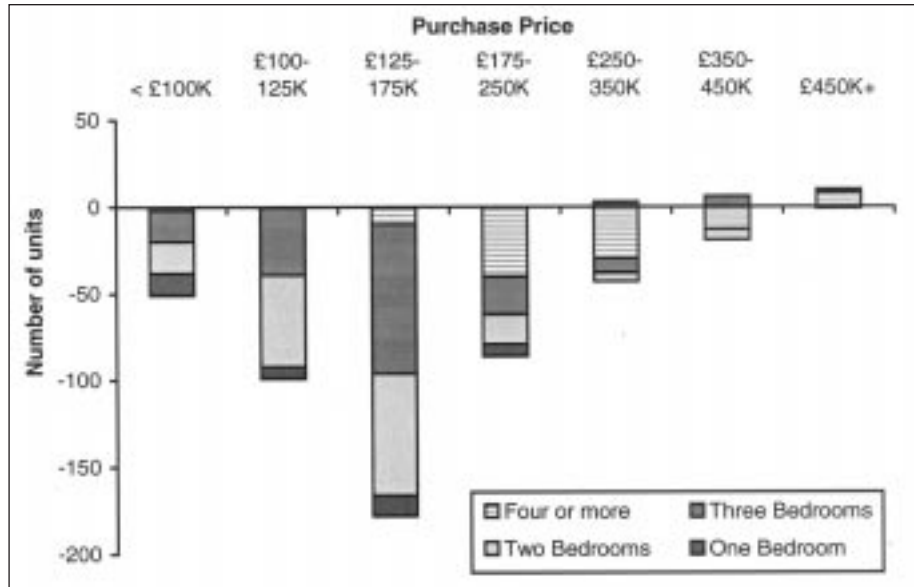
Tenure	Number of Units
Owner Occupied	-459
Social Rented	-38
Private Rented	+317
<b>NET SHORTFALL (over the next year)</b>	<b>179</b>

**Figure 8: Excess/Shortfall of Housing in Guernsey, by Tenure**



*Owner Occupied Housing Requirements by Price and Size*

While there is a general match between supply and demand of properties in the price range £250K+, there are significant shortfalls of properties below this price – in particular priced from £100K up to £250K. When considering the shortfalls by property size, most of the requirements are for two and three bed properties (showing shortfalls of 170 and 165 units respectively), with smaller shortfalls of one and four bed properties (36 and 87 units).



**Figure 9a: Excess/shortfall of Owner Occupied Housing, by Purchase Price Band and Property Size**

In considering the actual supply of owner occupied housing, it is unlikely that any properties could be secured for less than £100K, and on the basis of survey data, the lowest quartile price for a one-bed dwelling is in the range £100-125K, for a two-bed home in the range £125-175K, a three bed-home in the range £175-250K, and the lowest quartile for four-bed accommodation is no less than £250K. These price bands are the size-price entry levels or minimum threshold prices for different sized dwellings. Figure 9b highlights (in black) those properties unlikely to be available through new developments for outright ownership.



**Figure 9b: Excess/shortfall of Owner Occupied Housing, by Purchase Price Band and Property Size**





In total, the shortfall of properties below the appropriate access thresholds amounts to 279 of the 459 owner-occupied shortfall. For the households seeking these homes, there would be a number of options to consider:

- Some households could objectively afford to spend a little more than they assess themselves likely to spend, thereby increasing demand for more expensive properties. Nevertheless, households' subjective assessment of the amount that they are likely to spend takes account of all of their resources and also their existing commitments. An objective assessment may not take account of all their resources or commitments.
- Some households do not currently need a property of the size that they are seeking, and therefore could purchase a smaller property that may be available for the amount they intend to spend. However, once again we have to defer to subjective assessments, for a household that currently requires one bedroom may be expecting to need space for additional household members in the near future – and the reason for their move is in readiness for their requirements.
- Other households do actually need a property of the size that they indicate, and cannot objectively afford to spend any more than they expect to. Most of the households identified as seeking housing of a size-price mix that is unlikely to become available fall into this category, and many of these households would not qualify for States rented housing. Currently their only alternative is to rent from a private landlord.

In the survey, all likely movers over the next five years were asked whether they would be likely to consider Low Cost Home Ownership (LCHO). Less than a third (32%) of all likely movers would consider LCHO. However, of the households highlighted in dark blue in figure 9b, who were seeking owner occupied housing of a size-price match unlikely to be available in the market at the prevailing minimum thresholds, 46% who answered the question on LCHO would consider some form of low cost ownership scheme.

Less than 10% of the households who are seeking properties below the size-price entry level for the owner-occupied sector of the market can afford full ownership at the minimum threshold price. This would increase to 30% if they were to opt for purchasing a 75% share in the equity (and paying rent on the balance), 61% on a 50-50 owning/renting basis, and 89% could afford a share of at least 25% of the equity.

Of the identified annual shortfall of 459 owner-occupied dwellings, 279 households are seeking properties below the appropriate size-price threshold. As identified above, 10% of these households could actually afford an appropriately sized dwelling, but the remaining 252 households would realistically be unable to compete in the market for full ownership. Discounting these 252 households from the annual shortfall of 459 reduces the annual requirement of housing for full owner-occupation to 207 units.

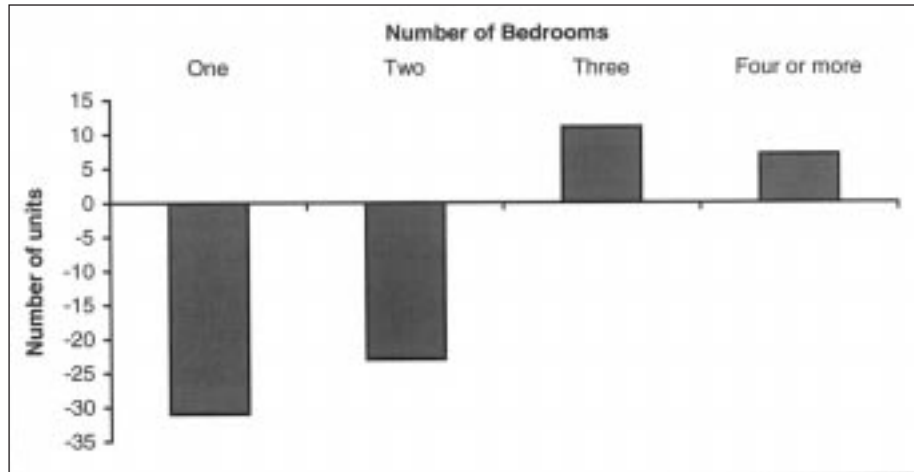
Of the 252 households discounted from the shortfall of full owner-occupation, shared ownership could be a realistic solution for as many as 221 of them. 57 of these households could afford a 75% equity share; a further 86 would be suited to a 50-50 equity split; and 78 would be able to afford at least 25% of the equity (and rent on the remaining 75% share of the property). The final 31 households are unlikely to be able to afford access to any form of partial owner-occupation, and are therefore likely to require rented accommodation.



*Social Rented Housing Requirements by Price and Size*

The issue of affordability for States accommodation would be taken account of through application of the rent rebate scheme, and therefore we shall not look at affordability here.

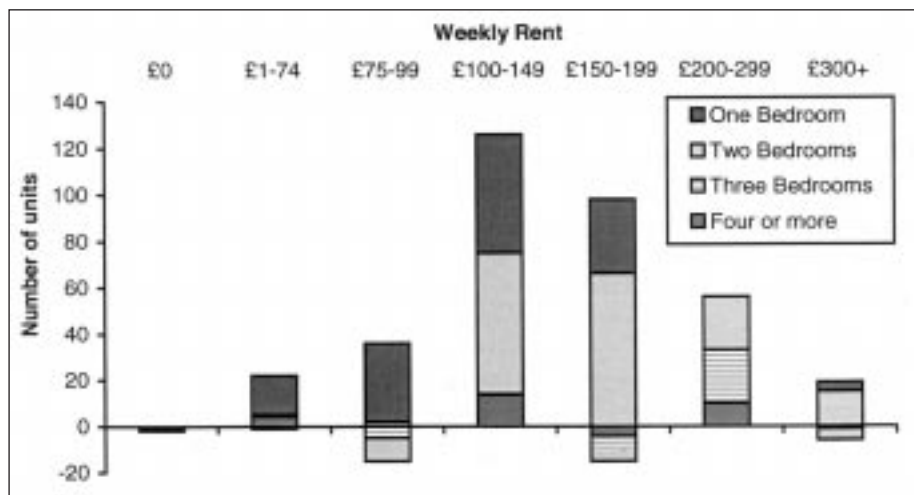
In considering the overall mismatch in the social rented sector, there are overall shortfalls of one (-31) and two bedroom (-23) properties, offset by marginal surpluses of three (11) and four bedroom (7) homes.



**Figure 10: Excess/shortfall of Social Rented Housing, by Property Size**

*Private Rented Sector Housing Requirements by Price and Size*

In the private rented sector, overall, there is almost a balance of three and four bedroom homes (surpluses of +1 and +23 units respectively) but there is a significant surplus of smaller homes – a total of 138 one bed and 156 two bedroom homes. Most of the surpluses are concentrated around the £100-£149 and £150-£199 weekly rent bands. It should be noted that the surplus of private rented accommodation will only occur if the take up of owner occupied accommodation is fulfilled, and it is likely that some who are unable to afford home ownership will take up the surplus of private rented homes.



**Figure 11: Excess/shortfall of Private Rented Housing, by Weekly Rent Band and Property Size**



*Longer-term Local Market Housing Requirements  
(Next Five Years)*

Having considered how each element of the housing market is likely to change over time, we can progressively year-on-year apply the housing market model to the Island's housing market (figure 12). This shows that there will be a net shortfall of 911 dwellings over the next five years in the Island yielding an average requirement of 180 dwellings per year.

Elements of the Market	2000	2001	2002	2003	2004	Total for 2000-2004
Total demand for housing	1,814	1,829	1,844	1,859	1,874	9,220
Total supply of housing	1,635	1,648	1,663	1,675	1,688	8,309
<b>NET EXCESS-SHORTFALL</b>	<b>-179</b>	<b>-181</b>	<b>-181</b>	<b>-184</b>	<b>-186</b>	<b>-911</b>

**Figure 12: Summary of Housing Demand and Supply in Guernsey, by Year and Housing Market Elements**

*Five Year Local Market Housing Requirements by Tenure*

Figure 13 provides the overall demand and supply by tenure, including the gross excess/shortfall in each of the tenure categories.

Element of Market	Owner Occupied	Private Rented	Social Rented
Total demand for housing	5,398	2,834	973
Total stock vacated	3,070	4,444	779
<b>EXCESS-SHORTFALL</b>	<b>-2,328</b>	<b>1,610</b>	<b>-194</b>

**Figure 13: Excess/shortfall of Local Market Housing in Guernsey Over the Next Five Years, by Housing Market Elements**

## Planning Implications and Main Conclusions

### *The Housing Shortfall*

The study has shown a likely demand for housing from 1,814 households in Guernsey over the next year. The majority of this requirement (68%) is from likely mover households, with a further 21% as a result of hidden households emerging into the market, and 11% as a result of in-migration. This overall requirement is off-set by a projected supply of 1,635 dwellings, as vacancies are created by households moving within Guernsey, out-migration from the island and household dissolution.

Whilst there is a general match between supply and demand for housing in the Local Market owner-occupied sector at prices above £250,000, there are significant shortfalls of homes below this threshold, and particularly of two and three bedroom properties at prices of up to £175,000. The small shortfall in the social rented sector is primarily of one and two bedroom properties. The evidence of surplus homes in the private rental sector is mainly of one and two bedroom homes at rents of between £100 and £200 per week.

Similar trends are evident over a five year period, with an overall projected shortfall of 911 dwellings over such a period; an annual housing requirement of an additional 180 homes. However, this shortfall masks differences across individual tenures.



The housing market model estimates a shortfall of over 2,300 homes in the owner-occupied sector of the local housing market (a requirement for more than 460 additional owner-occupied homes each year), together with a shortfall of almost 200 homes in the social rented sector. Although these shortfalls are, to some extent off-set by projected surpluses of accommodation in the private rented sector, the survey evidence suggests that this is unlikely to satisfy longer-term housing requirements. Thus, whilst in the absence of sufficient affordable home ownership, the private rented sector may provide a valuable source of relatively easy access to the local housing market, if the very significant shortages in the owner-occupied sector are not addressed then some households may feel trapped in rented accommodation frustrated by their inability to realize their aspirations for home ownership, or remain involuntarily sharing with family or friends.

#### *Affordability Issues*

The survey has provided evidence of significant problems of affordability for many of those seeking access to home ownership in the Guernsey housing market. A small number of households are seeking to access one bedroom accommodation at prices below £100,000, which represents the most they can afford. However, such housing is unlikely to be available. Of those who are seeking two bedroom owner-occupied housing, where we have estimated the minimum quartile to be in the range £125,000-£175,000, almost two thirds are unable to afford access to this price banding, whilst a further 25% can only afford property between £125,000 and £175,000. Where households have a requirement for three-bedroom property, then we have estimated that 85% cannot afford to access properties in the minimum quartile of between £175,000 and £250,000.

#### *Meeting the Housing Shortfall*

The identifiable problems of affordability within the owner-occupied sector of Guernsey's local housing market suggest that there is a strong case for additional intervention, both to provide extra social rented homes (above and beyond those identified above), as well as forms of shared ownership, whereby households are able to part buy and part rent their homes.

The study has shown that of those households who are likely to be seeking home ownership of a size-price match unlikely to be available in the market at the prevailing minimum thresholds, 46% (who answered the LCHO question) said they would be likely to consider shared ownership as a housing option.

Our analysis has shown that 10% of households seeking property below the price-size threshold could pay more for an appropriate property, which they could objectively afford without shared ownership assistance. A further half could afford to purchase at least a 50% share in the equity of a shared ownership home (paying rent on the balance) – almost a fifth of the total being able to afford 75% or more of the required equity. Therefore, shared ownership is not only identified as a realistic tenure option by some of Guernsey's residents, but is also an achievable and affordable alternative for them.

The States of Guernsey 2001 Strategic and Corporate Plan makes it clear that the Strategic Land Use Plan, contained within it, needs to consider the amount and location of future housing requirements for Guernsey. In particular, it sets a benchmark target figure of 250 additional homes each year over the period 2001-2016 to meet latest and future demand for extra housing. However, it recognises that this target may require adjustment in future years, and that better evidence is needed to consider these future housing requirements in terms of housing type, size and tenure.



This study of Guernsey's housing needs and demands begins to provide this. Whilst the study would suggest on first analysis, that such a target is sufficient to meet the overall shortfall in housing requirements, more detailed analysis suggests that this is unlikely to be the case. The survey highlights significant shortages in the owner-occupied sector, particularly of two and three bedroom properties at more affordable prices.

It will thus be important for housing and planning policies not only to consider how they might respond to these levels of expressed demand, but also how the housing and planning systems can deliver the appropriate amounts of affordable new housing, either in the form of full home ownership, social rented housing, or through schemes of shared ownership. It may well be appropriate for the States of Guernsey to consider what policy instruments it needs to introduce to ensure the local provision of elements of affordable housing in different parts of the Island, and how this might vary across individual development sites.

What is evident is that, to address future housing needs and demands, policies will need to specifically encourage a wider mix of market and subsidised social housing, and to ensure that these are successfully integrated into the existing built environment.

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**Guernsey Housing Needs Study 2001  
Executive Summary for The States of Guernsey**

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

19th April, 2002.

Dear Sir,

### **Survey of Guernsey's Housing Needs**

I refer to the letter dated 11th April 2002 from the President of the States Housing Authority on the above subject.

The Advisory and Finance Committee commends the professional approach that the Authority has taken in regard to the collection of high quality information across a range of housing issues, which show the complexity of the housing problems in Guernsey. The Island now has a statistically sound base from which to plan effectively for the future. This is fundamental if the Authority and the States are going to be able to develop and implement the strategies necessary to make a real impact on the housing problems.

The Committee agrees strongly with the Authority's conclusion that:

*“Clearly it is essential that the States adopts integrated and coordinated policies to support an overall Housing Strategy that will address future housing needs in terms of the number, tenure, size and price of dwellings required by Islanders.”*

The further work that the Authority is pursuing with relevant States Committees and other appropriate bodies to research how best to develop such an integrated strategy deserves full support. Indeed the Committee has already agreed that housing provision is to be identified as the recommended pilot corporate programme in the 2002 Policy and Resource Planning Report.

Like others, Members of the Committee have been keen to see the Housing Authority taking positive steps to alleviate the housing problems in parallel with the detailed research that it has been progressing. In this regard the Committee has been pleased to see that Authority has been working on a broad front to address the housing situation and particularly the provision of housing for those of modest means.

The Authority has seen direct States construction of dwellings as a very minor part of the jigsaw but has been directly or indirectly involved in the following projects which are either completed or in course of construction:

- 11 States flats at La Guelle and Route de Carteret.
- The replacement of 16 single person sheltered bedsits at Courtil Jacques with 20 two person self-contained sheltered flats.
- It has commenced a programme of States house refurbishment which has estimated expenditure of £10.5 million over the first five years using a partnering arrangement with a major local contractor.

- As a result of Authority initiatives private developers are constructing approximately 90 dwellings on former States owned sites at Grandes Maison Road, Amherst and the Bordage.

Other measures expected to have a more far-reaching effect on the housing situation include the following: –

- The establishment of the Guernsey Housing Association.
- Grant Funding to Housing Associations;
- The transfer of three sites to the Guernsey Housing Association, with an anticipated doubling of the housing content. The first project is at an advanced planning stage and is expected to commence during the coming months.
- Negotiations are at an advanced stage in respect of providing grant funding to assist a private operator to develop affordable sheltered housing, predominantly for rent, on the Rosaire Avenue site.

The Authority is also working on a number of policy and other initiatives in partnership with other bodies including the following:

- Partial ownership schemes with the Guernsey Housing Association.
- Monitoring the provision of affordable housing with the Island Development Committee and Economics and Statistics Unit.
- Undertaking a Study of the Housing Market with the Advisory and Finance Committee.
- Discussing with the Island Development Committee and the Law Officers possible amendments to the Planning Law relating to the development of affordable housing.
- A youth housing project with the Children Board.
- Planning the major refurbishment of two residential homes accommodating over 100 residents.
- Undertaking full reviews of Rents, Loans and the Housing Control Law.
- Leading an interdepartmental working party investigating Key Worker housing.
- Planning the redevelopment of sheltered housing at Maison le Clement; the development of phase 3 at Courtil Jacques; and pursuing infill and development opportunities on existing estates.

The Committee has included such details in its letter of comment because it commends the Authority on the amount of work which it is undertaking not only to address the problems in the mid and long terms (based on the results of its continuing research), but also in the short term.

