



BILLET D'ÉTAT

WEDNESDAY, 14th MAY, 2003

1. States Advisory and Finance Committee - The Future Machinery of Government in Guernsey, p. 857.
2. States Procedures and Constitution Committee - Machinery of Government Reforms, p. 956.

(Please take particular note of the convening notice on the inside cover of this Billet d'Etat)

VII
2003

BILLET D'ÉTAT

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

I have the honour to inform you that a Meeting of the States of Deliberation will be held in **THE SARNIA HALL, BEAU SEJOUR CENTRE, on WEDNESDAY, the 14th MAY, 2003, at 9.30am**

A REPORT BY THE
STATES ADVISORY AND FINANCE COMMITTEE

ON

THE FUTURE MACHINERY OF GOVERNMENT IN GUERNSEY.

March 2003.

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The President
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31 March 2003

Dear Sir

THE FUTURE MACHINERY OF GOVERNMENT IN GUERNSEY

1. Introduction

For the last few years there has been public and political debate about the need to reform the Island's government. A formal review was instituted by the States in 1998 culminating in a report by the Harwood Panel that was published in November 2000. Subsequently, a report was prepared and proposals put forward jointly by the Advisory and Finance Committee and the States Procedures and Constitution Committee which were debated by the States in May 2002. The principal outcomes of that debate were a general acceptance that the existing committee based system should be retained but significantly restructured and streamlined.

In developing the proposals contained in this Policy Letter, the Advisory and Finance Committee has adhered to the decisions made by the States in May 2002 and in particular the implicit preference of the States for an evolutionary, rather than revolutionary, approach to developing a new structure for the Island's machinery of government.

At the same time, the Committee has been mindful of the need to ensure that, if the States accepts these proposals, the new structure can be introduced whilst simultaneously maintaining the seamless provision of services to the community.

Following the four day debate in May 2002 the States directed the Advisory and Finance Committee "to report to the States and submit appropriate proposals for:-

- 3a). the functions and responsibilities of the Chief Minister;
- b). the designations, functions and responsibilities of Ministers and departments;
- c). the functions and responsibilities of the Policy Council;

- d). the functions and responsibilities of non-governmental committees including:-
 - (i) a Public Accounts Committee
 - (ii) a Legislation Committee
 - (iii) a House Committee
 - (iv) one or more Scrutiny Committees;
- e). the encouragement of States departments to issue consultation papers and 'green papers' in advance of major policy items;
- f). changes to the Civil Service;
- g). the establishment of a Pay Review Board to consider and report on the remuneration of States Members and those Members of departments who are not States Members;
- h). the design and equipping of a States Chamber, and supporting facilities".

The States also directed the States Procedures and Constitution Committee to report back separately on eleven representational issues falling within that Committee's mandate. Some of this work has already been completed. In addition, both Committees were directed to jointly undertake a survey of community opinion in order to determine whether a majority of the community supported the decisions that had been made. This process was achieved through a MORI Opinion Poll (see section 3).

A Policy Letter was presented by the Committee to the States on 29 January 2003 in consequence of Resolution 3(g) above. This resulted in the formation of a Pay Review Board whose report will be submitted for consideration by the States in due course. Resolutions (e) and (h) above will be the subject of a further Policy Letter(s) during the latter half of 2003.

This Policy Letter addresses the five other States Resolutions set out above and makes recommendations for a new structure for the future machinery of government in Guernsey.

2. Background

The Policy Letter that was considered by the States in May 2002 (Billet d'Etat VII) had been prepared and presented jointly by the Advisory and Finance Committee and the States Procedures and Constitution Committee. It established ten principles (page 567) which the Joint Committees considered should underpin the new machinery of government and which the States implicitly accepted. Therefore, in developing the proposals and recommendations contained in this Policy Letter, the Advisory and Finance Committee has taken account of those principles which were as follows:-

- the need for clearer leadership within the States;
- the need for a political leader with authority to speak for the Island, especially in matters relating to the Island's external relations;
- the need for a greater co-ordination of policy development, corporate strategy, provision of public services and the application of resources;
- the need for a slimmed down government that focuses on core issues at a policy level;
- the need for greater accountability for the actions of States departments and States Members with government responsibilities;
- an improved system of scrutiny through a combination of internal checks and balances and external oversight;
- the need to avoid an over-concentration of power amongst a small number of States Members;
- the desirability of making the best use of States Members;
- the desirability of retaining the system of individual independence;
- the recognition of the beneficial role which the parishes play in the overall government of the Island.