The Committee also believes that it should comment on the problems referred to in the policy letter in regard to Planning Agreements. These concerns are genuine and not likely, alone, to address the issue of affordability effectively. The Committee is concerned that such Agreements may be seen as a panacea, raising expectations that the private developer can subsidise social housing, without the need for public subsidy. The reality is likely to be very much more complex. These are matters that will no doubt be addressed in much more detail in the joint review to be undertaken between the Authority and the Island Development Committee.

One of the Secondary Housing Issues mentioned in the policy letter is of particular interest and relevance in relation to the anti-poverty work that is being progressed. This relates to the situation with high rents being charged for poor quality private-rented accommodation. If solutions can be found to alleviate these problems then the “mismatches” between supply and demand, referred to in the Authority’s policy letter, are very likely to change. Again, however, one should not underestimate how difficult this may prove to achieve.

The Committee considers that the development of a more corporate approach to major issues like housing, as indicated in last year’s Policy and Resource Planning Report, will enable the States to achieve a greater momentum in tackling the complex problems which require action by a number of States Committees and other agencies.

The Committee has commented at length on the Housing Authority’s policy letter because of the priority that needs to be given to tackling the Island’s housing problems in a far-sighted manner, while also taking action in the short-term. The Authority is taking a very sound and methodical approach to the development of integrated and coordinated policies to support an overall Housing Strategy that will address the future housing needs in terms of the number, tenure, size and price of dwellings required by Islanders. The Committee strongly recommends the States to approve the Authority’s policy letter.

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 11th April, 2002, of the States Housing Authority, they are of opinion:–

1. To note and endorse the findings of that initial report on the Housing Needs Survey.
2. That, in bringing forward proposals to amend the Strategic and Corporate Plan as part of the 2002 Policy and Resource Planning Report, the States Advisory and Finance Committee shall note the wish of the States that the benchmark target for additional new homes shall be set at 300 per annum over a maximum period of three years commencing in 2002.
3. To note the States Housing Authority's general intention to review what additional measures are necessary to influence the provision of houses of particular tenures, size and price.
4. To direct that the States Housing Authority, in conjunction with the Island Development Committee, reports to the States on the results of their investigations into the suitability of Planning Covenants as a means of producing lower cost homes, together with details of that Authority's review of measures designed to ensure that homes stay in the low cost bracket in the long term.
5. To note the States Housing Authority's intention to continue to liaise with the Island Development Committee, States Cadastre Committee and the States Advisory and Finance Committee, to improve and develop better means of monitoring the annual supply of land for housing, and the actual annual provision of housing of particular tenures, size and price.
6. To note the States Housing Authority's intention to implement the establishment of an "affordable" Housing Roll.
7. That a follow up Housing Needs Study shall be carried out in 2004 and, thereafter, at intervals of not more than five years.
8. To direct the States Advisory and Finance Committee to take account of the budgetary requirements of such surveys in recommending to the States the States Housing Authority's general revenue allocations in the years concerned.
9. To note the States Housing Authority's statement on the administration of the Housing Control Law as set out in the body of that Report.
10. To note that the States Housing Authority will continue its investigation into other housing issues arising from the Main Housing Needs Survey report and to report back to the States on those matters as soon as possible.

**STATES INCOME TAX AUTHORITY****INCOME TAX RELIEF FOR MAINTENANCE PAID UNDER COURT ORDERS**

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

23rd April, 2002.

Dear Sir,

**INCOME TAX RELIEF FOR MAINTENANCE PAID UNDER COURT ORDERS**

1. The Income Tax Authority has received representations from the Sub-Committee of the Guernsey Bar, which was appointed to review the Matrimonial Causes Legislation in the Bailiwick of Guernsey.
2. The Sub-Committee's principal concern was the tax treatment of maintenance payments in the hands of the recipient and the difference between the treatment of payments for illegitimate children compared with legitimate children.
3. Under current income tax legislation in Guernsey, relief is available to the payer for payments made under a Court Order to or for the benefit of that person's spouse or former spouse. The payments are then treated as income in the recipient's hands. There is no tax relief as such for maintenance payments made in respect of children, except where the Court Order specifies that the payment shall be made to the spouse or former spouse. This can sometimes lead to difficulties in interpretation.
4. This in turn may lead to disputes between the parties, particularly if both are earning and a proportion of each person's income is chargeable to tax. In these cases the payer seeks to obtain tax relief under section 43A of the Income Tax Law, whilst the recipient would wish to avoid such liability.
5. The Bar Sub-Committee has stated that it is anxious to promote consistency in the tax treatment of parties to maintenance applications and their children, whether those children are legitimate or illegitimate. It is pointed out that in England and Wales, all tax relief on maintenance payments has been abolished with effect from 06 April 2000, irrespective of when the obligation to pay the maintenance first arose. It has suggested that one solution would be for tax relief on all maintenance payments to be abolished and maintenance treated as non-taxable income in the hands of the recipient.
6. The Income Tax Authority would support this suggestion, for the following reasons:
  - (a) It is compatible with the Income Tax Authority's aim to simplify the tax system.

- (b) It would bring Guernsey into line with the United Kingdom, bearing in mind that many Guernsey residents either make or receive payments under a UK Court Order.
  - (c) It would save Income Tax Authority staff from becoming embroiled in arguments between separated couples.
  - (d) Although the provisions of section 43A of the Income Tax Law appear to be tax neutral, in that the payer claims relief whilst the recipient is taxed on the payments, this is not necessarily the case, particularly if the recipient has no other income or the payments are made under a UK Court Order to a non-resident of Guernsey.
  - (e) Although at first sight this would appear to be unfair to the payer, who would lose tax relief on payments made, it is probable that the incidence of tax relief is taken into account when agreeing the level of maintenance payments.
  - (f) As relief is only available at present in respect of payments to the spouse or former spouse, there is no possibility of relief being granted for payments to the mothers of illegitimate children. The proposed amendment would then prevent any claims of discrimination against fathers of illegitimate children.
7. The Authority would wish to make one proviso, and that is that payments under existing Court Orders (including any variation in those payments) would still qualify for income tax relief and continue to be treated as taxable income in the hands of the recipient. It would therefore only be new Court Orders, made after the date of commencement of the amending law, which would be affected.

### **Recommendations**

The Income Tax Authority therefore recommends the States:

1. to repeal section 43A of The Income Tax (Guernsey) Law 1975;
2. to note that income tax relief will not be available in respect of maintenance payments under new Court Orders made after the date of commencement of the amending law and that such payments will not be treated as taxable income in the hands of the recipient; and
3. to note that maintenance payments under existing Court Orders, or Court Orders made up to the date of commencement of the amending law, including variations thereof, will still qualify for income tax relief and continue to be treated as taxable income in the hands of the recipient.

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,

W. LE R. ROBILLIARD,

President  
States Income Tax Authority.

**[N.B. – The States Advisory and Finance Committee supports the proposals.]**

The States are asked to decide:–

X.–Whether, after consideration of the Report dated the 23rd April, 2002, of the States Income Tax Authority, they are of opinion:–

1. That section 43A of the Income Tax (Guernsey) Law, 1975, shall be repealed.
2. To note that income tax relief will not be available in respect of maintenance payments under new Court Orders made after the date of commencement of the amending law and that such payments will not be treated as taxable income in the hands of the recipient.
3. To note that maintenance payments under existing Court Orders, or Court Orders made up to the date of commencement of the amending law, including variations thereof, will still qualify for income tax relief and continue to be treated as taxable income in the hands of the recipient.
4. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

**STATES TRAFFIC COMMITTEE****CO-ORDINATION OF ROAD WORKS AND ROAD CLOSURES**

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

28th March, 2002.

Dear Sir,

**CO-ORDINATION OF ROAD WORKS AND ROAD CLOSURES****1. Introduction**

The existing arrangements for the co-ordination and authorisation of road closures date back to March, 1985 when a report prepared by the “States Committee to Investigate the Authorisation of Road Closures” was debated and approved by the States.

Although those arrangements were subsequently reviewed in 1996 by a Working Party comprising representatives of the Advisory and Finance, Traffic and Public Thoroughfares Committees, no substantive changes resulted from the findings of the Working Party. Since that time however, there has been an increasing demand for road work projects and road closures with inevitable and, at times, significant disruption for motorists, residents and businesses.

**This policy letter reviews the existing arrangements for the co-ordination of road work projects and the authorisation of road closures and recommends a number of changes in order to achieve a greater level of co-ordination and accountability, improvements in the provision of relevant and timely information and the introduction of “incentives” to ensure road work projects are completed as quickly as possible.**

**2. Background Considerations and Recent Developments**

For years, there has been considerable public and political debate about the arrangements for the co-ordination of road works and road closures. As far back as 1985, much concern was being expressed about what was perceived as a lack of co-ordination of road works and the need for improved procedures.

There is a range of factors associated with the number of road work projects which are undertaken in the Island each year. For example, the ribbon development which has taken place in the Island has led to a significant expansion of the Island’s services infrastructure. Many of these services have to be located under the roads and pavements. Over the past five to ten years and, given the economic prosperity within the Island, there has been considerable demand for the development of new housing and offices, which in turn has placed increased pressure on the services under the road network and other areas of infrastructure. This has inevitably led to increased demand from contractors to work in the road or pavement whilst these services are being installed.

At the same time, many parts of these services have been programmed for replacement or rehabilitation, including drainage, telecommunications, water, gas and electricity. There has also been the new electricity cable link with Jersey and France. In addition, there has been the roads maintenance programme undertaken annually by the Public Thoroughfares Committee, which has now received an extra £1 million to spend during 2002 in order to catch up on the backlog of maintenance work. To a large extent, much of the roads maintenance now required is a result of many of them having been dug up for work on the services.

Health and safety requirements also dictate that roads often cannot remain open to two-way traffic or in many cases, remain open at all whilst work is continuing in trenches. Similar requirements also dictate the need for traffic management measures to accompany road work projects such as temporary traffic signals and road humps in order to protect the contractors working in the road.

Although it is acknowledged that there is certainly room for improvement in the arrangements for co-ordinating and publicising road work projects and road closures, it is also the actual number of road works, rather than just a lack of coordination, that has significantly contributed to the disruption experienced around the Island. For example, for the past four years, there has been an average of 525 planned road closures each year and 35 emergency road closures.

Most recently, during 2001 a significant amount of work involving the introduction, replacement or rehabilitation of underground services was undertaken, leading to considerable disruption to the road network either through road closures and diversions, temporary traffic signals or other forms of traffic management. Public disquiet about the level of disruption was evident throughout the Winter and Spring of 2000/1.

Last year, the business community and, in particular, the Chamber of Commerce and St Peter Port Traders, were critical of the amount of road works being undertaken simultaneously (even though many of these projects were for the benefit of the business community e.g. services for new offices). The Chamber was also critical of the fact that a number of the projects involved road closures or traffic management measures affecting more than one arterial road into or out of St Peter Port.

The Committee held a number of meetings throughout 2001 with various interested parties including the Island's parish Constables and Chamber of Commerce. The latter made it clear to the Committee that they considered many businesses were suffering financial losses directly as a result of the level of road works and road closures which made it difficult for customers to access these businesses or to attract passing trade. Conversely, it is a fact that every developer and utility believes that their project is essential and unable to be delayed. Last year, the Committee faced potential legal action by one developer and their client if they were prevented from securing traffic management measures on their terms, in order to introduce new services into their premises.

During the Summer of 2001, the five service utilities (Guernsey Electricity, Guernsey Telecoms, States Water Board, Public Thoroughfares Committee and Guernsey Gas) wrote to the Advisory and Finance Committee, requesting improved arrangements for the coordination of road works and road closures and the appointment of a single body with overall executive authority for these matters.

There remains, for the foreseeable future however, a considerable amount of ongoing work which will involve road works whether this is to replace or upgrade existing services, connect up new services or repair road surfaces. Whilst improvements to the existing arrangements for the co-ordination of road works and road closures can be made, this in itself, will not lead to less work being required or fewer road works and closures. If the Committee is provided with the authority it is seeking in this policy letter to effectively coordinate and manage road works and road closures and at the same time, it is expected to deliver less disruption to motorists, businesses and residents then this is certainly going to involve:–

- improved, long term planning by developers, the utilities and their roads contractors;
- some development projects being postponed which will lead to delays in some businesses and householders being able to occupy new premises or receive improved services.

### 3. Previous Reviews

#### (i) **1985 Report of the States Committee to investigate the authorisation of road closures.**

On 30 June, 1982, the States resolved to establish a Special Committee to examine the way in which the powers of the Public Thoroughfares Committee, States Water Board, States Telecommunications Board, States Electricity Board and the Guernsey Gas Light Company Limited, to open up or break-up roads are exercised and in particular, the extent to which such powers confer on those bodies the right to close roads and, in addition to consider whether such bodies should be required, except in cases of emergency, to obtain the approval of the Constables of the parish concerned to each and every act of road works which will necessitate a road closure before undertaking such works, and to report thereon to the States.

The main findings of the Special Committee were:–

- Since 1920 sole responsibility for the upkeep and maintenance of public roads has been that of the Public Thoroughfares Committee.
- Although extensively modified over the years, the principal legislation dealing with the subject remains the ‘Ordonnance Generale Relative Aux Routes, Rues et Chemins, 1840’.
- On the question of the right to close roads, although the 1840 Ordinance provides for the closing of any street, road or lane, this power is vested in the Royal Court and relates to permanent closures.
- No power exists in local Law to close any public road, street or lane on a temporary basis.
- The approach taken to the problem of legislating for road closures in other places, such as Jersey, whilst interesting, was found to be unsuitable for adoption in Guernsey.

The Special Committee also found that the major complaints were as follows:–

- too many roads are rendered impassable to traffic in the same area of the Island at the same time;
- road works take too long to complete or they are carried out at the wrong time of the year;
- insufficient notice of road works is given to the public; and
- road signs are left in position when the road is in fact useable.

The Special Committee's recommendations, all of which were approved by the States were as follows:–

1. to recognise that the practice which has been established over the years, under which all persons desirous of carrying out works or holding events in roads which do not involve the breaking open of the road surfaces but which would render a road impassable to traffic are required to obtain the prior approval of the Constables of the parish in which that road is situated, is a proper and useful practice and should be continued;
2. to request the Constables of the various parishes to inform the Public Thoroughfares Committee of the proposed timing, nature and duration of all road works and events due to take place in the roads of their parish which would render such roads impassable to traffic and for which their approval has been sought;
3. to request the Public Thoroughfares Committee to inform the Constables of the various parishes of the proposed timing, nature and duration of all road works and events due to take place in the roads of their parish which would render roads impassable to traffic and for which its approval has been sought;
4. to direct the Public Thoroughfares Committee to defer for up to 6 months at the request of the Constables of the parish in which a road is situated, except in emergencies, the timing of any road works involving the breaking open of the surface of that road;
5. to request the Constables of the various parishes and the Public Thoroughfares Committee, respectively, to notify the Island Police Committee of the proposed timing, nature and duration of all road works or events which they have approved which would render roads impassable to traffic;
6. to direct the Island Police Committee to accept full responsibility for the placement of signs that roads are closed to traffic, for ensuring that all signs erected by the Police are clearly identifiable as such, and for ensuring that such signs are removed as soon as the road has again become passable to traffic;
7. to recognise the Constables of the various parishes whether severally or collectively, as the appropriate bodies to publish in La Gazette Officielle notices to the general public of all roads which are to be closed to traffic by reason of works to be carried out or events to be held, whether such works have been approved by the Constables or the Public Thoroughfares Committee, and to recommend that the Constables publish such notices immediately prior to the commencement of the works or the event, together with details of the duration of the road closures and the purpose for which the closure has been approved.



**(ii) 1997 report of the Co-ordination of road works Working Party.**

In June, 1996 the Advisory and Finance Committee announced that following discussion between the Presidents of the relevant Committees, it had been agreed to set up a Working Party to examine concerns which had been expressed about the apparent lack of coordination in the carrying out of road works. The Working Party consisted of representatives of the Advisory and Finance, Traffic and Public Thoroughfares Committees.

The principal themes running through the majority of representations received by the Working Party were as follows:–

- (a) the lack of one, single authority, prepared to accept full responsibility and accountability for the co-ordination of all aspects of road works and closures gives rise to considerable confusion and frustration. The Public Thoroughfares Committee, the States Traffic Committee and one or more of the ten parish Constables, all had a part to play, but many correspondents complained that it was not always clear who accepted responsibility for what;
- (b) this problem was compounded by what was consistently described to the Working Party as an inadequate provision of timely and helpful public information and, generally, poor public relations;
- (c) it was suggested that a tighter rein should be kept on contractors, requiring them fully to explain the reasons for any road works and to justify the period for which any road closure would be required.

The public utilities and their contractors, agreeing with the force of the arguments in (a) and (b) above, spoke in favour of a single co-ordinating body. They suggested that such a role might most appropriately fall to the Public Thoroughfares Committee. However, given the annual volume of work which it is necessary to programme, they also referred to the difficulties inherent in their being able to work only during particular seasons of the year (which some parish Constables insist upon). Although longer working hours, including weekend working, would allow more to be fitted in, this would increase the financial costs ultimately borne by the community.

The parish Constables, on the other hand, were adamant that they should not relinquish their customary authority for granting permission for road closures. Their intimate and immediate knowledge of local conditions and their experience in dealing with applications for road closures remained essential and made a major contribution in ensuring that the timing and conduct of road closures resulted in minimum disruption. Indeed, the local knowledge of the ten parish Constables was unlikely to be matched by any central authority of the States. Although more could be done to improve public information particularly through the use of maps, the Constables generally argued that the current arrangements required no radical change.

The Chamber of Commerce concurred with the point about the cost to the community of overtime working by contractors and also cautioned against disturbing the role currently played by the parish Constables in granting permissions for road closures.

The Working Party presented a comprehensive report to the Advisory and Finance Committee in January 1997 which stated that each of its members favoured a different

option to improve matters. The option favoured by each of the representatives from the Public Thoroughfares Committee and Traffic Committee was also the option favoured by their respective committees. The three options recommended by the Working Party were:–

### **1997 Report – Option 1**

The retention of the current role of the Constables but with a transfer to one States committee of all of the responsibilities for (and appropriate staff involved in) road works and closures currently resting with a number of individual committees. Ideally an amalgamation of the Public Thoroughfares Committee and Traffic Committee should be implemented.

### **1997 Report – Option 2**

The retention of the role of the Constables and with States committees retaining their existing responsibilities but with responsibility for co-ordination and PR being given to one committee.

### **1997 Report – Option 3**

Relieving the Constables of their present role and transferring responsibility for all matters relating to road works and closures, and appropriate staff, to one committee.

### **Conclusions**

In considering the Working Party's Report, the Advisory and Finance Committee bore in mind that road works and closures arise for many reasons, including work undertaken by or on behalf of private individuals or companies, although the States road improvement programme and work by the States utilities are the major contributors. The Traffic Committee undertakes some road improvements but its primary involvement is in organising diversions. The Advisory and Finance Committee also believed that, before considering any changes to the role of the Constables, the States should improve its own internal communication and co-ordination functions.

It was the Advisory and Finance Committee's intention to report to the States by the end of 1997 on the results of the review of public service functions and to await the results of that review, and the introduction of the initiatives referred to above, before considering the implementation of any other major changes to present arrangements for the co-ordination of road works.

#### **4. Co-ordination of Road Works Current Arrangements**

Appendix 1 sets out in detail the existing procedures and permissions that are required for road closures and traffic management measures.

Acting in an advisory capacity, the Traffic Committee works closely with the Constables of each parish, developers, service providers and contractors to attempt to ensure that where possible the timings of major projects in close proximity to one another do not clash or overlap. When necessary the Committee convenes meetings of interested parties in order to address areas of specific concern including recommending the postponement and

rescheduling of road work projects. However, the Committee has limited authority and its main “powers” are those of reason and persuasion.

The Traffic Committee also publishes a weekly list of planned road works and road closures including details on temporary traffic management measures and diversions which are to be introduced. This is updated throughout the week with the publication of daily updates/press releases as appropriate. The road closures list and associated updates are circulated to over 30 interested parties including the media and emergency services.

The Committee also publishes road closure and road works information on its web site.

Under the auspices of the Public Thoroughfares Committee, the staff level Public Services Technical Co-ordination Sub-Committee (PSTCC) meets on a monthly basis. It includes representatives from the utilities, contractors and States Committees. Potential problems with conflicting projects can be identified at this forum and opportunities reviewed for more than one utility to take advantage of the same road closure.

The parish Constables also publish information in La Gazette Officielle notifying the public of forthcoming road closures.

Finally, the Public Thoroughfares Committee issues a daily list of all work being undertaken on the roads on its behalf including minor as well as major projects.

## 5. Code of Practice on Road Openings

The Public Thoroughfares Committee has recently introduced a revised Code of Practice on this subject.

The general purpose of the new Code is to set out clearly the requirements and responsibilities in breaking open and reinstating public roads and footpaths. The Code is also intended to be a “live” working document, cooperatively arrived at through extensive discussion, with which to regulate and co-ordinate engineering activities which take place in the public highway. The extension of the ‘embargo’ period after resurfacing from 18 months to 3 years during which a road cannot be excavated again except for emergency work and the similar extension of the period for which service utilities must guarantee their works is intended to reduce the frequency of road works and increase the quality thereof, thus reducing the disruption caused to the travelling public as well as to businesses and residents.

The previous Code of Practice was last revised in 1972 and was unclear in many areas as well as being out of date. The new Code clearly sets out responsibilities, allowable tolerances and the remedial works procedures to be adopted. It is intended that by this means all parties will know, much more clearly than was previously the case, just what is required of whom and the conditions under which works will be deemed to require rectification.

## 6. Consultations

During 2001 the Committee corresponded with the parish Constables and representatives of the service utilities and sought their views on the existing arrangements for the coordination and management of road works and road closures. A position paper was also sent to the Constables and utilities which set out the current arrangements for the management and co-ordination of road works and road closures.

In October 2001 the Committee met with the Constables of the parishes and with representatives of the service utilities.

A number of issues were discussed at the consultation meeting including matters such as the “practice” of contractors seeking extensions to a road closure once a contract has commenced, repeat requests for the closure of the same road by different contractors within a short period and the lack of any incentives or penalties to encourage contractors to complete projects more speedily. There was also concern expressed at the lateness with which developers advised the service utilities of their requirements and problems, based on experience, were also identified with attempts by contractors to work in the evenings and on Sundays.

The Committee subsequently formed the view from the discussions at the meeting that whilst there was some concern from the parish Constables about the potential loss of their “responsibility” for the temporary closure of roads in connection with road works, there was more concern that if the current system is changed with the Traffic Committee having the executive authority for the closure of roads, then the Constables may not be consulted and the specialist knowledge of their parish would be lost.

The Committee however, has given an assurance that if the arrangements for the closure of roads and approval of road work projects are changed in accordance with the recommendations of this policy letter, that the parish Constables would continue to be fully consulted on all road closures. Furthermore, each parish office will have access to the Computer Aided Management System (CAMS) which the Committee wishes to purchase (see Section 8(ii) through which they will be able to feed in their views on any proposed road works or road closure project. At the same time they will have access to the latest information on all road work projects, proposed and in progress, both for their own parish and on an Island wide basis.

In February 2002, the Committee forwarded a report to the parish Constables and service utilities setting out its findings and recommendations and seeking further comments. A majority of the recipients responded and were broadly supportive of the Committee’s proposals.

The Committee is grateful to the parish Constables and the representatives of the service utilities who have assisted in the consultation process and provided the Committee with their views and experiences.

## **7. The key issues in 2002**

As far as the current arrangements are concerned for the closure of roads, co-ordination of road works and the time taken to complete such projects, the following are the key issues identified by the Committee:–

- there is no definite legal basis for authorising or more importantly, refusing/delaying requests for road closures;
- the various parish Constables understandably adopt a Parochial perspective when dealing with requests for road closures without necessarily having access to and/or being persuaded by the Island wide “picture”;

- whilst the Traffic Committee endeavours to adopt a strategic approach to the co-ordination of road closures, its only “powers” with the parish Constables, developers, service utilities and contractors, are those of reason and persuasion;
- there is no accountability, in practice, for the various decisions to permit road work projects to proceed, close roads, co-ordinate projects and so on and it is consequently easier for developers, service utilities and contractors to “play off” those involved in such decisions;
- too much emphasis is placed on accommodating the immediate requirements of developers, service utilities and contractors to the detriment of the travelling public, businesses and residents living in areas affected by a road work project;
- there are no incentives to encourage developers and their contractors to complete a road work project in the minimum of time by approaching the associated work creatively;
- the costs to the Island’s economy arising from the disruption and delays caused by road work projects and closures whilst impossible to calculate are considered to be significant when taking into account the movement of goods and services and those commuting to and from work.

There are other operational issues which need to be addressed more effectively including:–

- the management of the use of temporary traffic signals (i.e. their correct phasing at all times of the day);
- the reopening of a road and removal of traffic signs as soon as the project has been completed;
- the displaying, at all road works, of the name of the contractor and contact telephone number as well as the sponsoring service utility.

## 8. The Way Forward

### (i) **Responsibility and Accountability**

The public generally and motorists in particular together with the service utilities and contractors are dissatisfied with the current arrangements for the coordination of road works and road closures which are viewed as cumbersome and ineffective. The existing, time honoured system is no longer appropriate to the pressures being placed on the roads infrastructure and increasing demands for swift, clear and co-ordinated decisions. In short, the existing procedures no longer serve the best interests of the Island as a whole.

The Committee is of the view that the States should provide it (the Traffic Committee) with clear responsibility and the necessary accompanying executive authority for improving the co-ordination and management of road closures and road works.

In exercising such responsibility the Committee would continue to work in close consultation with the Police, parish Constables, service utilities and contractors and to give careful consideration to their views and advice before determining any request for a road closure.

However, in adopting such an approach it is clear that the Committee will be unable to please everyone and that difficult decisions will continue to have to be made. On occasion this is likely to lead to the postponement of some road work projects which may result in businesses and householders being temporarily unable to occupy their premises or receive new, upgraded or replacement services.

**(ii) Co-ordination and Publicity of Road Works**

During 2000 the Public Thoroughfares Committee commissioned a pilot project to develop a computer based system which provided an efficient road work and road closure application procedure. The principal purposes of the system are to:–

- improve upon and streamline the existing arrangements;
- provide for the efficient processing, management and co-ordination of road works and road closures; and
- provide a more extensive, up to date and easily accessible level of information on an Island wide basis.

The pilot project for a Computer Aided Management System (CAMS) was awarded jointly to Integrated Skills (Guernsey) Limited and Digimap Limited. The results of the pilot project met the key objectives from which it could be determined that a fully developed system will be of considerable benefit in enhancing and improving upon the existing arrangements for coordinating and publishing road work projects. In particular, it will provide a facility which will:–

- assist in identifying potential overlaps in projects;
- assist in the long term planning of road work projects by the utilities with the information being shared and available to any interested party;
- assist in identifying opportunities, on a rolling and long term basis, where a particular road or closure could accommodate more than one contractor either simultaneously or immediately following one another (as opposed to closing a road, reopening it for a period then closing it again);
- provide an up to date Island wide picture of all current and planned road work projects and closures.

Following consultations and discussions between the two Committees and between the utility services and the Public Thoroughfares Committee, it was subsequently decided that the Traffic Committee should assume responsibility for the development of CAMS into a fully operational system. This was primarily because the service utilities felt that the Public Thoroughfares Committee should be treated as a utility as it is also responsible for a significant number of road work projects and road closures. It was considered that the CAMS system should be the responsibility of an independent party (STC) to administer with all other interested parties having access to the information to facilitate a more comprehensive approach to planning and co-ordination.

Having seen the system being demonstrated, the Traffic Committee is satisfied that it will be of considerable benefit to the Committee and its staff in coordinating and managing road closures and other road work projects, as well as to the parish Constables, developers, service utilities and contractors. It would also improve the basis for consultation with parish

Constables on all requests for road closures, assuming each parish office has access to a computer and the internet.

The new system would also offer another method of deploying extensive and relevant information on road closures and other road work projects, as this information including the timings and traffic management arrangements could be accessed by all interested parties through the internet.

The CAMS system will require secure and reliable connectivity between participating organisations. The proposed links are the most cost effective way of providing this in terms of capacity, reliability and ease of use.

In addition to their use with the CAMS System, the network links will be available to support other valuable e-Government services at no additional cost including:–

- provision of E-Mail facilities to parish Officials to facilitate Electoral Roll revisions and administration of parochial Elections;
- providing Rules of Procedure, Reform Law guidance and related information to parishes from the External and Constitutional Affairs Department via the States Intranet;
- enabling the Cadastre Committee to electronically publish updated property records to parishes. This information is presently provided as printed reports that have to be manually re-typed into the parishes' own databases.

Installation of the additional network connections will link the States Traffic Committee, Public Thoroughfares Committee and all ten parishes with the relevant service utilities. It is hoped that by utilising spare capacity on existing networks operated by other States Departments, the annual running costs may be reduced to £8,825.

The cost to develop the CAMS system including putting in place communication links to enable the Island's Constables and service utilities to take full advantage of the system is as follows:–

Programming/Consultancy	£80,650
Software	£43,980
Hardware	£24,000
Training/Testing	£12,400
Network links	£21,426
Sub-Total	£182,456
Add 10% for contingency	£18,245
<b>Total Cost</b>	<b><u>£200,701</u></b>

Annual Costs:–

GGIS site licence	£10,000
Software Maintenance and support	£22,000
Hardware Support	£3,000
Business Continuity System	£5,000
Communications Links	£23,555
<b>Total Annual Costs</b>	<b><u>£63,555</u></b>

The Traffic Committee agreed to assume responsibility for the development of the Computer Aided Management system in August 2001 and as a consequence it had not had the opportunity to make appropriate budgetary provision within its policy and resource plan. However, the Committee is prepared, subject to the approval of the States, to assume responsibility for the development and implementation of CAMS providing the necessary capital and revenue funding is made available.

### **(iii) Duration of Road Work Projects**

The Committee remains to be convinced that developers and contractors make sufficient endeavours at all times to undertake each project as expeditiously as possible. In addition, the Committee does not accept that developers and contractors in particular pay sufficient attention to the disruption caused by the numerous road work projects undertaken each year and how different methods of working could reduce this. Insufficient attention by contractors is often behind some of the avoidable frustrations which motorists experience with for example, temporary traffic signals which are incorrectly phased.

The Committee has developed a road hierarchy which has been previously published and made available to interested parties. There are four principal road categories within the hierarchy which include:–

#### **Inter Harbour HGV Route**

The route between St Sampson's Harbour and the Weighbridge. This special route must accommodate 16.55m long vehicles and high traffic flows. It is of strategic importance, linking the two main urban areas of the Island. The functional emphasis is one of mobility and free traffic flow.

#### **Traffic Priority Routes**

Traffic Priority Routes have high traffic flows and comprise the busiest of the Island's main roads and their primary function is to distribute traffic throughout the Island. The functional emphasis is mobility and free traffic flow.

#### **Local Circulation Routes**

Local Circulation Routes comprise main roads, which have lower traffic flows than Traffic Priority Routes, often with significant frontage activity. They must accommodate limited through traffic and traffic movements terminating within the surrounding areas.

#### **Neighbourhood and Country Roads**

Predominantly residential in character with little or no through traffic but may include other areas such as rural lanes. The functional emphasis is primarily one of access to individual properties and provision for vulnerable road users.

The objectives of the road hierarchy and its traffic management regimes are to:–

- reduce the degrading effects of motor vehicles upon the physical environment caused by air pollution, excessive noise and vibration;
- improve and enhance the environment, especially for vulnerable road users;



- balance the competing demands placed on individual roads, and
- ensure the optimum use of the existing road network.

However, the route hierarchy could also be used as the basis for the introduction of incentive charges for the closure of roads and the undertaking of road work projects.

There is an average of 1300 road work projects per annum, 525 road closures and 35 emergency road closures. Road closures generally create more inconvenience for motorists, residents and businesses than other forms of traffic management. It is, of course, acknowledged that road work projects undertaken in minor roads cause significantly less disruption to the travelling public than those undertaken in major, arterial routes into St Sampsons, St Peter Port and other key areas of the Island.

Against this background, the Committee is proposing the introduction of “incentive charges” to encourage contractors to introduce methods of working to ensure that roads are dug up and/or closed for the minimum amount of time. This might involve longer working days, evening work, working at weekends or the use of alternative (more efficient) equipment and working practices.

At the present time, the estimated costs to the Committee in managing road closures and diversions is £175,000 per annum. If the Committee’s recommendations are approved, the annual costs will increase to £377,000 to take account of the two additional members of staff to be employed and the acquisition and maintenance of the Computer Aided Management System (CAMS).

The Committee would propose to establish the incentive charges at a level which recouped the above mentioned costs. The charges would be higher for a road closure than for the introduction of traffic management measures and would apply to emergency work and road closures. The charges would be higher for undertaking work in a main arterial road than in a rural lane and they would also apply to requests to close roads or parts of the public highway for the purpose of placing out skips, tree felling and so on. The Committee would also want the ability to be able to consider levying an additional charge, perhaps in the form of a daily penalty if, in the light of experience, there proves to be a need to further encourage more efficient working practices by contractors. Appropriate enabling provisions will therefore be required in the legislation.

The Committee would have the discretion, in appropriate circumstances, to waive the incentive charges. An enabling provision would be included in the proposed new legislation to allow the Committee to levy charges and to review and adjust them, from time to time, by Order. The same legislation would provide for the necessary appeals mechanism(s).

The incentive charges being proposed by the Committee would represent a small percentage of the total cost of a road works project. This must be weighed against the wider, social and economic benefits of shortening periods of road closures and road work projects thereby reducing the disruption to residents, motorists and businesses.

Where a contractor is ignoring or flagrantly abusing any aspect of the system the Committee would also want the authority to be able to suspend or revoke a contractor’s permission for a road closure or traffic management measure, if necessary taking steps, at the contractor’s expense, to fully reopen the road in question or to impose a penalty upon the contractor for non-compliance with the Committee’s requirements.

## 9. Staffing Implications

The Committee currently employs three members of staff within its Traffic Department whose principal responsibilities are shown in appendix 2.

In 2001, in addition to over 500 road closures to manage, there were 62 diversions to plan and 90 requests for the use of temporary traffic signals. The same members of staff also dealt with approximately 40 requests for road improvements, traffic calming schemes etc, 150 requests for advice on IDC applications and 1400 applications for various permits and the movement of oversize vehicles. Additionally, around 150 requests are made each year for the installation of new traffic signs and lines all of which have to be carefully considered.

Most diversions require careful analysis and planning, often involving a site visit. In addition, all requests for road improvement schemes, advice on IDC applications and requests for new traffic mirrors, traffic signs and lines require investigation including site visits. Reports are produced and a significant amount of correspondence is also, of necessity, generated.

**In reality less than one full time equivalent (FTE) person is able to spend their time working on road work projects and road closures and even under the current decentralised and increasingly ineffective system, the Committee is under resourced in this area.**

If the States therefore accepts the Committee's proposals for providing it with the responsibility and executive authority for all matters associated with the coordination of road works and road closures, then it is clear that this will increase the workload of the department and will consequently have staffing implications. The Committee is particularly anxious to ensure that:-

- an additional senior member of staff is appointed as a "Road Works Supremo" who has the necessary authority to liaise with, negotiate and if necessary instruct developers, utilities and contractors over when and where road work projects can be undertaken (and when they cannot); and
- an additional, supporting member of staff whose responsibilities would include the daily checking of progress at each road works site, the correct phasing of temporary traffic signals, the proper use of all traffic signs and other forms of traffic management measures and ensuring the timely reopening of roads.

The key additional responsibilities and duties are shown in appendix 3. These would be performed by the two new post holders the gradings for which will need to be agreed with the Civil Service Board and the costs for which would be financed by the proposed incentive charges.

In arriving at its decision to seek two new posts to fulfil the additional duties and responsibilities which have been identified, the Committee is satisfied that there is no scope to reallocate staff from other duties or to withdraw any existing services.

The Committee has been concerned for some time at the levels of overtime which staff are working and the on-going back log of work which exists from year to year. Information technology has been employed to assist with the efficient delivery of many of the services provided by the Committee. Opportunities are constantly sought to introduce new methods of

information technology in order to improve efficiency. The Committee's web site is also being developed to enable many of its application forms for accessing services to be available electronically.

In addition, a major I/T project is being progressed which will improve the services available for vehicle taxation and driver licensing including the production, by computer, of tax discs and registration (log) books. This project will also improve efficiency in other areas which in turn should reduce the costs regularly incurred by the Committee in employing temporary staff and paying overtime; features which have existed for many years.

Finally, over the past four years all areas of the Committee's work have been the subject of both internal and external reviews with the principal objectives of reducing bureaucracy and creating greater efficiencies through improved working practices. Whilst the objectives were achieved, the principle benefits have been to reduce backlogs in other essential service areas. Such reviews are however on going and opportunities consistently sought for creating further efficiencies.

## 10. Conclusions

The Committee is of the view that the current arrangements for the effective coordination and management of road works and road closures are no longer suited to the Island's requirements of today and must be radically improved. In particular:–

- the responsibility for approving or refusing road closures should lie with the Committee and all such decisions should have the force of law;
- there should be effective consultation on road closures with the relevant parish Constables, utility, developer and contractor, co-ordinated by the Committee;
- the publicity for all road works and road closures should be co-ordinated and funded by the Committee using all available means including the CAMS system, media releases and press notices placed at the Committee's discretion;
- the management of road works and their duration should be effective and in accordance with the measures described in section 8 of this policy letter.