The Committee's proposals contained in this Policy Letter reflect the above mentioned principles and accord with the Resolutions of the States made on 17 May 2002.

3. The Consultation and Communication Processes

(i) The Mori Poll

Following the States debate in May 2002 the Joint Committees were directed "jointly to undertake a survey of community opinion in a form which appears to them appropriate and representative, to ascertain whether a majority of the community broadly supports those resolutions" (that the States had made). The Joint Committees were also directed to report back to the States if the survey did not indicate broad majority support for the States Resolutions.

It was subsequently decided by the Joint Committees to appoint MORI to undertake a telephone survey of community opinion, the results of which were subsequently published.

The opinion poll was based on a telephone survey of 1,000 Guernsey residents excluding elected representatives. It took place between 5 and 11 August 2002. It was conducted by taking a random sample of numbers from the current edition of the Guernsey telephone directory, then refining this according to age, gender and work status, to ensure the sample matched the demographic profile of the Island.

The results of the opinion poll clearly indicated that there was strong support to reduce the number of committees and for more scrutiny of States' activities. There was also support for the new post of Chief Minister to be established to chair the Policy Council and represent the Island on external matters. There was also considerable support for establishing a Policy Council, consisting of all Ministers, to co-ordinate States' activities.

The only question where a majority of those who participated in the MORI poll did not agree with a States Resolution was the decision by the States not to reduce the number of States Members from 57. In that case, 29% supported the States decision whilst 47% did not.

Against this background, it was determined that the Advisory and Finance Committee and the States Procedures and Constitution Committee could move forward in separately addressing the various States Resolutions arising from the debate in May 2002.

A copy of the MORI poll is attached as appendix 1.

(ii) Consultation Strategy

At a very early stage, a consultation strategy was established which was designed to involve all States Members. The Committee felt it was essential that all States Members should be kept informed of the progress being made and have the opportunity to influence the various ideas that were being considered at key stages. All Chief Officers were also consulted.

In recognition of the fact that the project was likely to create some uncertainty within the public sector, a communications programme was introduced to ensure that public sector employees could be kept informed of the general progress being made. Two newsletters, published in October 2002 and January 2003 were made available to all public sector employees. These newsletters provided general information on the progress being made with the project. Comments and contributions were also invited.

Representatives of the Committee met with the Association of Guernsey Civil Servants and corresponded with representatives of all other public sector staff Unions and Associations. These organisations were provided with copies of the newsletters that had been published.

Finally, a “Machinery of Government” web page was established on both the States of Guernsey Website and the States Intranet. A range of documents relevant to the review of the machinery of government can be accessed from these two sites by the public, States Members and public sector employees.

(iii) Discussion Forums

Throughout the development of the Committee’s proposals, a number of separate ‘Discussion Forums’ were held for States Members and Chief Officers. Five were held in November 2002 and six in January 2003. The purpose of these Forums was to share the latest ideas, at each key stage, and to seek feedback and suggestions as part of a process of continual improvement.

Information Packs were provided at the Forums and all States Members and Chief Officers were invited, on a number of occasions, to provide the Committee with their further views in writing. States committees were also encouraged to consider the ideas and to contribute their comments.

In February 2003, a further Discussion Forum was held to which all Members of the Islands’ Douzaines were invited. This Forum was also well attended and the Committee received some very helpful comments and suggestions from Douzaine Members.

The Committee wishes to take this opportunity to record its appreciation to everyone who has contributed to the consultation process and assisted the Committee in developing the proposals that are contained in this Policy Letter.

4. General Considerations

The process of restructuring the machinery of government could be likened to the commencement of a journey where the intention from the outset is to make the most of the challenges lying ahead, whilst recognising that the experiences and opportunities that will arise along the way will enable decisions to be tested and some reconsidered and modified in the light of experience.

The proposals that have been developed by the Committee represent a combination of new thinking and a degree of pragmatism and they have certainly been influenced by the consultation process. However, designing the “ideal” structure for the future machinery of government is arguably not achievable; no such thing exists. Even if it were possible to achieve the ideal structure, it is probable that within a very short period it would no longer be considered to be ideal in the light of social, economic and environmental developments and changes in the community’s aspirations and hence the political priorities of the day.

There is also an inherent danger in attempting to develop a perfect structure and to persuade people to this view, that this would 'build-in' a 'rigidity' to the structure that, once in place, would inevitably discourage people from seeking to review and improve it.

The Committee has therefore concentrated on developing a new structure that accords with the decisions of the States made in May 2002, significantly improves upon the existing structure, will be sufficiently robust and yet flexible to respond to new and different political priorities in the future and importantly:-

- establishes a clear leadership role for the Chief Minister heading a Policy Council;
- achieves a significant reduction in the number of committees from 43 to 10 (departments) plus 3 committees;
- facilitates improved development and co-ordination of policy, at a corporate and department level;
- provides for improved communications between departments;
- facilitates swifter decision making;
- will lead to improved services for the community.

The Committee's proposals for a new political structure also identify the broad political accountabilities within that structure. The Committee envisages that this will continue to evolve over time and any changes that are considered appropriate in the light of experience will be able to be accommodated with relative ease.

What the Committee has not attempted to undertake at this time, is the full allocation of the detailed functions of existing committees to the new departments. This process will take some time to complete and will be undertaken by the Advisory and Finance Committee, in consultation with existing committees as appropriate, and before the new structure is implemented in May 2004 (see section 17(ii)). The Committee however would emphasise that it is not necessary for this work to be completed before the States can decide on the future high level political structure.

The process of analysing and allocating the detailed functions to the new departments will also provide an opportunity to remove overlaps that currently exist and to identify other services that **might** be delivered differently in the future or perhaps not at all.

Inevitably, there will be some functions where it may be contended that they could be placed with one of several ‘relevant’ departments. Such decisions will be arrived at through a process of consultation although it should be recognised that as with other aspects of the new government structure, there will not necessarily be a right or wrong answer. Irrespective however of where a particular service or function is placed, those departments that have a mutual interest in the delivery of that service, will need to develop a close working relationship and a level of co-operation that ensures the community receives the best possible service.

In putting in place a new structure for the future machinery of government the States needs to be mindful of “what works for Guernsey” and to have regard to the scale on which we operate. Inevitably, both now and in the future, this may mean compromise in areas such as the theories and ideals that underpin structures in larger jurisdictions and that try to satisfy, for example, some of the more obscure human rights concerns, issues and requirements. This will certainly be the case when the States considers in the future any proposals for the introduction of new agencies, statutory bodies, statutory officials and regulators. Account will need to be taken of what the Island can afford to create both in terms of the financial costs and the availability of labour.

Finally, it is important to recognise that the design and implementation of a new government structure cannot be the panacea for all of the difficulties and challenges that currently confront the States and the public sector. It is, of course, important that where particular issues can be addressed during the process, that they are. Certainly the new structure should ensure that no existing challenges or difficult issues are exacerbated. At the same time, the new structure, with its emphasis on improved policy development, communications and service delivery should enable some of the existing issues to be addressed more easily.

5. The States Hierarchy

Under the Committee’s proposals, governmental matters will ultimately continue to rest with the States of Deliberation.

At a ‘corporate level’, the new structure will consist of a Policy Council, responsible for the development and coordination of corporate policy, and a Treasury with responsibility for the allocation of corporate resources.

There will also be nine departments with responsibility for delivering services.

In addition, this Policy Letter contains recommendations for the introduction of three States committees with more narrowly defined mandates. They will have responsibility for the development of States’ procedures and departmental constitutions, scrutiny of policy and services and public sector pay negotiations. These committees will therefore have very important mandates to discharge. Finally, the Committee will be reporting separately to the States on proposals for the introduction of a Public Accounts Committee (see section 14(c)).

States Hierarchy.