The legislation which will be required will need to address the issues in a comprehensive manner providing the Committee with appropriate powers to be exercised whilst at the same time facilitating a considerable degree of flexibility to enable the Committee to use the provisions of the new legislation with discretion allowing for significant matters to be considered on their merits and through Committee policy.

The additional staffing requirements set out in the policy letter are essential to the effective introduction of the proposed new framework for co-ordinating road work projects and closures. Without the additional staffing, the Committee cannot contemplate taking on the additional responsibilities established by this policy letter.

However, the Committee believes that if all the recommendations contained in this policy letter are accepted, this will lead to significant improvements in the planning, publicity, coordination and efficient management and delivery of road work projects and closures.

## 11. Recommendations

Following consideration of this report, the Committee recommends the States to agree to:–

1. invest in the Committee the responsibility and executive authority for the temporary closure of any road for the purpose of any works in or around that road;
2. invest in the Committee the responsibility and executive authority for the granting of permission for any road work or other project necessitating traffic management measures;
3. require the Committee to consult with the parish Constables, service utilities and contractors before granting or refusing any temporary road closure;
4. authorise the Committee to acquire a Computer Aided Management system as described in Section 8 (ii) of this report at an estimated cost of £200,000 and to delegate authority to the Advisory and Finance Committee to approve a vote to cover the cost of acquisition, to be charged to the capital allocation of the States Traffic Committee;
5. award a joint contract to Integrated Skills (Guernsey) Limited and Digimap Limited for the development of a Computer Aided Management system as described in Section 8 (ii) of this report;
6. approve of the implementation of the measures and associated incentive charges as described in section 8 (iii) of this report;
7. direct the Advisory and Finance Committee to take account of the additional costs associated with the Computer Aided Management system and extra staff posts when recommending to the States capital and revenue allocations for the States Traffic Committee for 2003 and subsequent years;
8. direct the Civil Service Board to increase the Committee's current permanent staffing establishment by two full time equivalent posts.

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,

P. N. BOUGOURD,

President,

States Traffic Committee.

**Road Works and Road Closures Current Arrangements****Temporary Traffic Signals**

Either the developer, service provider or contractor consults with the Traffic Committee over the proposed nature and timing of the work, the location of the signals and their sequencing.

The permission of the Traffic Committee is required before temporary traffic signals can be installed. The Committee usually requires a minimum of 5 days notice of the planned use of traffic signals other than in emergencies. Responsibility for providing, installing and properly operating the signals rests with the contractor (with guidance from the Committee being provided as appropriate).

**Temporary One Way Systems**

Either the developer, service provider or contractor consults with the Traffic Committee over the proposed nature and timing of the work and installation of a one way system. The Committee will then prepare a complementary diversion plan for installation by its signs and lines contractors.

The permission of the Traffic Committee is required before a temporary one way system can be installed. The Committee usually requires at least 10 days notice of the planned introduction of a one way system. Information signs are then installed at either end of the road giving the motorists and residents one weeks advance notification.

**Contra Flows**

Either the developer, service provider or contractor consults with the Traffic Committee over the proposed nature and timing of the work and how the contra-flow will be operated including the necessary signing.

Depending on the circumstances, either the Committee or the contractor will then arrange for the contra-flow to be installed safely, maintained and properly signed. The Committee usually requires 10 days notice of plans to introduce a contra-flow.

**Temporary Road Humps**

The installation of temporary road humps as a traffic management measure requires the permission of the Traffic Committee and the parish Constables. They must not **exceed** a height of 75mm and the design must be approved by the Committee's Traffic Engineers. The Committee generally requires 10 days notice of plans to introduce road humps

**Road Openings**

Any road surface which is to be excavated for any purpose requires the permission of the Public Thoroughfares Committee and a period of three days notice is usually required by that Committee.

**Minor Road Repairs**

Minor road repairs which do not require the introduction of any traffic management measures (traffic signals, one way systems, contra-flows) do not generally require permission from any Authority although the Traffic Committee encourages contractors to notify it in advance of any such repairs.

### **Special Events**

All events requiring the temporary closure of a road or temporary suspension of parking to facilitate fun fairs, cavalcades, carnivals and so on, are organised by the Police who arrange for the necessary signs to be placed out. Other authorities including the Traffic Committee, Board of Administration and parish Constables are asked for their views and “permission” by the event organiser.

### **Road Closures**

In March 1985 the States approved recommendations from a special Committee established to investigate the authorisation of road closures which, inter alia recommended, “. . . that the practice which has been established over the years, under which all persons desirous of carrying out works or holding events in roads **which do not involve the breaking open of the road surfaces** but which would render a road impassable to traffic, are required to obtain the prior approval of the Constables of the parish in which that road is situated, is a proper and useful practice and shall be continued.”

Despite the clarity of the recommendation as highlighted, the custom and practice which evolved means that all road closures other than those required in an emergency, must have the prior permission of the relevant parish Constables.

It is however, the placing out of appropriate traffic signs, by the Traffic Committee, as defined in Law, which gives legal effect to a road closure.

TRAFFIC DEPARTMENT – CURRENT RESPONSIBILITIES

- Assessing requests for and providing advice on various road improvements, traffic management measures and road safety schemes;
- assessing requests for the introduction of mirror measures including traffic minors, new traffic signs and lines;
- advising the IDC on traffic related considerations associated with development applications;
- assessing applications and issuing permits for disabled drivers;
- assessing applications for disabled parking bays;
- assessing requests and granting permits for the movement of oversize vehicles, access to prohibited streets, use of amber and green warning lights and the siting of skips;
- liaising with Parish Constables, developers, roads contractors, service utilities and other interested parties, in an attempt to co-ordinate road work projects and road closures;
- planning the traffic signs that are required and ensuring these are delivered and installed by the Committee's signs and lines contractors;
- planning diversions including the necessary traffic signage and ensuring these are put in place;
- preparing Committee reports and drafting correspondence on all relevant subjects;
- producing publicity material including press releases, road closure lists and regular updates;
- arranging consultation exercises and organising public meetings;
- administration of driving test service including handling all bookings, enquiries, complaints and refunds;
- assessing requests for temporary and permanent road humps;
- booking and undertaking of vehicle measurements;
- administration of Service Level Agreement for the Island's traffic signs and lines;
- issuing of resident and visitor parking permits;
- administration of all disc and approved parking areas;
- administration of parking clocks, highway codes and Committee publications.

TRAFFIC DEPARTMENT – NEW (ADDITIONAL RESPONSIBILITIES)

- Assisting developers and utilities with the development and co-ordination of their long term road works programmes.
- Advising on the timing of proposed road works projects and determining applications for simultaneous access in the same road.
- Arranging and chairing regular meetings with utilities and contractors for the planning and co-ordination of road works and closures.
- Administering incentive charges scheme including billing, queries, correspondence and initial appeals against decisions.
- Ensuing greater provision and dissemination of timely information to public and media.
- Dealing with all applications for road works and road closures.
- Dealing with correspondence and telephone enquiries.
- Dealing with media enquiries and issuing press statements and updates.
- Monitoring of all temporary traffic signals and ensuring timely action to rectify problems.
- Assessing requests for extensions to agreed road work project dates.
- Monitoring of all temporary traffic management arrangements and their effectiveness including ensuring the rectification of problems.
- Assisting with the resolution of complaints concerning road works projects including liaising with Environmental Health Department and Health and Safety at Work Inspectorate.
- Administering new CAMS system including updating information.
- Monitoring progress with road works projects against agreed dates.
- Maintaining and updating computer and manual record systems.



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

19th April, 2002.

Dear Sir,

### **Co-ordination of Road Works and Road Closures**

I refer to the letter dated 28th March 2002 from the President of the States Traffic Committee on the above subject.

The Committee recognises the level of concern within the Island over the disruption caused by the extensive road works and road closure programmes of recent years. Members fully accept the need to change the present system of co-ordinating road works and road closures, so that both the responsibility and the executive authority rest with a single body.

Given the difficult, and at times, controversial nature of this task, the Traffic Committee is to be commended for agreeing to take on such responsibility. While broadly supportive of the Traffic Committee's proposals, the Committee is concerned with two aspects of its policy letter.

Firstly, the capital costs of establishing the system of co-ordination, using a Computer Aided Management System, are high (c £200,000). In addition the annual running costs of the Committee are likely to increase by around £200,000 per annum. The new arrangements will therefore not be cheap, although the Committee acknowledges that the Traffic Committee proposes to establish "incentive charges" for the introduction of road closures and traffic management measures, which would recoup the operational costs. Given these costs the Committee believes that the new system must be demonstrated to deliver significant improvements over the current approach. In the event that the States approve these proposals the Committee will therefore liaise with the Traffic Committee to establish appropriate methods of monitoring the success of the new system. The results can then be reported back to the States through the annual Policy and Resource Planning Report.

Secondly, the Committee is very disappointed that the Traffic Committee has taken a confrontational approach with the Civil Service Board in relation to the final recommendation of the policy letter. The Board has commented as follows:—

*"The Civil Service Board is disappointed that it has been unable to persuade the Traffic Committee to change the wording of the final recommendation of its policy letter requesting that the States "direct the Civil Service Board to increase the Committee's current permanent staffing establishment by two full time equivalent posts". Such wording is contrary to the States approved Staff Number Limitation Policy (SNLP) which mandates the Civil Service Board to control the overall States' establishment.*

*It is normally expected that when Committees submit policy letters that have staffing implications, they ask the States to agree that the Civil Service Board should have due regard to the staffing*

*implications of their proposals when administering the SNLP. This applies to all Committees, including those identified by the States as being a priority as far as the provision of additional resources is concerned. What then happens in practice is that, once the States have approved the policy letter, the Committee concerned submits a request to the Civil Service Board. Under the SNLP, the Board is then required to work with the Committee to determine whether there is any opportunity for the establishment for the posts to be found from within the Committee or from elsewhere in the States. Opportunities for outsourcing are also considered. It is only after all avenues have been fully explored that the Board will authorise the increase in the overall establishment of the States.*

*The Civil Service Board is most concerned that if the policy letter is agreed by the States in its current form it will have potentially damaging implications for the SNLP as it will, in effect, mean that the Traffic Committee's establishment will be increased without a formal request having been submitted to the Civil Service Board thus preventing the Board from carrying out its responsibilities as directed by the States.*

*In making these comments I wish to emphasise that the Civil Service Board is not raising any objections to the main recommendations of the policy letter. However, the Board considers it essential that the States policies are followed consistently."*

The Advisory and Finance Committee strongly agrees with the Civil Service Board's views.

Subject to the comments outlined above, the Committee does generally support the Traffic Committee's initiative in relation to the Co-ordination of Road Works and Road Closures, and recommends that the States approve the first seven proposals of the Committee's policy letter.

Yours faithfully,

L. C. MORGAN,

President,  
States Advisory and Finance Committee.

The States are asked to decide:—

XI.—Whether, after consideration of the Report dated the 28th March, 2002, of the States Traffic Committee, they are of opinion:—

1. To invest in the States Traffic Committee the responsibility and executive authority for the temporary closure of any road for the purpose of any works in or around that road.
2. To invest in the States Traffic Committee the responsibility and executive authority for the granting of permission for any road work or other project necessitating traffic management measures.
3. To require the States Traffic Committee to consult with the parish Constables, service utilities and contractors before granting or refusing any temporary road closure.
4. To authorise the States Traffic Committee to acquire a Computer Aided Management system as described in section 8(ii) of that Report at an estimated cost of £200,000 and to delegate authority to the States Advisory and Finance Committee to approve a vote to cover the cost of acquisition, to be charged to the capital allocation of the States Traffic Committee.
5. To award a joint contract to Integrated Skills (Guernsey) Limited and Digimap Limited for the development of a Computer Aided Management system as described in section 8(ii) of that Report.
6. To approve of the implementation of the measures and associated incentive charges as described in section 8(iii) of that Report.
7. To direct the States Advisory and Finance Committee to take account of the additional costs associated with the Computer Aided Management system and extra staff posts when recommending to the States capital and revenue allocations for the States Traffic Committee for 2003 and subsequent years.
8. To direct the States Civil Service Board to increase the States Traffic Committee's current permanent staffing establishment by two full time equivalent posts.
9. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

**STATES TRAFFIC COMMITTEE****AN INVESTIGATION OF PAY PARKING**

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

28th March, 2002.

Dear Sir,

**AN INVESTIGATION OF PAY PARKING****1. Introduction**

On 28 June, 2001, following consideration of a report prepared by the Committee on the subject of parking in St Peter Port, the States resolved to “direct the Committee to investigate the introduction of pay parking at existing long stay car parks in St Peter Port and to report back to the States with its findings and recommendations as soon as may be”.

Pay parking has been discussed by the States, States Committees and other bodies for the past thirty years and proposals for its introduction have been rejected by the States on at least three occasions. During the same period, the number of vehicles registered in the Island has more than doubled to a total of almost 45,000 (see appendix 1).

The last occasion when pay parking was comprehensively reviewed by the Committee was in 1998 as part of an overall strategy. The Committee’s findings and recommendations were contained in a report entitled “A Parking Strategy for St Peter Port” which was considered by the States on 29 October, 1998 when the recommendations associated with pay parking were rejected. However, much of the research undertaken in 1997 and 1998 in relation to pay parking remains valid.

**The purpose of this policy letter is to address the above mentioned States Resolution by setting out information on pay parking, including the perceived advantages and disadvantages, and to explore why and how it should be introduced in existing long stay car parks in St Peter Port.**

**2. A Strategic Approach**

The Committee recognises the need to adopt a strategic approach to the Island’s various traffic issues. The Committee therefore intends to continue attempting to develop sustainable and integrated traffic and public transport policies in order to address these issues. The principal objectives of the Committee’s strategy and its various policy initiatives will be to:–

- reduce car usage;
- encourage greater use of alternative forms of transport to the motor car;
- ensure those alternatives are accessible and attractive, particularly to commuters;
- take account of important environmental considerations.

In this respect, the Committee, with the support of the States, has already laid the foundations for a successful and sustainable system of scheduled bus services which has already seen a significant reversal in the decline in passenger numbers experienced in the three years between 1998 and 2000. The Committee's strategy in this area has involved the introduction of an entirely new route network, enhanced frequency of many services and cheap fares. Further measures are shortly to be introduced including brand new buses, additional services aimed at commuters and extra routes. The annual costs of providing a quality system of scheduled bus services, which is reliable, frequent and cheap will be in the region of £1.2 million.

To complement its public transport strategy, the Committee will also be evaluating the options for extending park and ride services and presenting a report to the States in due course.

The Committee firmly believes that a "carrot and stick" approach to reducing the levels of traffic particularly within the urban area and more specifically, St Peter Port, is the right way forward. Equally, the Committee believes that initiatives involving education and persuasion must also feature as part of its strategy. The use of motorcycles has been increasing for some time and the Committee also wants to identify opportunities for increasing car sharing. Providing a wider range of facilities for cyclists is also necessary. The Committee has also been concentrating on identifying opportunities for improving facilities for pedestrians generally and around the Island's schools in particular where a number of walking audits have already been completed. In addition, with the imminent phased replacement of all of the Island's traffic signals, the opportunity will be taken to introduce pedestrian crossing facilities at more junctions. Bus priority measures will also be introduced with the new traffic signal equipment in order to improve journey times and make travel by bus more convenient.

Much of the traffic using the key arterial roads into and out of St Peter Port at peak periods can be attributed to commuters arriving for, or leaving from work. In reducing the level of traffic on the Island's roads and particularly within St Peter Port, the Committee accepts that the introduction of pay parking in long stay car parks represents just one necessary policy initiative. **If the States is serious about tackling the current levels of traffic and the associated problems, then a range of other policy initiatives to combat traffic levels will be required.** Some possible measures are currently under consideration by the Committee and will be the subject of public consultation before a proposed, new strategy is presented to the States.

The Committee recognises that the policy proposals contained in this policy letter cannot, in isolation, be particularly effective. Nevertheless, the introduction of pay parking is, in the Committee's view, long overdue and one of the necessary policy measures if traffic levels are to be reduced and the use of alternative forms of transport increased.

### **3. General Considerations**

The Committee acknowledges that the motor car is an integral part of present day Island life, but does not accept that it has to be accommodated regardless of all environmental, social and financial costs. This is principally why the Committee has placed so much importance on developing a quality system of public transport.

St Peter Port in particular is adversely effected by a high level of car usage. Making the Town a more environmentally friendly place will benefit the whole community including locals and visitors alike, and encourage more people to shop and to live there.

Pay parking cannot be a panacea for all traffic and parking related issues. Neither would its introduction in long stay car parks necessarily deter large numbers of commuters from bringing their cars into St Peter Port and parking for up to eight or ten hours each day particularly if the associated charges are set too low. However, a combination of policies which would include pay parking, could assist in bringing about a number of traffic and environmentally related improvements.

The introduction of a charge for parking is viewed by its opponents as a tax on motorists which would disproportionately affect those on low incomes. Proponents of the system on the other hand, view pay parking as representing an equitable charge for providing a facility for those who wish to avail themselves of it. Those who make use of the facility pay only for the actual time that they are parked. The income derived from pay parking can then be used in other ways to benefit motorists and the public in general.

Pay parking is used in other jurisdictions to regulate parking spaces and reduce levels of traffic by discouraging some journeys, encouraging car sharing and increasing the usage of alternative forms of transport such as public transport, all of which offer environmental “gains”.

The Committee understands that when pay parking was first introduced in Jersey in long stay car parks, the hourly charge was 20 pence and the average usage of the car parks remained at 100%.

When the hourly rate was subsequently increased to 35 pence, the average usage of the car parks went down to 60% although within nine months it had climbed to 75%. The current hourly rate is 39 pence and the average usage of the car parks remains at around 75%.

The introduction of pay parking in long stay car parks in St Peter Port could also offer some benefits to those motorists including visitors who find it difficult not to overstay their parking places (and receive a fixed penalty ticket) when for example they are visiting the other Islands of the Bailiwick. Pay parking could enable them to stay as long as they required in a parking space and the majority of visitors these days are used to and accept, pay parking.

The principal benefits associated with the introduction of pay parking are that it:–

- acts as a form of traffic restraint by discouraging some journeys;
- encourages increased use of other forms of transport and particularly public transport;
- reduces the number of vehicle movements, congestion and associated vehicle emissions;
- generates an additional and significant source of income;
- is an equitable method of charging for a facility which has been paid for by all taxpayers but which is used principally by a minority (in respect of long stay, commuter parking);
- reduces the need for “slot swapping” and minimises the amount of staff time which is lost in such an unproductive practice.

Equally, many see pay parking as unnecessary and potentially “damaging”. The principle arguments against its introduction include that:–

- it will lead to some commuters using short-term parking in order to avoid parking charges which will necessitate moving their cars regularly and thereby creating further congestion and traffic movements;

- it is a form of taxation which has a disproportionate effect upon the lower paid;
- it does not generate any additional parking and may lead to more drivers seeking free parking in residential streets;
- it will discourage some people from visiting the Town and undermine the viability of the Town as a shopping centre;
- the Island's taxpayers have already met the capital investment costs of constructing the car parks and any charge is a form of "double taxation";
- free parking is a good thing for the tourist industry;
- its introduction will fuel wage inflation;
- Guernsey's parking clock system is highly regarded and its requirements are generally complied with.

#### **4. Environmental Considerations**

It is a recognised fact that all petrol and diesel powered vehicles emit pollutants and that such emissions tend to increase whenever there is traffic congestion. This is also exacerbated when vehicles are driving around looking for a parking space.

In his 2001 report, the Director of Public Health commented that "the main source of atmospheric pollution in Guernsey is undoubtedly motor vehicles working inefficiently in low gear on our overcrowded urban roads." He went on to say that "the relative successes of our participation in European Car Free Day (22 September, 2000) and Guernsey's own first car free day (25 May, 2001) confirm that a sizeable minority of Island residents share these concerns (about traffic pollution) and are prepared to make personal lifestyle changes to secure an improved local environment."

Significant levels of parking on the piers in St Peter Port as well as in residential streets also has environmental consequences in terms of the general ambiance and "aesthetics" of an area.

The Committee's current public transport strategy, its proposed policy on pay parking, together with other, forthcoming policy initiatives are all designed to discourage some motorists from driving into St Peter Port and either parking all day or spending time driving around looking for a parking space.

If this strategy proves successful, it will lead to a reduction in harmful vehicle emissions, improve the environment in St Peter Port for pedestrians, shoppers and tourists in particular and for residents. It will also go some way to acknowledging the Island's wider, international responsibilities to tackle and reduce the harmful emissions and associated effects of the internal combustion engine and high traffic levels.

#### **5. Residents Parking Schemes**

Such schemes are an integral part of any 'Parking Strategy'. At the present time the Committee provides two different schemes. One which enables any Parish resident by permit to overstay a disc parking zone each morning until 9.30 a.m., providing this is situated in the road in which they live and adjoining roads. The permit also allows a vehicle to be reparked in the same disc zone within the 30 minute exclusion period.

The other scheme currently operates in four areas; L’Hyvreuse, Les Canichers, George Road and Victoria Road. In these roads most of the disc parking has been reduced to two hours. However, the holder of an “extended parking” permit can park in the named disc zone for an additional ten hours and can also repark within the normal thirty minute exclusion period.

The reason why no more “Extended Residents” schemes have been introduced is that, by definition, they preclude commuters from parking in the zones. Without the ability to offer displaced commuters alternative areas in which to park, the Committee feels constrained in introducing any more Extended Residents schemes.

In a survey of St Peter Port residents, undertaken by the Committee in 2000, out of a total of 315 completed forms, 71 residents (22%) who were working in St Peter Port, had to move their cars from a disc parking zone located adjacent to their home, to a long stay disc park elsewhere in St Peter Port due to the current parking regulations. Aside from the associated inconvenience, such traffic movements might be regarded as unnecessary and adding to the early morning congestion which occurs in St Peter Port on a daily basis.

The Committee’s view is that attempts should be made to acquire suitable sites to provide offstreet parking for residents of St Peter Port. Permits could be made available for an appropriate annual fee, to any resident wishing to acquire an off-street and guaranteed parking space. In return, this would enable the amount of on-street parking to be reduced, thereby improving the environment of many residential parts of St Peter Port whilst contributing to a reduction in traffic movements and congestion.

It is conceivable that some of the income derived from pay parking could be used to contribute towards the capital costs of acquiring the necessary sites for residents parking.

## **6. Other Relevant Factors**

The principal objective of introducing the pay parking measures outlined below, would be to reduce the level of commuter traffic coming into St Peter Port and the number of cars parked there all day during the working week. The Committee is firmly of the view that the only way to ensure that such an objective is successful is to set the parking charges at a level which would encourage commuters to consider alternative ways of getting to and from work.

The principle of pay parking appears to be more acceptable to people today, particularly where it can be demonstrated that the associated income will be “ring fenced” for well defined and related purposes, such as investment in public transport and replacement car parks.

To a limited extent, pay parking already exists in Guernsey at both the Airport and St Peter Port Harbour. In addition, some motorists, particularly commuters, are understood to pay between £1200 and £1500 per annum, and in some cases more, to rent a parking space on private land in St Peter Port. Boat owners who wish to avail themselves of a “parking space” (mooring) in the Island’s marinas are also expected to pay for the provision of that facility.

It is particularly interesting to reflect upon the “findings” of a media survey undertaken in March 2001 which concluded that “Island commuters will not give up their cars unless pay parking is introduced”. In fact, of those surveyed, 57% said that they would consider using the bus if they had to pay to park.



## **7. Income from Pay Parking**

A schedule is attached to this policy letter as appendix 2 showing the location and number of short and long term public parking spaces.

There are 446 long term (ten hour) car parking spaces at the Salarie and 212 at the Odeon car parks. At North Beach there are 399 ten hour spaces, 195 three hour spaces and a further 129 two hour spaces. The long term spaces are fully utilised from Monday to Friday each week and many are occupied on Saturdays particularly during the Summer months. The Committee is proposing that the two and three hour spaces on the North Beach would continue to be segregated to avoid commuters taking these spaces early in the morning. All long stay spaces in the three car parks would become pay parking. Short stay and motorcycle parking would remain free of any charges.

Seasonal alterations could continue to be made to the car parking arrangements at North Beach to cater for increased demand for short term parking by visitors during the summer months and by shoppers in the weeks leading up to Christmas.

In establishing and reviewing the applicable rates to be charged for parking in any of the three car parks, the Committee would propose doing this by Order or Regulation. On the assumption that the States approves the introduction of pay parking in those car parks, the Committee would then establish the charges to be introduced having regard to the views expressed by States members, the current practice in Jersey and the fees already being paid by some commuters for leasing a private parking space in St Peter Port as set out in the third paragraph of the previous section. However, in order to continue providing a useful and necessary facility for residents the Committee would not intend to charge a fee for parking after 6.00 p.m.

It is, of course, quite likely that if such charges were introduced, some commuters would either switch to travelling by bus (which now costs as little as 20 pence in each direction), motorcycle or cycling; others however might choose to park in residential streets thereby further increasing the pressure for on-street parking in those areas whilst at the same time reducing the anticipated revenue from pay parking. In the latter case, the Committee would have to consider the introduction of other measures such as more residents parking schemes and/or possibly on-street parking charges.

The Committee is of the view that in seeking to introduce a charge for the provision of a facility such as pay parking, those who will be affected are more likely to accept such changes where it can be clearly determined how the associated income is being used. In this case, the introduction of pay parking in long term car parks would principally affect commuters.

By introducing pay parking as set out in this policy letter, additional revenue generated could be made available to further develop the scheduled bus services and in particular improve upon the existing frequencies. Additional investment could be made in more bus shelters and proper waiting facilities at the bus terminus. Some of the proceeds from pay parking could also be used to fund a frequent town shuttle service that could, for example, link La Salarie car park with the centre of Town and the Old Quarter.

The Committee believes that there are certain advantages in “ring-fencing” the income from pay parking and using it to assist in the funding of other, complementary measures. These might include:–

- enhancing frequencies and routes on the scheduled bus service;
- providing additional park and ride services;

- more bus shelters and improved waiting facilities at the bus station;
- additional facilities for cyclists including cycle stands and shelters and the extension of the existing cycle path along St George's Esplanade;
- promotional campaigns and initiatives;
- introducing and maintaining the infrastructure which would be necessary at the car parks.

The Committee acknowledges however, that generally the States is opposed to ring fencing income which would normally be allocated to General Revenue and therefore the Committee is making no recommendation in connection with this matter. However, the Committee does believe that the Advisory and Finance Committee should be directed to take account of the expenditure requirements associated with the above mentioned responsibilities when recommending the Traffic Committee's future revenue budget expenditure limits.

## **8. Analysis of Pay Parking Options**

### **i). Pay on Foot**

These systems are based on a requirement for the customer to obtain a ticket when entering the car park and to pay for their stay at a ticketing machine located away from the car park exit.

One such system is currently in use at Guernsey Airport.

The advantage of this type of system is that it reduces the amount of queuing which can occur at the exits and is suited to those car parks, where space is at a premium and/or a large number of exit points cannot be accommodated.

However, it does require customers to remember to pay for their ticket before getting into their car and attempting to exit.

These systems are usually accompanied by barriers at the exits in order to reduce the potential for fees to remain unpaid. This in turn reduces the amount of policing that is required and the cost of the bureaucracy involved in issuing and collecting fixed penalty fines. It also reduces the number of court hearings for what are relatively minor offences and provides the opportunity to "divert" those policing and financial resources to other areas.

### **ii). Pay on Exit**

Pay on exit systems are seen at many UK car parks and are similar in design to pay on foot systems other than in respect of payment, which takes place at the exit point rather than remotely.

These systems, where there is space to locate a number of exit points, can speed up the process for motorists who do not need to remember to pay for their stay prior to exiting the car park. As with pay on foot systems, it removes the need for a penalty system as the customer cannot overstay any maximum period of parking and there are consequently the same "savings" in manpower, bureaucracy and associated costs.

However, this type of system can, at peak periods, result in some congestion and queuing.

Both pay on foot and pay on exit systems have capital and operational costs associated with the installation of barriers and ticketing equipment. At present this is estimated to cost £85,000 for

each car park which would provide for the installation of two entry and two exit barriers and two payment stations in each car park. If the ticketing equipment is then linked to a central computer system, this adds a further £15,000 to the costs. Such a system could provide a range of reports on the usage of car parks, income generated and so on. It would also monitor any faults in the equipment which would be essential if repairs were to be effected quickly in order to minimise any disruption to motorists.

Finally, there would be the operational costs of maintaining and repairing the equipment.

### iii). **Pay and Display**

These systems are less expensive to install and maintain. They dispense a parking card or sticker from an electronic ticketing machine which is then displayed on the vehicle's dashboard or on the windscreen. A fee is charged according to the predetermined period for which the motorist intends to park.

Pay and display systems require the same level of policing to ensure any abuse is limited which, of course, has resource implications. In addition, unlike with the pay on foot and pay on exit systems, if you overstay the predetermined period a penalty is incurred in the form of a parking ticket or, in some locations in the UK, with the vehicle being clamped and/or towed away. Costs of retrieval vary and can be considerable.

### iv). **Scratch Cards**

Scratch cards have a wide variety of uses. They are used in Jersey, for example, as a form of pay and display parking. The motorist purchases, in advance, a ticket or tickets which are made available from a large number of shops and other outlets.

When the motorist intends to park in a pay parking zone they simply scratch the card to show the month, day, date and time of arrival. The policing requirements remain and the motorist can still incur a parking ticket if they overstay their time in the zone.

### v). **Electronic Information Systems**

Electronic information systems provide motorists with information on the locations of car parks (for visitors) and the amount of spaces available. Such systems would provide for the better overall management of the car parks. They also assist in reducing the level of traffic and congestion often associated with car parks where motorists are tempted to drive around the same car park several times in order to determine whether or not a space is available somewhere or to drive from one car park to another looking for a space. Providing advance information at appropriate points reduces the number of traffic movements and associated congestion.

## **9. Conclusions**

The subject of pay parking in the Island has always been controversial and views often tend to be polarised although it is probably fair to say that over the past five years there has been some "shift" in the public attitude towards pay parking. This could be attributable to the fact that many Islanders now visit places in the United Kingdom and further afield where pay parking, even on-street and short term, is considered "the norm". That is not to infer however that there is a majority view in the Island either for or against the introduction of pay parking.

This policy letter deals with the subject of pay parking and recommends its introduction in three long term car parks in St Peter Port. It also recognises however that such a policy needs to form part of a package of measures aimed at reducing the current levels of traffic, principally within St Peter Port, and encouraging much greater use of other forms of transport.

From a practical point of view, pay parking could be introduced and administered in the long stay car parks in St Peter Port, with relative ease. Furthermore, its introduction would lead to additional revenue for the States whilst contributing to a reduction in car usage particularly in St Peter Port.

The Committee has not yet decided which system of pay parking should be introduced in the three car parks and it is conceivable that different systems could be considered for each of the car parks. The purpose of this policy letter is to seek the approval of the States for the principle of pay parking and its introduction in three long stay car parks. The operational requirements should be left to the Committee to determine. If the States accepts the Committee's recommendations then the timing for the introduction of pay parking will be dependent upon the necessary legislation being implemented.

If however, the States once again decides against the introduction of pay parking, representing the first of a range of policy proposals to be developed by the Committee for consideration by the States, then there is no doubt that the traffic related problems in St Peter Port in particular, will continue.

## **10. Recommendations**

Following consideration of this report the Committee recommends the States to:–

- (i) note the Committee's intention to continue developing an integrated road transport strategy comprising a range of policy initiatives to be the subject of public consultation;
- (ii) approve the introduction of pay parking in the existing long stay car parks in St Peter Port as set out in this report;
- (iii) enable the Committee, by Order, to establish and review the hourly rate for pay parking in the three car parks;
- (iv) direct the Advisory and Finance Committee, when recommending the Traffic Committee's annual capital allocation and expenditure limit for its revenue budget to take account of the Committee's responsibilities associated with the provision and maintenance of pay parking facilities, the provision of a quality bus service and the necessary infrastructure for bus users, motorcyclists, cyclists and pedestrians.

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.

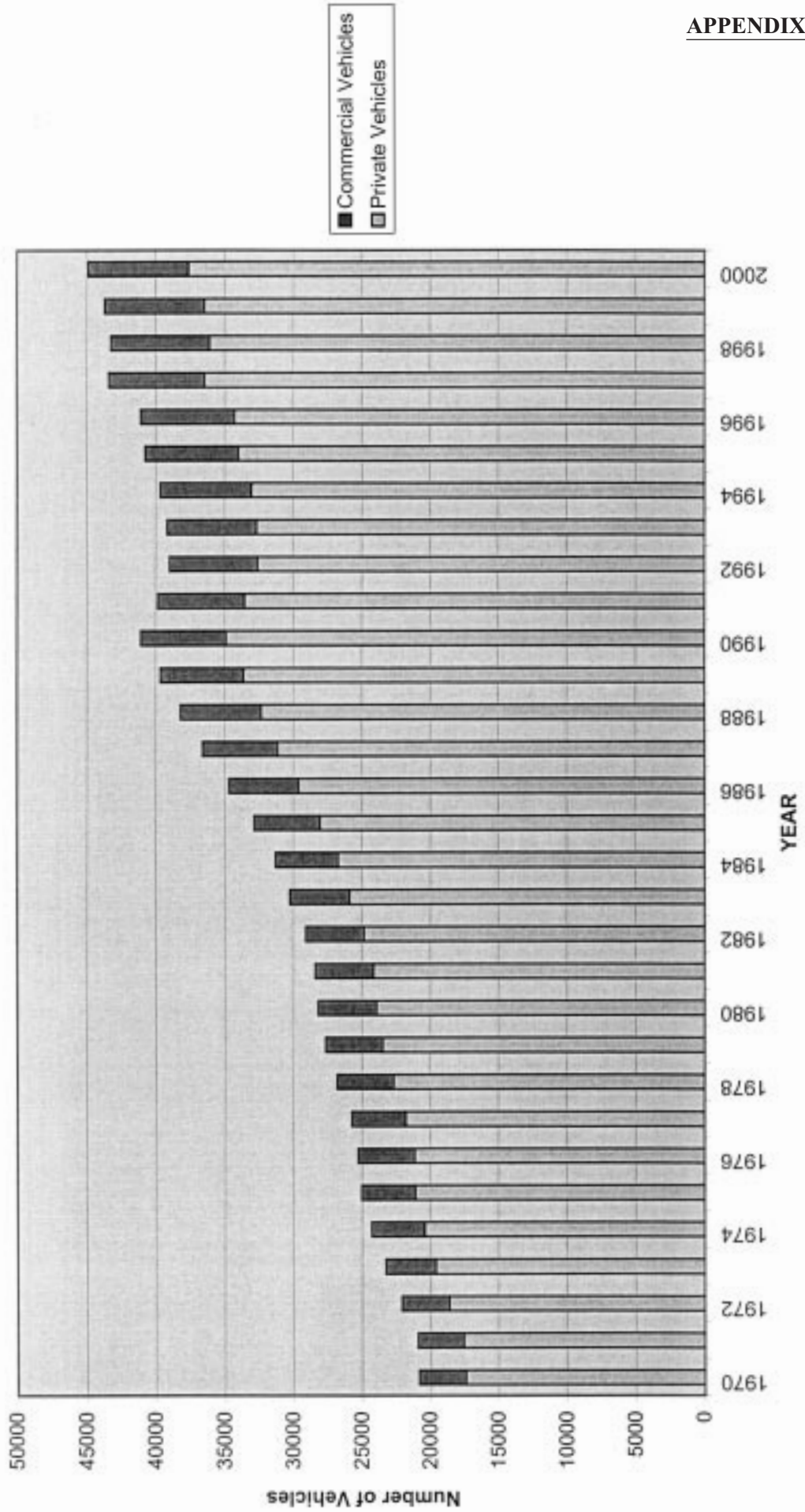
Yours faithfully,

P. N. BOUGOURD,

President,

States Traffic Committee.

Motor Vehicles In Use 1970 to 2000



St Peter PortShort Term Disc Controlled Parking

<b>Location of Disc Parking Area</b>	<b>Car Parking Spaces</b>	<b>Location of Disc Parking Area</b>	<b>Car Parking Spaces</b>
<b><u>Half Hour</u></b>		<b><u>Two Hour</u></b>	
South Esplanade	22	La Valette	57
Comet Street	4	George Road	27
Church Square	9	Les Eschelons	7
Bordage	10	South Esplanade	60
Mount Durand	1	Cornet Street	39
Le Pollet	7	Coupee Lane	1
Hirzel Street	6	Albert Pier	209
Smith Street	6	Victoria Pier	142
<b>Total</b>	<b>65</b>	Pedvin Street	20
		Bordage	13
		Victoria Road	59
		North Clifton	11
		Clifton	16
		Sausmarez Street	20
		Union Street	11
		St Johns Street	8
		L'Hyvreuse	35
		Candie Road	9
		Hospital Lane & Hirzel Street	23
		Le Truchot	6
		Doyle Street	3
		Bosq Lane	4
		Les Canichers	24
		Gategny Esplanade	20
		St George's Esplanade	24
		North Beach	129
		<b>Total</b>	<b>977</b>
		<b><u>Three Hour</u></b>	
		North Beach	<b>195</b>
		<b><u>Total All Short Term</u></b>	<b><u>1423</u></b>

St Peter PortLong Term Disc Controlled Parking

<b>Location of Disc Parking Area</b>	<b>Car Parking Spaces</b>	<b>Location of Disc Parking Area</b>	<b>Car Parking Spaces</b>
<b><u>5 Hour</u></b>		<b><u>10 Hour</u></b>	
Round Top Pier	36	La Valette	45
Hauteville	20	Havelet	9
Havelet	6	South Esplanade	69
Park Street Square	19	South Esplanade	72
Park Street	15	Castle Pier	166
Valnord	23	George Road	11
Valnord Hill	20	Mount Durand	38
Les Petites Fontaines	12	Charroterie	4
Mount Hermon	10	La Couperderie	13
Vauvert	23	Cordier Hill	12
Upland Road	27	Vauvert	4
Candie Road	24	Doyle Road	5
St Julian's Avenue	35	Monument Gardens Rd	50
Well Road	12	Monument Road	39
Mignot Plateau	26	Arsenal Road	14
<b>Total</b>	<b>308</b>	Les Vauxlaurens	11
		Cambridge Park Rd	11
		L'Hyvreuse	18
		Bruce Lane	2
		New Paris Road	19
		Piette Road	18
		Paris Street	5
		St George's Esplanade	20
		St George's Esplanade	17
		Odeon	212
		North Beach	399
		Salerie	446
		<b>Total</b>	<b>1729</b>

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

25th April, 2002.