<u>States of Deliberation</u>

Corporate

Policy Council	Treasury
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Departments**Committees**

Commerce and Employment	House
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Culture and Leisure	Education	Scrutiny
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Environment	Health and Social Services	Public Sector Remuneration
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Home	Housing
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Public Services	Social Security
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6. Formation of the New Corporate Structure

In May 2002 the States resolved to introduce the new position of Chief Minister. At the same time it was also decided that there should be no Chief Minister's department. It had been envisaged in the Joint Committees' proposals in May 2002 that there would be a Chief Minister's department as a discrete political entity which would have had broad responsibility for the development of corporate policy and the allocation of corporate resources. It was clear however from the States debate, that individual Members had different views on the alternatives to the Chief Minister's department. This is where the Committee therefore initially concentrated its efforts after the May States debate and a range of options were considered. **Those options together with the perceived advantages and disadvantages are attached as appendix 2.**

Following a considerable amount of further work the Advisory and Finance Committee developed the following corporate structure (in preference to

those options described in appendix 2), which it is recommending to the States:-

- A Policy Council with leadership responsibility for the development and co-ordination of corporate policy.
- A Chief Minister, elected by the States to chair the Policy Council.
- A Deputy Chief Minister, who would deputise as chair of the Policy Council in the absence of the Chief Minister, to be elected by the States from amongst the Ministers on the Policy Council and who would retain his/her departmental responsibilities.
- A Treasury with responsibility for corporate resources and for monitoring the cost effectiveness and efficiency in the delivery of public services.

The Policy Council

The Members of the Policy Council would comprise the Chief Minister and the Ministers (currently known as Presidents) of the ten departments that are envisaged under the Committee's proposals (see section 12).

The political accountabilities of the Policy Council would be:

- International and External Affairs.
- Corporate leadership.
- The preparation of corporate policy – (Social, Economic/Fiscal & Environmental) within the Policy and Resource Planning process, for approval by the States.
- Co-ordination of policy and the functions of departments.
- Resolution of cross-departmental issues.
- Preparing the States Agendas (the Chief Minister would need to consult with the Presiding Officer of the States to ensure the latter was aware of the contents of each Billet D'Etat).
- Prioritising the Legislative Programme.
- The early enactment of legislation (where there is a public interest issue) and the legislative function of the Ecclesiastical Committee.

- Corporate human resource policy including a training & development framework.
- The appointment of all chief officers and other very senior Civil Service appointments.
- The political role and responsibilities of the Emergency Council.
- The relationship between Guernsey and Alderney at a political level.
- The function of the Island Reception Committee.
- Responsibility for the Island Archives Service¹.
- Overseeing the policy for the future delivery of overseas aid².

With regard to the relationship between Guernsey and Alderney, it is anticipated that the Joint Consultative Council would cease to be a standing committee of the States and instead the Policy Council would assume responsibility for liaison on matters relating to the delivery in Alderney of the 'Transferred Services'. It would seek to achieve this by establishing a sub-group comprising the Chief Minister and the Ministers whose departments were responsible for delivering the Alderney transferred services. Alderney would continue to determine which of its representatives met with the Policy Council's sub-group and as at present there would continue to be equality of representation. The joint responsibility of this cross-Island group would be to act as a means of consultation and liaison between the States of Guernsey and Alderney. The existing Joint Guernsey and Alderney Consultative Council in its current form would therefore be dissolved.

The Policy Council would also have responsibility for the relationship between the States and the parishes. Whilst this is an issue upon which the Committee is currently consulting with the Island's Douzaines, the Committee is inclined to the view that one of the Ministers of the Policy Council should be invited to take responsibility for liaison with the parishes. Such a model would appear to favour the Minister of the Home Department taking on this 'portfolio'.

It is envisaged that there could be considerable benefits in some areas of strategic policy development being undertaken by sub-groups of the Policy Council. These sub-groups would be established by the Chief Minister. They may include several of the Ministers whose departments have a responsibility in the particular area and

¹ The Island Archives Service is the 'keeper' of official government records. There are also policy issues concerning the release of sensitive material.

² The Committee together with the Overseas Aid Committee will be evaluating the options for delivering overseas aid in the future including the possible establishment of an Overseas Aid Commission.

would have the ability to co-opt representatives from non-government organisations and private sector businesses.

This would be one of the methods by which the development of strategic policy, that cuts across the responsibilities of a number of States departments, could be addressed more comprehensively and swiftly than under the present structure.

The Chief Minister

The Chief Minister would be elected by the States from amongst the States Members. His/Her role would be:

- to chair the Policy Council;
- to be responsible for leading the preparation and presentation of corporate policy matters to the States;
- to identify and lead strategic development on policy areas which cut across departmental mandates, through the creation of sub-groups of the Policy Council;
- to oversee and co-ordinate the Policy and Resource Planning process, in consultation with the Policy Council. (All such reports would be endorsed by the Policy Council before being taken to the States by the Chief Minister for approval); and
- to negotiate and speak politically for the Island, with the authority of the Policy Council, as mandated by the States.

The Deputy Chief Minister

The Deputy Chief Minister would be elected by the States from amongst the Ministers in the Policy Council and s/he would retain his/her department responsibilities. The Deputy Chief Minister's role would be to:

- act as Deputy Chief Minister of the Policy Council;
- deputise in the absence of the Chief Minister.

Treasury

The Treasury would be constituted in a similar manner as the other departments but would form part of the corporate structure as it would have **corporate** responsibilities for the following areas:

- Finance including the Treasury, Income Tax, the investment of States' funds and the shareholders' responsibilities for the States Trading Companies.

- Oversight of departmental income and expenditure to ensure public services are cost effective, efficient and affordable and that there is proper transparency and accountability in the public finances.
- Staff resource policy (e.g. Establishments/SNLP).
- The administration of all public sector pensions.
- The collection of tax on rateable values and the maintenance of the land/property register.
- Internal Audit, risk management, insurance and compliance procedures.
- Corporate property and landlord responsibilities.
- Information and communication technology (at a strategic level) and the States ICT network.

As part of its role in ensuring proper accountability of public finances, it would monitor income and expenditure in other departments and report to the Policy Council if there were concerns about efficiency or cost overruns. The Minister of the Treasury would be responsible for reporting to the Policy Council on the cost effectiveness and affordability of departments' proposals where there were resource implications.

It is important to recognise however that all existing financial procedures and guidelines will remain in place although they may need some revision. This underlines the evolutionary nature of the proposals that the Committee is putting forward.

The provision of resources to departments may require specific decisions of the States which could be sought at the time that policy proposals are being presented to and debated by the States. The Treasury should, therefore, act in a supportive role to the Policy Council and departments, insofar as the implementation of approved policies is concerned. The Treasury would have the authority to approve expenditure, up to specified limits agreed by the States (as the Advisory and Finance Committee currently does), for the carrying out of projects or the provision of services by departments that are commensurate with approved States' policies.

The Treasury would have responsibility for preparing the annual Budget (cash limits, presenting the detailed department budgets) and issues of tax (direct and indirect). The annual Budget would be framed by reference to the Policy and Resource Planning Report and would be presented by the Treasury Minister to, and approved (or else commented upon) by, the Policy Council before being debated by the States.

By being responsible for corporate resources, the Treasury would have an important financial oversight role in relation to other departments but would act in a supportive role to those departments in respect of the allocation of resources for the implementation of policies approved by the States. The States Treasurer would also continue to act as Head of Profession for finance professionals across the States.

However, high-level economic and fiscal strategy would be matters for the Policy Council to address and recommend to the States, although of course, the Treasury would have a key role in developing that strategy.

N.B. Some early work has been undertaken on framing the accountabilities of the Policy Council and Treasury which will be further developed into draft mandates. The work completed to date on these frameworks is attached as appendix 3. Once finalised, the draft mandates will be placed before the States for consideration.

7. The Development and Presentation of Policy Proposals

The Policy Council, under the leadership of the Chief Minister, would operate on the basis of consensus (or majority voting when necessary). It would **not** operate on the basis of enforced “collective responsibility”. As such, Ministers would be able to vote as they see fit both within the Policy Council and the States. The Chief Minister would have an original vote but not a casting vote and any proposition where there is a tied vote would be lost.

The whole emphasis of policy development should be on a ‘collegiate’ approach. For example, the Policy Council should work with common purpose having regard to the best interests of the Island. The Chief Minister would be the ‘team leader’ of the Policy Council and a most important part of his/her role and responsibilities would be encouraging and engendering, both within the Council and the departments, a corporate approach to the work of the States.