Dear Sir,

**An Investigation Of Pay Parking**

I refer to the policy letter dated 28th March 2002 from the President of the States Traffic Committee on the above subject.

In view of the Board of Administration's current work with the States Traffic Committee, and other States Committees, in investigating additional car parking provision at the south end of St Peter Port, the Committee believes that it is premature for the States to consider this policy letter.

The Committee will therefore be proposing a Sursis to defer debate on this matter until the Board of Administration has reported to the States on the possible provision of additional parking at the southern end of Town.

Yours faithfully,

L. C. MORGAN,

President,  
States Advisory and Finance Committee.



The States are asked to decide:—

XII.—Whether, after consideration of the Report dated the 28th March, 2002, of the States Traffic Committee, they are of opinion:—

1. To note the States Traffic Committee's intention to continue developing an integrated road transport strategy comprising a range of policy initiatives to be the subject of public consultation.
2. To approve the introduction of pay parking in the existing long stay car parks in St. Peter Port as set out in that Report.
3. To enable the States Traffic Committee, by Order, to establish and review the hourly rate for pay parking in the three car parks.
4. To direct the States Advisory and Finance Committee, when recommending the States Traffic Committee's annual capital allocation and expenditure limit for its revenue budget to take account of that Committee's responsibilities associated with the provision and maintenance of pay parking facilities, the provision of a quality bus service and the necessary infrastructure for bus users, motorcyclists, cyclists and pedestrians.
5. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

**STATES CIVIL DEFENCE COMMITTEE****REPORT ON PERCEIVED RISKS EMANATING FROM THE FRENCH NUCLEAR  
FACILITIES ON THE COTENTIN PENINSULA**

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

18th April, 2002.

Dear Sir,

**Report on Perceived Risks Emanating from the French Nuclear Facilities on  
the Cotentin Peninsula**

I refer to the Committee's Report to the States which was considered on 29 April, 1999. At that meeting the Civil Defence Committee undertook to inform the States of any information it received in reply to its official request for information on any nuclear incidents or events which had occurred at either of the two nuclear installations on the Cotentin peninsula.

The Committee has now received a comprehensive Report from the French Directorate for the Safety of Nuclear Installations. The Report contains information relating to all recorded events which have occurred at the French nuclear facilities on the Cotentin Peninsula since 1996 and shows that there have been only very minor incidents at the plants, as listed below.

**International Nuclear Events Scale**

France participates in the international "INES" (International Nuclear Event Scale) scheme which is a tool designed promptly and consistently to communicate to the public the safety significance of reported events at nuclear installations. The scale was designed by an international group of experts convened jointly by the International Atomic Energy Agency (IAEA) and the Nuclear Energy Agency (NEA) of the Organisation for Economic Co-operation and Development (OECD). The scale puts events into proper perspective to enable a common understanding among governments, the nuclear community, the media, and the general public.

Events are categorised in seven levels; the lower levels (1-3) are classified as "incidents"; the upper levels (4-7) are classified as "accidents". Events which have no safety significance are classified as level "0/below scale" deviations. Events which have no safety relevance are termed "out of scale".

**INES Events Recorded on the Cotentin Peninsula**

In terms of the International Nuclear Event Scale (INES) no nuclear accidents have occurred during the period under review at either the COGEMA- Nuclear Reprocessing Plant at La Hague or the Centre Nucléaire de Production d'Electricité (CNPE) at Flamanville. The majority of events have been categorised as level "0" (below scale event deviation and of no safety significance), with a lesser number being categorised as level "1" (anomaly beyond the authorised operating regime).

The Report also includes information relating to two level “1” and one level “0” events at the Grand Accelerator National d’Ions Lourds (GANIL), (a physics research laboratory at Caen) and one level “0” event at Centre de Stockage de la Manche (CSM) ANDRA at La Hague.

In all cases the events listed were of a minor nature and represented no consequence for the populations of the Channel Islands or, indeed, those of France living around the plants. Should Members of the States wish to refer to the full French version of the report a copy has been lodged at the Greffe by the Civil Defence Committee.

The annual number of events at COGEMA la Hague and EDF-CNPE Flamanville listed in the Report is summarised as follows:–

<b>COGEMA</b>					
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Below Scale	1	none	none	2	none
Level 0	6	6	10	13	14
Level 1	1	5	5	4	1
Above Level 1	none	none	none	none	none
Total	<u>8</u>	<u>11</u>	<u>15</u>	<u>19</u>	<u>15</u>

<b>EDF</b>					
Below Scale	none	none	none	none	none
Level 0	13	9	6	8	12
Level 1	1	3	4	7	7
Above Level 1	none	none	none	none	none
Total	<u>14</u>	<u>12</u>	<u>10</u>	<u>15</u>	<u>19</u>

These figures officially confirm the information supplied previously to the Committee by the operators of the plants and other agencies that there have been no radiological occurrences or unauthorised discharges from either of the plants which could have affected the Bailiwicks of either Guernsey or Jersey.

### **Environmental Radiological Monitoring**

Notwithstanding the absence of any serious incidents over the last 5 years at la Hague, the Committee continues to operate its comprehensive environmental monitoring programme, which incorporates regular monitoring of the aquatic marine environment for radioactivity from different sources including natural, weapons test fallout, historical disposals of solid wastes and discharges from the nuclear industry. The United Kingdom’s Centre for Environment, Fisheries & Aquaculture (CEFAS) has confirmed that the concentrations of artificial radionuclides in the marine environment of the Channel Islands continue to be of negligible radiological significance.

The need for continuing comprehensive monitoring has, however, been highlighted by the recent governmental authorisation given to COGEMA to increase the capacity and fuel types to be reprocessed. As this authorisation will result in an increased period of storage of spent nuclear fuels before reprocessing takes place, the Committee has made representations to ensure that the expansion of storage of nuclear fuels before reprocessing takes place is very tightly controlled.

### **COGEMA – ANDRA Public Enquiry**

In March, 2000, the Civil Defence Committee made verbal and written representations to the Public Enquiry set up to investigate and report on modifications proposed to the operating licences for the COGEMA reprocessing plant at La Hague. In summary, the proposed changes were:– i) to increase the uranium throughput of each of the two newer reprocessing plants to 1,000 tonnes per year; ii) to close the older plant; iii) to maintain total throughput at 1,700 tonnes per year; iv) to process some different types of fuel and v) to increase the storage capacity of the irradiated fuel in the cooling ponds pending reprocessing.

As the Committee has stated previously, its submission to the Public Enquiry concentrated largely on the technical changes in plant operation and the reduction of radioactive discharges, changes which could have meant that the intrinsic safety design of the plant could be compromised if the proposed improvements exceeded the margin of safety built into the plant. The Committee received technical details of the changes to be made and the level of safety to be maintained and has been reassured by the information given.

The Commission of Enquiry endorsed the proposed licence changes but with the following reservations: a) that the modifications to the plant must entail no significant or lasting increase in the impact of actual radioactive and chemical releases in the environment and b) that the authorisations to reprocess new types of fuels be limited to elements that do not entail the crossing of any “technological threshold” which might affect the safety of the facility or increase the impact on the environment and health. The Commission also recommended that the authorised release limits for radioactive and chemical materials be revised downward to the actual releases in the past few years, that the impact of chemical releases be further investigated and that the inventory of stored chemical products should be examined.

The stipulations and comments of the Commission of Enquiry were very much in accord with those made by the Civil Defence Committee in its submission to the Public Enquiry.

### **Communications Links between France and the Channel Islands**

The French authorities are keen to improve their official communications links with the Channel Islands and, in this connection, at the initiative of the French Government, a tripartite meeting was held in Paris on 8th June, 2001. The meeting was attended by senior representatives from the French Foreign Ministry, the Office of the French Prime Minister, the Ministry of the Interior (Directorate for Energy, Raw Materials and Nuclear Science), the Nuclear Installations Security Agency (DSIN), the Office for Protection against Ionising Radiation (OPRI), the Préfet de la Manche, COGEMA, EDF, the UK Department for the Environment, Transport and the Regions (Radioactive Substances Division), the UK Home Office, the UK Foreign and Commonwealth Office and the representatives of the States of Alderney, Guernsey and Jersey.

France has proposed the establishment of a Permanent Commission similar to those which exists between it and Luxembourg and Germany; both these countries have French nuclear power plants close to their borders. It is essential that the Islands are kept fully and accurately informed about any occurrences at either of the plants. There has been general agreement on the desirability of the Channel Islands and France establishing a better system for official communications than that which exists at present. The last tripartite meeting took place at the Foreign and Commonwealth Office in London in December, and an engineering/technical meeting in preparation for establishment of communications links will be held shortly.

The Civil Defence Committee welcomes these developments and wishes to assure the States that it will continue to remain vigilant, maintaining its long-standing and comprehensive environmental monitoring programme, and the network of stations for constant monitoring.

Recommendations

The States Civil Defence Committee asks the States to note this Report.

I should be most grateful if this matter could be presented to the States with the appropriate proposition.

A copy of a minority report from Deputy Mrs J A Pritchard and Deputy D B Jones is appended hereto.

Yours faithfully,

JOHN E LANGLOIS,

President  
States Civil Defence Committee.

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

18th April, 2002

Dear Sir,

A minority of the Committee disagree with some of the contents and the tone of the report and submit the following minority report.

While welcoming the absence of any major accident at COGEMA, La Hague during the period 1996 – 2000, we remain significantly concerned over the threats posed by the operation at La Hague, which we regard as wholly unnecessary.

In particular, we are concerned at the extended storage period granted under COGEMA's new licence. With nuclear waste being brought from around the world and stored for up to ten years before reprocessing there is the risk of turning the site on the French mainland, close to the Channel Islands, into an international waste store. We see no reason why such waste cannot be stored in the country of origin, until it is ready for reprocessing.

In addition, we are worried that COGEMA's plans include the reprocessing of different types of waste, of which they have no experience. These could include military waste and civil waste from the old Eastern bloc which have very different characteristics to that waste from Western nuclear power stations which COGEMA has experience of.

We also remain deeply concerned at the ongoing low-level pollution from the plant. There is no safe level of radiation and as we do not believe reprocessing is necessary we cannot see the justification for the continuing radioactive releases, no matter how low the level.

Yours faithfully,

MRS. J PRITCHARD

D. JONES

Members,  
States Civil Defence Committee.

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

26th April, 2002.

Dear Sir,

**Report on Perceived Risks Emanating from the French Nuclear Facilities on the Cotentin Peninsula**

I refer to the policy letter dated 18th April 2002 from the President of the Civil Defence Committee on the above subject.

The Advisory and Finance Committee supports the Civil Defence Committee in its determined efforts to ensure that extensive independent monitoring of the French nuclear facilities on the Cotentin Peninsula continues to be carried out. Members also believe that it is essential to encourage open and fast official communication with the French Authorities so that the Islands are as well informed as possible in relation to the risks (both real and perceived) that are involved in the French nuclear activities. To this end, the Committee understands that the Civil Defence Committee expects shortly to reach an Understanding with the French Authorities that will address these matters.

The Committee has noted the report from the Civil Defence Committee, together with the minority Report submitted by two of its Members. In relation to this Report, the Committee asked for further information to establish the facts. As a result, Members have been informed via the British Embassy in Paris that:—

*“a) No military grade nuclear material is being treated at Cap de la Hague and there are no plans for any to be treated there in the future.*

*b) France, like the UK, ceased production of fissile material (HEU (Highly Enriched Uranium) for use in nuclear warheads) on 30 June 1996. The French Government has also closed down its two facilities for producing HEU. They were at Marcoule and Pierrelatte in SW France, near Avignon. Their eventual demolition should pose no threat to the environment.*

*c) Some French nuclear warheads remain to be decommissioned. The Government of France has entrusted this task to the Commissariat d’énergie nucléaire (CEN), not to COGEMA. The operation is taking place at the CEN’s facility near Tours. Cap de la Hague will not play any role in this operation.*

*d) It is physically possible for HEU to be reprocessed and used in the production of Mox fuel. The French authorities have not taken a decision on this. The process is extremely costly.*

In addition, the Committee has been informed that although France is pursuing three decontamination and reprocessing projects in the former USSR:–

*“the whole process will take place inside Russia. There is no question of nuclear material being brought back to France for reprocessing. Both France’s decision to cease producing HEU and Russia’s to decommission its nuclear missiles, are in order to conform with treaty obligations.”*

The Committee also understands from COGEMA that the licence for Cap de la Hague does not include the treatment of military material. The Committee is informed that the precise words in the licensing agreement with the Government are:–

*“(materiel) exclusivement a des fins civiles” (only for civilian purposes).”*

While understanding the concerns of Deputy Pritchard and Deputy Jones, the Committee has confidence in the Civil Defence Committee to represent the best interests of the Islands in ensuring that risks to Islanders from the French nuclear activities are absolutely minimised, and that rapid and effective official communication channels remain open to ensure that the Islands receive the best information possible on the facts relating to those activities.

The Committee recommends Members to note the report from the Civil Defence Committee.

Yours faithfully,

L. C. MORGAN,

President,

States Advisory and Finance Committee.

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The States are asked to decide:–

XIII.–Whether, after consideration of the Report dated the 18th April, 2002, of the States Civil Defence Committee, they are of opinion:–

To note that Report.

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

The Royal Court House,  
Guernsey.  
The 10th May, 2002.



# APPENDIX I

## STATES ADVISORY AND FINANCE COMMITTEE

### PURCHASE AND SALE OF LAND AND PROPERTY 2001

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

18th April, 2002.

Dear Sir,

#### **PURCHASE AND SALE OF LAND AND PROPERTY 2001**

The Advisory and Finance Committee, in accordance with its powers under resolution of the States, approved during the calendar year 2001 the purchase or sale by the States of the land and property listed in the attached schedule.

The Committee's approval is granted subject to there being no objections raised by the Law Officers of the Crown or Advocates appointed to act for the States. Inclusion in the schedule does not imply that the transactions have been completed. The name of the interested Committee is included for each approval.

I would be grateful if you would arrange for the publication of this letter and the attached schedule as an Appendix to the Billet d'État for the May States meeting.

Yours faithfully,

L. C. MORGAN,

President,  
States Advisory and Finance Committee.

**PURCHASE, SALE AND EXCHANGE OF LAND AND PROPERTY APPROVED BY  
THE STATES ADVISORY AND FINANCE COMMITTEE DURING THE PERIOD  
1 JANUARY 2001 TO 31 DECEMBER 2001**

Date of Approval <i>(see Note 1)</i>	Item	Sum £ <i>(see Note 2)</i>
<b><u>PURCHASES</u></b>		
31 January 2001	“Wesley Manse”, Route de Plaisance <i>(Board of Administration – see Note 3)</i>	237,500
27 February 2001	“The Homestead”, La Villiaze Road <i>(Board of Administration – see Note 3)</i>	255,300
18 May 2001	Land at Route des Frances <i>(Board of Administration – see Note 3)</i>	60,000
13 June 2001	“Ashbourne”, Route de Plaisance <i>(Board of Administration)</i>	372,500
4 July 2001	Land at “Les Ruettes House”, Route des Frances <i>(Board of Administration – see Note 3)</i>	3,163
15 August 2001	Fermain Bay Kiosk <i>(Board of Administration)</i>	70,000
15 August 2001	Two Areas of Land at Landes du Marche <i>(Public Thoroughfares Committee)</i>	4,000
30 October 2001	Land at Route des Frances <i>(Board of Administration – see Note 3)</i>	65,234
5 December 2001	Land at La Villiaze Road <i>(Board of Administration – see Note 3)</i>	2,022
5 December 2001	“Grasmere”, Oberlands <i>(Board of Health)</i>	180,000
<b><u>SALES</u></b>		
24 October 2001	Land at St Matthew’s Church, Cobo <i>(Board of Administration)</i>	500
5 December 2001	Chasse at Rue au Pages <i>(Board of Administration)</i>	1,000

**EXCHANGE OF LAND**

21 February 2001	Land at Grande Rue, St Martin’s <i>(States Telecommunications Board)</i>
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Notes:

1. The date of approval shows the date on which the Advisory and Finance Committee first approved the sale or purchase listed.
2. The value shown is the most recently approved price for the sale or purchase. In cases where purchases have been completed, the value of realty only is shown.
3. Properties identified by the States Board of Administration within the revised Airport Safety Zone.

## APPENDIX II

### STATES ADVISORY AND FINANCE COMMITTEE

#### USE OF DELEGATED FINANCIAL AUTHORITY

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

18th April, 2002.

Dear Sir,

#### **ADVISORY AND FINANCE COMMITTEE – USE OF DELEGATED FINANCIAL AUTHORITY**

The States Financial Procedures require the Advisory and Finance Committee to report periodically on the use of its delegated financial authority in respect of:

- a) Increases in General Revenue operating costs.
- b) Use of the Asset Purchase Fund.
- c) Capital projects (straightforward replacements and projects under £100,000).
- d) As otherwise specifically directed by the States.

The last time that the Committee reported on the use of its delegated financial authority was as part of the Budget Report for 2002 (Billet d'État XXIII, December 2001). Since that time:

The following increases in operating costs have been approved:

#### **2001**

Children Board – Out of Island Placements	94,000
Traffic Committee – Scheduled bus service support	370,302

#### **2002**

Income Tax Authority – Conference/Consultants Fees (OECD)	10,000
Overseas Aid Committee – Emergency Disaster Relief Goma, Africa	50,000

No further items have been approved for acquisition using the Asset Purchase Fund.