The principal intention would be to see a move towards a more corporate approach to the business of government within a stronger, more focused, policy based system.

With regard to the future development and presentation of policy proposals, some early work has been undertaken on the likely processes that would be involved. **These are shown in appendix 4 together with the relationships that are anticipated to exist between the Policy Council and the departments.**

8. How will the Policy Council function?

Given the Policy Council’s primary responsibilities for the development of strategic policy and the co-ordination of policy matters amongst the departments,

it could be expected to function differently to the Advisory and Finance Committee whose mandate includes a range of policy, advisory and executive functions as well as other responsibilities. Many of these would, in the future, fall to the Treasury to undertake.

Unlike the Advisory and Finance Committee, the meetings of the Policy Council would focus principally on policy matters. Although procedural matters would be for the Members of the Policy Council to determine, it could be anticipated that it would meet say on a monthly basis. The chief executive together with other key senior officers of the Policy Council and Treasury would be likely to attend meetings of the Policy Council. The Minister of the department who was presenting a Policy Letter to the Council would, by virtue of their membership, be in attendance and it is likely that a Minister's chief officer would also be there for the relevant part of the meeting. It might also be expected that, by invitation, the Law Officers would attend meetings of the Policy Council.

This approach to the development and co-ordination of policy proposals would ensure that the Policy Council has the necessary time to devote to the careful consideration and discussion of strategic policy as well as to each department's new policy proposals and initiatives. It is probable that the Policy Council's agendas would be short, perhaps containing a small number of major policy matters (unlike the Advisory and Finance Committee weekly agendas which regularly contain in excess of twenty items comprising policy and executive matters, a large proportion of which are related to routine financial/expenditure proposals). The departments would be afforded the necessary time to present their proposals in detail and to debate them, if necessary, at length with the Policy Council. In this way, the departments would be apprised of the Policy Council's views which would enable, if necessary, those departments to further reflect on their policy proposals and where appropriate to reconsider and/or develop them.

Another important function of the Policy Council would be to develop and co-ordinate cross-cutting policy issues to ensure that these are addressed effectively. By way of example, it might be contended that it is virtually impossible for any States committee to develop a comprehensive, strategic tourism policy for the Island. No existing committee (or new department) has responsibility under its mandate for all of the various pieces of the jigsaw – i.e. the policy for external transport links rests with the Transport Board; the airport and harbours are the responsibility of the Board of Administration; internal transport links and the co-ordination of road closures lies with the Traffic Committee. (This list is not exhaustive).

However, the Policy Council, comprising all of the departments' Ministers and under the leadership of the Chief Minister, would be able to develop a different approach and effectively influence and oversee the development of such "cross cutting" strategic policy issues. One way of achieving this would be for the Chief Minister to establish on a short-term basis, a "Tourism Sub-Group" that might include, for example, the Chief Minister and the Ministers responsible for tourism policy, external transport policy, internal transport policy and harbours and airports. They, in turn, could co-opt representatives from the private sector who would work together to develop and propose a top level strategic policy for government support for tourism.

The outcome of the work of the Sub-Group would be referred to the Policy Council for discussion and if agreed for inclusion in the Policy and Resource Planning report for debate by the States. The implementation of the strategic tourism policy, once agreed by the States, would then rest with the lead department although the Chief Minister may reconvene the Sub-Group periodically to monitor progress and revalidate the policy and to recommend any changes.

Finally, under the current structure, the Advisory and Finance Committee's mandate enables it to require any committee to undertake a particular area of work or research that the Committee believes is in the corporate interests of the States. The Policy Council would continue to have this authority which it should be able to discharge more effectively than the Advisory and Finance Committee is able to do, given that all department Ministers will have a seat on the Policy Council. Furthermore, the Policy Council would be responsible for coordinating the work of the departments to ensure their principal focus was on the priorities of the States as a whole.

The existence, and responsibilities, of the Policy Council, where all departments are represented through their Ministers, should ensure that the new machinery of government would be able to operate more efficiently and effectively than is currently possible³.

9. Policy Council – Staffing Accountabilities

The Committee considers it essential that a suitable staffing structure with appropriate areas of accountability is developed to support the Chief Minister and Policy Council. It is envisaged that the Policy Council's chief executive will also be the Head of the Civil Service. The work undertaken to date has necessitated the use of working titles for the proposed staffing units and these will need to be reviewed and the precise titles defined at a later stage. Whilst further detailed work will need to be undertaken by the Civil Service Board in determining the actual staffing structure(s) that would need to be put in place at the corporate level (and within the new departments and committees), it is currently anticipated that

³ There is currently no forum that enables a corporate approach to be taken by committees to particular issues or that facilitates coordination of policy at this level.

the broad areas of accountability for the staffing ‘units’ within the Policy Council would be as follows:-

- **Policy and Research:**
responsible for:
 - the policy planning process including strategic land use planning;
 - policy co-ordination at staff level;
 - staff support for cross-departmental political co-ordination;
 - the provision of corporate research.

- **Human Resources:**
responsible for:
 - HR policy and management issues at a strategic level;
 - recruitment and appointment of chief officers and other very senior civil service appointments;
 - corporate staff development and training;
 - terms and conditions of employment;
 - acting as ‘Head of Profession’ to departmental HR functions.

- **Service Delivery:**
responsible for:
 - review and implementation of more appropriate mechanisms for delivery of public sector functions (e.g. commercialisation, privatisation, agencies, contracting out, etc.);
 - e-government and other initiatives to improve accessibility of services (one-stop shops);
 - identification and measurement of performance indicators.

- **External Relations & Government Business:**
responsible for:
 - relations with HMG, the EU and other international governmental and non-governmental organisations other Crown Dependencies and the Island’s parishes;
 - the process of Government business e.g. preparing the States agenda.

An important function of the ‘Service Delivery’ unit would be to ensure that there is no duplication of work amongst the departments. There continue to be occasions under the existing structure where more than one committee has been found to be working on similar proposals, independently of one another and without realising this duplication of work was taking place.

10. The new Positions and Election processes

The corporate structure outlined above would benefit from a constructive working relationship between the Chief Minister and the Deputy Chief Minister, to facilitate cohesion in government, and the existence of a similar relationship

between the Chief Minister and the Treasury Minister. The election process could be used to assist in achieving this “balance” between these three key positions. In the Committee’s view there should therefore be a presumption against the Minister of the Treasury also being the Deputy Chief Minister, although the States would make the final decision.

It is however considered essential that the relationship and balance of authority between the Chief Minister and the Treasury Minister (and between the Policy Council and the Treasury) are clearly defined, in order to ensure that the Chief Minister’s role as leader is not undermined by a perception that the Minister of the Treasury, as “keeper of the public purse”, holds excessive power. **The roles of the Minister of the Treasury and of the Treasury itself must, therefore, be informative, supportive, and concentrate on facilitation, rather than control.**

11. The benefits of the new Corporate Structure

The new corporate structure that the Committee is recommending would achieve the States’ objectives for providing leadership, improved policy development and co-ordination and swifter decision making. The principal benefits of the structure are that:-

- It accords with the States Resolutions made in May 2002, including the spirit and intent of those Resolutions, in that it would:
 - provide the Chief Minister with a clearly defined leadership, co-ordination and external role, with clear authority to speak on all policies of the States;
 - not include a Chief Minister’s department as a discrete political entity; but
 - provide a wide-spread (rather than a concentrated) power base, amongst the Chief Minister, the Deputy Chief Minister, the Treasury Minister, and the other department Ministers as well as other department Members.
- It provides the Deputy Chief Minister with a clearly defined role, both as a department Minister and deputy to the Chief Minister.
- It provides the Policy Council with an executive function rather than merely a co-ordinating role and the Policy Council would be more suited to the role of developing and obtaining ‘buy-in’ of corporate policy.
- The Treasury would have a clearly defined executive function. (The Advisory and Finance Committee’s remit is a combination of executive and advisory).

- The Treasury would provide a more focused approach better suited to the role of detailed resource allocation.
- Decisions concerning approval of corporate policies and departmental budgets would remain with the States; “Government” would, therefore, remain ultimately with all States Members.
- It provides an in-built form of scrutiny, through checks and balances resulting from the fact that the allocation of corporate resources would be carried out by a separate department from the policy-making body with the specific responsibility of ensuring efficiency and accountability in departmental spending.
- Budget proposals would have the endorsement of the Treasury and the Policy Council (i.e. all Ministers representing their departments) before being placed before the States.