The following capital projects have been approved:

**Advisory and Finance Committee**

E–Government infrastructure development	25,000
E–Government support of committee initiatives	51,750
Priaulx Library – computer and security systems	92,000

**States of Alderney**

Alexandra Court – windows replacement	16,000
Dyna-cut verge/hedge cutter replacement	8,800
Navigation lights replacement	15,276
Queen Elizabeth II Street – New car park	13,000
Slaughterhouse equipment	6,200
Slaughterhouse rewiring	3,000
Whitegates Cottage – extension	26,400
Works department vehicles replacement	31,725

**Board of Administration**

Alderney Airport	
Meteorological equipment replacement	39,500
Rescue equipment replacement	5,560
Central Services	
Secretariat vehicle replacement	11,000
Customs and Immigration	
Drug/explosive detection equipment	33,395
Radio fittings replacement	16,300
Search equipment	33,100
Property	
Market redevelopment consultants fees	490,723

**Board of Health**

Central Services	
Gigabit network hardware	52,740
Pathology computer system hardware replacement	71,650
Health Care Services	
Equipment additional	
Anaesthetic equipment	65,000
Radiology equipment (additional)	6,500
Standby generators – main control panel	77,630
Equipment replacement	
Blood bank freezer	17,500
Castel and King Edward VII Hospitals – equipment – phase I	83,963
Castel and King Edward VII Hospitals – equipment – phase II	63,000
Haematology analysers	41,000
Infusion pumps	42,110
Princess Elizabeth Hospital equipment	78,300
Telepathology diagnostic equipment	37,524
Premises	
Castel Hospital interim management plan – phase II (additional)	4,000
Divette Ward relocation	65,600
Surgical wards bathroom alterations	21,220
Victoria Wing isolation rooms (additional)	3,000
Social Care Services	
Duchess of Kent House – window frames/doors replacement	21,982
The Croft alterations	23,150

**Education Council**

Information and Communication Strategy – Phases II and III	
Major electrical and building works – surveys etc. (additional)	53,506
Major electrical upgrade – St Peter Port School	206,364
Project Management – local area networks	105,000
Other project	
Minibus replacements	38,200
Premises	
Asbestos removal consultants fees	100,000
Fire detection and prevention systems consultants fees	85,535

**Heritage Committee**

Van replacement	12,865
-----------------	--------

**Committee for Home Affairs**

Fire Brigade	
Vehicle exhaust extraction system	35,353
Wireless staff car replacement	8,850
Police	
Tradenet dealer board (additional)	11,100
Prison	
CCTV replacement programme	10,000
CCTV systems upgrade	40,000
Computer development programme	25,000
Education Centre computers	15,000
Foreign nationals facilities	15,000
Telephone system replacement	13,250

**Public Thoroughfares Committee**

Foul water network extension plan	2,310,000
Red Lion pumping station upgrade	50,000
Sewage tankers replacement	232,300

**Recreation Committee**

Closed cycling circuit	60,000
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**Ports**

Airport	
Rescue equipment replacement	17,272
Runway extension studies (additional)	8,350
Harbour of St Peter Port	
Compressors/shot blasting equipment	22,970

I should be grateful if you would arrange for the publication of this report as an Appendix to the Billet d'État for May 2002.

Yours faithfully,

L C MORGAN,

President,

States Advisory and Finance Committee.

## APPENDIX III

### STATES ADVISORY AND FINANCE COMMITTEE

#### CONFIDENTIAL SERVICE FOR COMPLAINTS OF DISCRIMINATION AGAINST WOMEN

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

4th April, 2002.

Dear Sir,

#### **CONFIDENTIAL SERVICE FOR COMPLAINTS OF DISCRIMINATION AGAINST WOMEN**

On the 28th November 1996 the States resolved, inter alia:

“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 report back to the States annually (by means of an Appendix to a Billet d’État) with appropriate details of such service.”.

On the 14th April 1998 the Advisory and Finance Committee was pleased to announce that the Guernsey Citizens’ Advice Bureau had agreed to extend its service to record complaints by women who claim to have been discriminated against and to advise them accordingly.

The Bureau Manager has reported in the following terms in respect of the year ended 31st December 2001:

*“The Bureau received 5 complaints of this nature during the year all relating to the category of Employment.*

*Two complaints were made by women who claimed they were discriminated against due to being pregnant and, in each case dismissed, one complained of sexual harassment, one complained of having been victimised which affected her health and one complained of being discriminated against due to having a visible tattoo.*

*In all 5 instances the clients were given certain advice by staff at the Bureau and then referred to the States Board of Industry – Industrial Relations Section – for further advice and help in the matter.”*

Last year the Advisory and Finance Committee, having noted that the number of complaints made by women claiming to have been discriminated against has been in single figures annually since the inception of the service, mounted a campaign to increase awareness of the service. Despite the increased publicity, however, there has been no change in the number of complaints.

I should be grateful if you would publish this letter as an Appendix to an appropriate Billet d'État.

Yours faithfully,

L C MORGAN,

President,

States Advisory and Finance Committee.

## APPENDIX IV



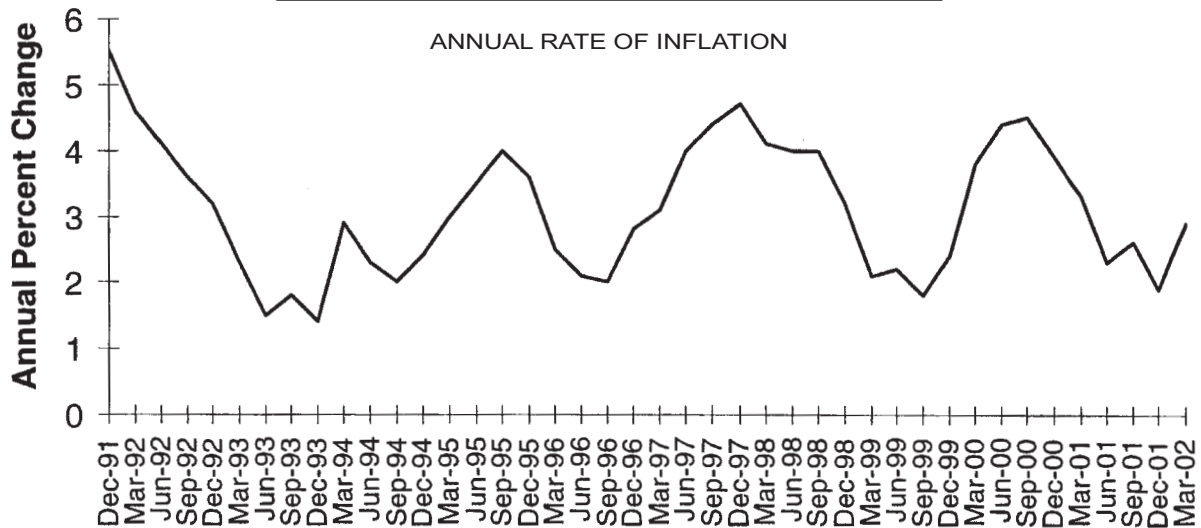
### STATES OF GUERNSEY GUERNSEY RETAIL PRICES INDEX 2.9% annual change as at 31 March 2002

STATES OF GUERNSEY  
**ADVISORY  
& FINANCE  
COMMITTEE**

At the end of March, Guernsey's annual rate of inflation, as measured by changes in the Index of Retail Prices, was 2.9% compared with 1.9% at the end of the previous quarter.

The Index Figures at the end of March 2002 were 107.5 (Dec 99 = 100), 127.7 (Mar 1994 = 100), 172.5 (Dec 1988 = 100), 230.5 (Dec 1983 = 100), 366.0 (Dec 1978 = 100)

Period	%	Period	%
3 Months	1.6	2 Years	6.3
6 Months	1.4	3 Years	10.4
9 Months	2.3	4 Years	12.7
12 Months	2.9	5 Years	17.3
18 Months	4.0	10 Years	34.4



#### 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					1.6			



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

**GUERNSEY INFLATION RATE (+2.9%)**

	Weight	Annual % change	Contribution %	
FOOD	127	+0.2%	0.0	
ALCOHOLIC DRINK	52	+2.4%	0.1	
TOBACCO	19	+13.2%	0.3	
HOUSING	216	+2.2%	0.5	
FUEL, LIGHT & POWER	41	+0.7%	0.0	
HOUSEHOLD GOODS	79	+2.2%	0.2	
HOUSEHOLD SERVICES	33	+6.7%	0.2	
CLOTHING & FOOTWEAR	56	-2.3%	-0.1	
PERSONAL GOODS	49	+4.8%	0.2	
MOTORING EXPENDITURE	85	+4.0%	0.4	
FARES/OTHER TRAVEL	33	+2.3%	0.1	
LEISURE GOODS	63	+3.9%	0.3	
LEISURE SERVICES	92	+6.4%	0.6	
FOOD AWAY FROM HOME	55	+2.0%	0.1	
<b>OVERALL</b>	<b>1000</b>		<b>2.9</b>	

**Weight** is the proportion of the total index represented by each group. **Contribution** shows the effect of price changes in relation to the relative weight of the groups

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

1. The main contributors to inflation during the last year were increases in the price of Housing, Leisure Services and Motoring.

Increases in the costs of rents, building costs and costs for home improvements were the main contributors to the increase in the Housing Group. The increase in Leisure Services was due mainly to an increase in the cost of fees for educational courses.

Motoring saw increases in the costs of car insurance, spare parts and accessories and the cost of renewing a driving licence.

2. Minor decreases have occurred in the clothing and footwear group, with the food group and the fuel, light and power group remaining unchanged.

**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 women's clothing and footwear, food eaten at work, heating oil and sweets and soft drinks.

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

## APPENDIX V

### STATES ADVISORY AND FINANCE COMMITTEE

#### PAYMENTS TO STATES MEMBERS, FORMER STATES MEMBERS AND NON-STATES MEMBERS OF STATES COMMITTEES

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

23rd April, 2002.

Dear Sir,

In accordance with the 1 of section VI of the Rules for Payments to States Members, Former States Members and Non-States Members of States Committees approved by the States on the 28th February 1996 and amended on 28th November 2001, I enclose, for publication as an appendix to a Billet d'État, a schedule setting out the amendments to the rates of payments, allowances and pensions which will take effect from the 1st May 2002.

The amounts have been increased by 2.9% which is the average general change in senior officer salaries.

Yours faithfully,

L. C. MORGAN,

President,  
States Advisory and Finance Committee.

**PAYMENTS TO STATES MEMBERS, FORMER STATES MEMBERS AND NON-STATES MEMBERS OF STATES COMMITTEES**

		<u>Sum paid</u> since <u>1.5.2001</u>	<u>Sum to be</u> paid from <u>1.5.2002</u>
<u>STATES MEMBERS</u>			
<u>Compensation Payment</u>	(per annum)	£9,199	£9,466
<u>Attendance Allowances</u>	(per half-day)	£27.60	£28.40
<u>Expense Allowance</u>	(per annum)	£1,841	£1,894
<u>Presidential Allowance</u>	(per annum)		
A+		£4,601	£4,734
A		£2,760	£2,840
B		£1,841	£1,894
C		£919	£946
D		Nil	Nil
Maximum Presidential Allowance per Member		£4,601	£4,734
<u>REPRESENTATIVE OF THE STATES OF ALDERNEY</u>			
<u>ALLOWANCE</u>	(per half day)	£36.79	£37.86
<u>NON-STATES MEMBERS ALLOWANCE</u>			
	(per half day)	£36.79	£37.86
<u>PENSIONS</u> (per week per year of Service)			
<u>Non-Contributory</u> (In respect of service up to 31.12.1989)			
Member		£2.77	£2.85
Spouse		£1.39	£1.43
<u>Contributory</u> (In respect of service from 1.1.1990)			
Member		£5.54	£5.70
Spouse		£2.77	£2.85

## APPENDIX VI

### STATES GAMBLING CONTROL COMMITTEE

#### CHANNEL ISLANDS LOTTERY – REPORT AND ACCOUNTS IN RESPECT OF 2001

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

15th March, 2001.

Sir,

#### CHANNEL ISLANDS LOTTERY – REPORT AND ACCOUNTS IN RESPECT OF 2001

In accordance with the provisions of Section 2(5) of the Gambling (Channel Islands Lottery) (Channel Islands Lottery) Ordinance, 1975, as amended, I have the honour to submit the Committee's annual report and accounts in respect of the operation of the Channel Islands Lottery during the financial year ending 31 December, 2001.

#### **A: LOTTERY FORMAT**

While the Channel Islands Lottery has faced yet another challenging year, its viability has nevertheless been maintained by the promotion of a realistic prize structure which includes a minimum first prize of £20,000 that increases only in response to extra sales.

The previous "Double Chance" format of the Lottery was developed into a "Treble Chance" promotion from the beginning of the year. The tickets now enable the purchaser to participate in the current Draw for the first and other major prizes, plus they offer the opportunity to win instant cash prizes by the revealing of two separate scratch panels. The second scratch panel – the "third chance" – was introduced as a "Bonus Box", funded by unclaimed prize money from previous expired draws.

The game played under the main scratch panel was changed after every four of the standard Draws and the extra interest they aroused is evident in the increase in sales achieved upon the introduction of new games in Draws 5, 9 and 13. The four themes comprised of "Match Three Cash Amounts", "Noughts and Crosses", "Crown and Anchor" and "Bag the Cash".

The "Treble Chance" format is entirely unique to the Channel Islands Lottery and the Committee is grateful for the helpfulness and versatility shown by the ticket printers, Scientific Games. The purchase of a £1 ticket in the local lottery has never provided a better opportunity to win a cash prize.

Whilst this format provides a variety of prizes, it nevertheless promotes an overall prize return which is commensurate with actual ticket sales, and ensures that the Lottery remains both attractive and viable.

The year ended particularly successfully, with a Christmas Bumper Draw which awarded the lucky winner a fantastic £267,000 top prize and raised a well-received £77,452.53 for local charities as distributed in agreement with the Association of Guernsey Charities.

### **B: DRAWS**

Seventeen Draws were promoted during the year on the following dates:–

<u>Draw No</u>	<u>Date</u>	<u>Draw No</u>	<u>Date</u>
1	Thursday 11 January	10	Thursday 19 July
2	Thursday 1 February	11	Thursday 9 August
3	Thursday 22 February	12	Thursday 30 August
4	Thursday 15 March	13	Thursday 20 September
5	Thursday 5 April	14	Thursday 11 October
6	Thursday 26 April	15	Thursday 1 October
7	Thursday 17 May	16	Thursday 22 November
8	Thursday 7 June	17	Thursday 20 December
9	Thursday 28 June		

### **C: SALE OF TICKETS**

During the year, six Agents were appointed by the Committee to sell Lottery tickets within the Bailiwick of Guernsey. Four appointments related to Guernsey and the remaining two appertained to Alderney and Sark respectively. The Agents, who purchased tickets from the Committee at a discount, were responsible for the appointment of sub-agents to sell tickets on their behalf.

Ticket sales for each Draw in 2001 were as follows:–

<u>Draw No</u>	<u>Guernsey Committee</u>	<u>Jersey Committee</u>	<u>Total Sales</u>
1	47,300	52,500	99,800
2	50,200	51,000	101,200
3	48,100	50,600	98,700
4	45,900	51,400	97,300
5	50,900	53,800	104,700
6	45,500	50,700	96,200
7	45,000	49,500	94,500
8	43,900	48,600	92,500
9	48,200	51,200	99,400
10	44,800	48,600	93,400
11	44,000	48,800	92,800
12	42,200	46,500	88,700
13	45,000	49,200	94,200
14	43,600	46,700	90,300
15	43,000	44,700	87,700
16	40,300	43,500	83,800
17	350,500	422,000	772,500
	<u>1,078,400</u>	<u>1,209,300</u>	<u>2,287,700</u>

The total number of tickets issued by the Committee to Agents in the respective Islands of the Bailiwick were as follows:—

Alderney	13,900
Guernsey	1,058,300
Sark	6,200
	<u>1,078,400</u>

The sales that have been achieved in 2001 are due in no small part to the Agents who purchase, distribute and sell tickets on the Committee's behalf. The Agents' task is becoming increasingly difficult in an environment where competition from other forms of gambling has eroded the traditional support for the local Lottery. The Committee wishes to place on record its sincere appreciation for their continuing hard work.

#### **D: PRIZES AWARDED**

The vast majority of the prizes were awarded instantly by means of the scratchcard portion of each Lottery ticket. These prizes ranged from £1 to £5,000 in value in the main scratch game, plus four prizes of £500 in the "Bonus Box" scratch panel. The portion of each lottery ticket bearing a serial number was entered into a draw for a single first prize, plus four prizes of £250 and fifty prizes of £100. The guaranteed minimum value of the Top Prize for each of the standard Draws was £20,000 and this was increased at a rate of £500 for every 1,000 tickets sold above the minimum sale of 80,000 tickets. This system ensured that the Lottery could operate with an affordable prize return.

The main feature of the Christmas Charity Bumper Draw was a minimum drawn top prize of £150,000, increasing subsequently by £1,500 for every 5,000 sold from the reserve. Other drawn prizes were a second prize of £10,000, a third prize of £5,000 and 40 prizes of £500. Sales through the four-week sales period ensured a steady increase in the value of the first prize, which eventually peaked at a very attractive £267,000.

During the year, the total number and value of prizes (including the value of the first prize) awarded at each Draw, were as follows: —

<u>Draw No</u>	<u>No of Prizes</u>	<u>Total Value of Prizes £</u>	<u>First Prize £</u>
1	16,886	63,500	29,500
2	15,506	64,900	30,500
3	15,276	63,000	29,000
4	14,816	62,100	28,500
5	14,356	67,200	32,000
6	13,436	61,600	28,000
7	13,206	60,200	27,000
8	12,976	58,800	26,000
9	13,436	63,500	29,500
10	13,206	59,300	26,500
11	13,206	58,800	26,000
12	12,286	56,000	24,000
13	12,056	60,200	27,000
14	11,596	57,400	25,000
15	10,906	55,100	23,500
16	10,676	52,300	21,500
17	89,100	479,975	267,000

**E: PRIZES UNCLAIMED**

Prizes, which are not claimed within twelve months of the Draw at which they were awarded, are forfeited.

During 2001, all of the maximum periods for claiming prizes awarded by the seventeen Draws held in 2000 expired and the prizes, which remained unclaimed, were forfeited. The total value of the prizes forfeited was £159,505, the apportionment of which resulted in the Committee receiving £71,397.45. A further sum of £21,419.65 in unused forfeited prize money was brought forward from the accounts for the year 2000, realising a total available sum of £92,817.10.

In accordance with the policy of the States, this prize money was used to help maintain the values of the first prizes on offer. During the year, the Guernsey Committee contributed £26,320.91 from its forfeited prizes fund towards the sixteen standard Draws and £22,313.92 towards the Christmas Charity Bumper Draw. In accordance with a policy adopted by the Committee in conjunction with the Jersey Gambling Control Committee, the remaining £44,182.27 from the forfeited prize money will be rolled over as Guernsey's contribution to a contingency fund for use during 2002 or later,

**F: DONATION TO THE ASSOCIATION OF GUERNSEY CHARITIES**

Following a three year trial period, during which time the proceeds of one designated Draw each year were donated to the Association of Guernsey Charities for distribution to local charitable causes, the States, on 29 March 1989, resolved that the proceeds from one Draw each year would continue to be donated to the Association for the foreseeable future. Since that time, the Committee has designated the Christmas Bumper Draw as the annual Charity Draw.

In 2001, the Draw succeeded in raising the sum of £77,452.53, and this was presented to Mrs Sarah James, the Chairman of the Association, at a meeting of the Committee held on 26 February, 2002.

The Committee has since agreed to an initial distribution of a sum of £50,663.00, as recommended by the Association of Guernsey Charities. The remaining sum will be distributed later this year and included in the Committee's report for 2002.

The agreed distribution to date is as follows: –

<b><u>Charity</u></b>	<b><u>Purpose</u></b>	<b><u>Allocation</u></b>
Guernsey Citizens Advice Bureau	Fire alarms & heating system	£5,200.00
Guernsey Welfare Service	Food, fuel & clothing vouchers, playschemes & holiday for needy	£5,000.00
Relate Guernsey Limited	Upgrade counselling rooms & extending library	£1,660.00
Guernsey Cheshire Home	Energy & heating cost	£11,000.00
Guernsey Hard of Hearing Assoc.	Loop testing meter for lending	£1,053.00
Sarnia Housing Association	Rebuild chimney at Chilcott House	£7,000.00
Guernsey Sea Cadets Corps	Replace sailing dinghy	£1,000.00
Western Parishes Youth & Community Centre Trust	Flooring, wallpaper & furniture	£5,200.00
Styx Playground	Upgrade Equipment & surface.	
	Insurance new bench/picnic table	£1,550.00
Les Bourgs Hospice	Towards running costs	£11,000.00
Information Exchange	Towards "Care Fair" in March 2002	£1,000.00
		<u>£50,663.00</u>

**G: ACCOUNTS**

The accounts for the Channel Islands Lottery (Guernsey) Fund for 2001, which have yet to be audited, are attached. The accounts reveal that:—

- i) The promotion of the Lottery in the Bailiwick of Guernsey produced a surplus of £180,710, (taking into account support from forfeited prizes amounting to £48,635), which was shared within the Bailiwick in proportion to the number of tickets sold in each Island as follows:—

Chief Pleas of Sark	£1,039
States of Alderney	£2,329
States of Guernsey	£177,342

- ii) During the course of the year, £100,000.00 was transferred from the Fund to the Beau Sejour Centre Account and a further £77,452.53 was donated to the Association of Guernsey Charities.

Yours faithfully,

D. P. LE CHEMINANT,

President,

States Gambling Control Committee.



**CHANNEL ISLANDS LOTTERY (GUERNSEY) FUND****FORFEITED PRIZES ACCOUNT**

	2001 £	2000 £
Balance at 1 January	21,420	–
Share of forfeited prizes	71,397	63,251
Transfer to Operating Account	(48,635)	(41,831)
	<hr/>	<hr/>
Balance at 31 December	£44,182	£21,420
	<hr/>	<hr/>

**OPERATING ACCOUNT**

Forfeited prizes	48,635	41,831
Sale of tickets	1,078,400	1,153,500
	<hr/>	<hr/>
	1,127,035	1,195,331
Agents' commission	(139,338)	(150,852)
Contribution to prize fund including forfeited prizes	(680,836)	(721,153)
Printing and stationery	(64,158)	(56,469)
Promotion	(19,308)	(20,135)
Salaries	(22,474)	(21,017)
States of Jersey administration charges	(16,176)	(17,302)
Superannuation	(735)	(701)
Other expenses	(3,300)	(3,944)
	<hr/>	<hr/>
Surplus	180,710	203,758
Chief Pleas of Sark – share of surplus	(1,039)	(1,152)
States of Alderney – share of surplus	(2,329)	(4,022)
States of Guernsey – share of surplus transferred to Appropriation Account	(177,342)	(198,584)
	<hr/>	<hr/>
	£ –	£ –
	<hr/>	<hr/>

**APPROPRIATION ACCOUNT**

Balance at 1 January	12,141	22,502
Share of surplus transferred from Operating Account	177,342	198,584
	<hr/>	<hr/>
	189,483	221,086
Donation to Association of Guernsey Charities (Vote 29.3.89)	(77,453)	(73,945)
Transfers to Beau Sejour Centre Account	(100,000)	(135,000)
	<hr/>	<hr/>
Balance at 31 December	£12,030	£12,141
	<hr/>	<hr/>

## Notes:

- a) The balance on the Appropriation Account is payable ultimately to the Beau Sejour Centre under States Resolutions I of 27 September 1972 and XXII of 26 February 1998.
- b) In accordance with the States Resolution of 23 February 1995 (Billet D'État V, February 1995), with effect from 2000 any forfeited prize money from expired Draws which remains unused in the current year will be retained for use as a contingency to support the prize funds in future Draws.

D.M. CLARK  
States Treasurer

IN THE STATES OF THE ISLAND OF GUERNSEY  
ON THE 31ST DAY OF MAY, 2002

The States resolved as follows concerning Billet d'Etat No. IX  
dated 10th May, 2002

**PROJET DE LOI**

entitled

**THE CRIMINAL EVIDENCE AND MISCELLANEOUS PROVISIONS  
(BAILIWICK OF GUERNSEY) LAW, 2002**

- I. To approve the Projet de Loi entitled "The Criminal Evidence and Miscellaneous Provisions (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.

**THE COMPANIES (SHARES OF NO PAR VALUE) ORDINANCE, 2002**

- II. To approve the draft Ordinance entitled "The Companies (Shares of No Par Value) Ordinance, 2002", and to direct that the same shall have effect as an Ordinance of the States.

**THE DRUG TRAFFICKING (DESIGNATED COUNTRIES AND TERRITORIES)  
(AMENDMENT) ORDINANCE, 2002**

- III. To approve the draft Ordinance entitled "The Drug Trafficking (Designated Countries and Territories) (Amendment) Ordinance, 2002", and to direct that the same shall have effect as an Ordinance of the States.

**THE CRIMINAL JUSTICE (PROCEEDS OF CRIME) (ENFORCEMENT OF  
OVERSEAS CONFISCATION ORDERS) (AMENDMENT) ORDINANCE, 2002**

- IV. To approve the draft Ordinance entitled "The Criminal Justice (Proceeds of Crime) (Enforcement of Overseas Confiscation Orders) (Amendment) Ordinance, 2002", and to direct that the same shall have effect as an Ordinance of the States.

**THE PAROCHIAL COLLECTION OF REFUSE  
(AMENDMENT) ORDINANCE, 2002**

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

**STATES ADVISORY AND FINANCE COMMITTEE**

**AMENDMENTS TO LEGISLATION RELATING TO MONEY LAUNDERING**

- VI. After consideration of the Report dated the 23rd April, 2002 of the States Advisory and Finance Committee:-

1. To approve the following items of law reform-

(1) that financial services businesses shall be required by law to report any suspicions they have concerning any transaction they are involved in;

(2) that the Police and Customs shall be permitted to seize money anywhere in the Bailiwick when it is suspected to be the proceeds of crime;

(3) that the requirement under section 44 of the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 for the consent of H. M. Procureur shall be abolished;

(4) that H. M. Procureur shall be allowed to disclose information obtained under the provisions of the Criminal Justice (Fraud Investigation) (Bailiwick of Guernsey) Law, 1991, to "competent authorities" and the Guernsey Income Tax Administrator;

(5) that it shall be an offence to disclose the existence of enquiries under the Criminal Justice (Fraud Investigation) (Bailiwick of Guernsey) Law, 1991 to any person who is the subject of the enquiry;

(6) that the Guernsey Financial Services Commission shall be given explicit power under statute to visit financial services businesses to obtain information and ask questions;

(7) that the Guernsey Income Tax Authority shall be permitted to disclose any suspicions they have to the Police, Customs and the Guernsey Financial Services Commission;

(8) that the definition of "officer of police" in the Regulation of Fiduciaries, Administration Business and Company Directors (Bailiwick of Guernsey) Law, 2000 shall be amended to include customs officers.

2. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

## **STATES ADVISORY AND FINANCE COMMITTEE**

### **TRANSFER OF THE BUSINESS OF BARCLAYS BANK PLC BARCLAYS FINANCE COMPANY (GUERNSEY) LIMITED AND WOOLWICH GUERNSEY LIMITED**

VII. After consideration of the Report dated 23rd April, 2002, of the States Advisory and Finance Committee:-

To direct the preparation of legislation designed:

- (1) to effect the transfer of all the undertakings of Barclays Bank Public Limited Company, Barclays Finance Company (Guernsey) Limited and Woolwich Guernsey Limited to Barclays Private Clients International Limited, the transfer of which falls to be governed by the laws of Guernsey;
- (2) for the transfer to Barclays Private Clients International Limited of contracts of employment governed by the law of Guernsey of persons employed by Barclays Bank Public Limited Company, Barclays Finance Company (Guernsey) Limited and Woolwich Guernsey Limited;
- (3) to provide for all agreements with Barclays Bank Public Limited Company, Barclays Finance Company (Guernsey) Limited and Woolwich Guernsey Limited (including agreements with clients, counterparties and employees) to continue with Barclays Private Clients International Limited;
- (4) to provide for other purposes incidental thereto and consequential thereon.

## **STATES BOARD OF ADMINISTRATION**

### **POLICE AND CUSTOMS CLOSED CIRCUIT TELEVISION SECURITY SYSTEM AT GUERNSEY AIRPORT**

VIII. After consideration of the Report dated 26th March, 2002 of the States Board of Administration:-

1. To approve the installation of a CCTV system at Guernsey Airport, as set out in that Report, at a total cost, inclusive of associated civil works and consultants' fees, not exceeding £597,000.
2. To confirm that Videcom Security Limited be appointed as contractor for the installation of that CCTV system.
3. To vote the States Board of Administration a credit of £597,000 to cover the cost of the above works, which total sum shall be charged as £263,000 to the capital allocation of that Board, £263,000 to the capital allocation of the States Committee for Home Affairs and £71,000 as capital expenditure in the accounts of Guernsey Airport.

**STATES HOUSING AUTHORITY**  
**SURVEY OF GUERNSEY'S HOUSING NEEDS**

- IX. After consideration of the Report dated 11th April, 2002 of the States Housing Authority:-
1. To note and endorse the findings of that initial report on the Housing Needs Survey.
  2. That, in bringing forward proposals to amend the Strategic and Corporate Plan as part of the 2002 Policy and Resource Planning Report, the States Advisory and Finance Committee shall note the wish of the States that the benchmark target for additional new homes shall be set at 300 per annum over a maximum period of three years commencing in 2002.
  3. To note the States Housing Authority's general intention to review what additional measures are necessary to influence the provision of houses of particular tenures, size and price.
  4. To direct that the States Housing Authority, in conjunction with the Island Development Committee, reports to the States on the results of their investigations into the suitability of Planning Covenants as a means of producing lower cost homes, together with details of that Authority's review of measures designed to ensure that homes stay in the low cost bracket in the long term.
  5. To note the States Housing Authority's intention to continue to liaise with the Island Development Committee, States Cadastre Committee and the States Advisory and Finance Committee, to improve and develop better means of monitoring the annual supply of land for housing, and the actual annual provision of housing of particular tenures, size and price.
  6. To note the States Housing Authority's intention to implement the establishment of an "affordable" Housing Roll.
  7. That a follow up Housing Needs Study shall be carried out in 2004 and, thereafter, at intervals of not more than five years.
  8. To direct the States Advisory and Finance Committee to take account of the budgetary requirements of such surveys in recommending to the States the States Housing Authority's general revenue allocations in the years concerned.
  9. To note the States Housing Authority's statement on the administration of the Housing Control Law as set out in the body of that Report.
  10. To note that the States Housing Authority will continue its investigation into other housing issues arising from the Main Housing Needs Survey report and to report back to the States on those matters as soon as possible.

## **STATES INCOME TAX AUTHORITY**

### **INCOME TAX RELIEF FOR MAINTENANCE PAID UNDER COURT ORDERS**

- X. After consideration of the Report dated the 23rd April, 2002, of the States Income Tax Authority:-
- a. That section 43A of the Income Tax (Guernsey) Law, 1975, shall be repealed.
  - b. To note that income tax relief will not be available in respect of maintenance payments under new Court Orders made after the date of commencement of the amending law and that such payments will not be treated as taxable income in the hands of the recipient.
  - c. To note that maintenance payments under existing Court Orders, or Court Orders made up to the date of commencement of the amending law, including variations thereof, will still qualify for income tax relief and continue to be treated as taxable income in the hands of the recipient.
  - d. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

## **STATES TRAFFIC COMMITTEE**

### **CO-ORDINATION OF ROAD WORKS AND ROAD CLOSURES**

- XI. After consideration of the Report dated the 28th March, 2002, of the States Traffic Committee:-
1. To invest in the States Traffic Committee the responsibility and executive authority for the temporary closure of any road for the purpose of any works in or around that road.
  2. To invest in the States Traffic Committee the responsibility and executive authority for the granting of permission for any road work or other project necessitating traffic management measures.
  3. To require the States Traffic Committee to consult with the parish Constables, service utilities and contractors before granting or refusing any temporary road closure.
  4. To authorise the States Traffic Committee to acquire a Computer Aided Management system as described in section 8(ii) of that Report at an estimated cost of £200,000 and to delegate authority to the States Advisory and Finance Committee to approve a vote to cover the cost of acquisition, to be charged to the capital allocation of the States Traffic Committee.

5. To award a joint contract to Integrated Skills (Guernsey) and Digimap Limited for the development of a Computer Aided Management system as described in section 8 (ii) of that Report.
6. To approve of the implementation of the measures and associated incentive charges as described in section 8 (iii) of that Report.
7. To direct the States Advisory and Finance Committee to take account of the additional costs associated with the Computer Aided Management system and extra staff posts when recommending to the States capital and revenue allocations for the States Traffic Committee for 2003 and subsequent years.
8. To direct the States Civil Service Board to have due regard to the staffing implications of the States' decisions on Resolutions 1 to 7 when administering the Staff Number Limitation Policy.
9. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

### **STATES TRAFFIC COMMITTEE**

#### **AN INVESTIGATION OF PAY PARKING**

- XII TO POSTPONE consideration of this Article until the meeting of the States to be held on 26th June, 2002.

### **STATES CIVIL DEFENCE COMMITTEE**

#### **REPORT ON PERCEIVED RISKS EMANATING FROM THE FRENCH NUCLEAR FACILITIES ON THE COTENTIN PENINSULA**

- XIII After consideration of the Report dated the 18th April, 2002, of the States Civil Defence Committee:-

To note that Report.

**K. H. TOUGH**  
**HER MAJESTY'S GREFFIER**

IN THE STATES OF THE ISLAND OF GUERNSEY

ON THE 31ST DAY OF MAY, 2002

The States resolved as follows concerning Billet d'Etat No. IX  
dated 10th May, 2002

**PROJET DE LOI**

entitled

**THE CRIMINAL EVIDENCE AND MISCELLANEOUS PROVISIONS  
(BAILIWICK OF GUERNSEY) LAW, 2002**

- I. To approve the Projet de Loi entitled "The Criminal Evidence and Miscellaneous Provisions (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.

**THE COMPANIES (SHARES OF NO PAR VALUE) ORDINANCE, 2002**

- II. To approve the draft Ordinance entitled "The Companies (Shares of No Par Value) Ordinance, 2002", and to direct that the same shall have effect as an Ordinance of the States.

**THE DRUG TRAFFICKING (DESIGNATED COUNTRIES AND TERRITORIES)  
(AMENDMENT) ORDINANCE, 2002**

- III. To approve the draft Ordinance entitled "The Drug Trafficking (Designated Countries and Territories) (Amendment) Ordinance, 2002", and to direct that the same shall have effect as an Ordinance of the States.

**THE CRIMINAL JUSTICE (PROCEEDS OF CRIME) (ENFORCEMENT OF  
OVERSEAS CONFISCATION ORDERS) (AMENDMENT) ORDINANCE, 2002**

- IV. To approve the draft Ordinance entitled "The Criminal Justice (Proceeds of Crime) (Enforcement of Overseas Confiscation Orders) (Amendment) Ordinance, 2002", and to direct that the same shall have effect as an Ordinance of the States.



**THE PAROCHIAL COLLECTION OF REFUSE  
(AMENDMENT) ORDINANCE, 2002**

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

**STATES ADVISORY AND FINANCE COMMITTEE**

**AMENDMENTS TO LEGISLATION RELATING TO MONEY LAUNDERING**

- VI. After consideration of the Report dated the 23rd April, 2002 of the States Advisory and Finance Committee:-

1. To approve the following items of law reform-

(1) that financial services businesses shall be required by law to report any suspicions they have concerning any transaction they are involved in;

(2) that the Police and Customs shall be permitted to seize money anywhere in the Bailiwick when it is suspected to be the proceeds of crime;

(3) that the requirement under section 44 of the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 for the consent of H. M. Procureur shall be abolished;

(4) that H. M. Procureur shall be allowed to disclose information obtained under the provisions of the Criminal Justice (Fraud Investigation) (Bailiwick of Guernsey) Law, 1991, to "competent authorities" and the Guernsey Income Tax Administrator;

(5) that it shall be an offence to disclose the existence of enquiries under the Criminal Justice (Fraud Investigation) (Bailiwick of Guernsey) Law, 1991 to any person who is the subject of the enquiry;

(6) that the Guernsey Financial Services Commission shall be given explicit power under statute to visit financial services businesses to obtain information and ask questions;

(7) that the Guernsey Income Tax Authority shall be permitted to disclose any suspicions they have to the Police, Customs and the Guernsey Financial Services Commission;

(8) that the definition of "officer of police" in the Regulation of Fiduciaries, Administration Business and Company Directors (Bailiwick of Guernsey) Law, 2000 shall be amended to include customs officers.

2. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

## **STATES ADVISORY AND FINANCE COMMITTEE**

### **TRANSFER OF THE BUSINESS OF BARCLAYS BANK PLC BARCLAYS FINANCE COMPANY (GUERNSEY) LIMITED AND WOOLWICH GUERNSEY LIMITED**

VII. After consideration of the Report dated 23rd April, 2002, of the States Advisory and Finance Committee:-

To direct the preparation of legislation designed:

- (1) to effect the transfer of all the undertakings of Barclays Bank Public Limited Company, Barclays Finance Company (Guernsey) Limited and Woolwich Guernsey Limited to Barclays Private Clients International Limited, the transfer of which falls to be governed by the laws of Guernsey;
- (2) for the transfer to Barclays Private Clients International Limited of contracts of employment governed by the law of Guernsey of persons employed by Barclays Bank Public Limited Company, Barclays Finance Company (Guernsey) Limited and Woolwich Guernsey Limited;
- (3) to provide for all agreements with Barclays Bank Public Limited Company, Barclays Finance Company (Guernsey) Limited and Woolwich Guernsey Limited (including agreements with clients, counterparties and employees) to continue with Barclays Private Clients International Limited;
- (4) to provide for other purposes incidental thereto and consequential thereon.

## **STATES BOARD OF ADMINISTRATION**

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