12. The New Department Structure

The Policy Letter that was debated by the States in May 2002 envisaged “that it should be possible to reduce the number of departments substantially, and ideally to not more than 12. This does not include a limited number of [what were referred to as] non-governmental committees⁴, such as a Legislation Committee to review proposed legislation, and a House Committee to administer support services for the States assembly”.

As referred to earlier in this Policy Letter, the work undertaken so far has involved the development of a corporate and department structure that principally identifies the broad political accountabilities that will fall to the Policy Council, Treasury and to each of the nine other new departments. A considerable amount of work remains to be completed on the allocation of the detailed, existing functions of committees, to the new departments. This process will be undertaken once the States has determined the future corporate and department structure for the new machinery of government. If the States approves the proposals in this Policy Letter, the work in allocating the detailed functions to the new departments will take place over the next twelve months prior to the implementation of the new structure on 1 May 2004 (i.e. the transitional phase).

There are currently 35 standing committees and a further 8 committees in which the States has an involvement. All 43 committees are included in the ‘Red Book’

⁴ The term ‘non-governmental committee’ has proved to be misleading and has since been dropped. The term was used in the Joint Committees’ Policy Letter and was meant to define those committees that had very “specific” mandates, which were not involved in the ‘core’ business of government or in delivering services but would still comprise mainly States Members (known in other jurisdictions as ‘Parliamentary Committees’).

(the States publication on the constitutions and responsibilities of States committees).

The current 43 committees are identified in appendix 5.

In addition to the corporate structure (comprising the Policy Council and Treasury), nine new departments are being proposed which would be responsible for the delivery of services as follows:-

- Commerce and Employment Department
- Culture and Leisure Department
- Education Department
- Environment Department
- Health and Social Services Department
- Home Department
- Housing Department
- Public Services Department
- Social Security Department

The Committee is recommending that under this new structure each department would be responsible for a broad range of political accountabilities as follows:-

Commerce and Employment Department

The responsibilities of/for:-

Agriculture & Countryside Board
 Board of Industry
 Committee for Horticulture
 Dairy
 Financial Services industry
 Tourist Board
 Transport Board
 Sea Fisheries Committee

The non-governmental organisations (NGO's) listed below have established links with the States although their duties and accountabilities are independent of government. However, they may have requirements of government from time to time, for example in sponsoring legislation. The Commerce and Employment Department would need to develop and maintain relationships with these NGO's.

- Guernsey Enterprise Agency

- Guernsey Financial Services Commission⁵
- Guernsey Promotions Agency
- Office of Utility Regulation (OUR)
- States Trading Companies (Electricity and Post) in respect of the regulatory and legal frameworks
- Training Agency⁶.

Culture and Leisure Department

The responsibilities of/for:-

Arts Committee
 Historic sites
 Liberation Celebrations Committee
 Lottery
 Museums Service
 Recreation Committee including Beau Sejour

Education Department

The responsibilities of:-

Education Council

The Education Department would need to maintain relationships with the following non-government organisations (NGO's) where there are established funding, legislative or administrative links:-

Blanchelande Girls College
 Elizabeth College Board of Directors
 Guille-Alles Library
 Ladies College Board of Governors
 Priaulx Library

⁵ With regard to the Financial Services Commission as regulator of the industry, it would be important that it had operational contact with the Commerce and Employment Department as both would be operating in the same area. Of paramount importance however would be the maintenance of the independence and integrity of the Commission. Therefore consideration will need to be given to precisely where to place, under the new structure, the current responsibilities of the Advisory and Finance Committee, under the Financial Services regulatory laws.

⁶ It is acknowledged that the Education Department would continue to have a strong interest in the work of the Training Agency. However, political accountability would appear to rest more appropriately with the Commerce and Employment Department given its responsibility for the provision of and accountability for the public funds that are made available to the Training Agency.

The States has also directed the Board of Industry and Education Council to jointly report, by the end of 2003, on a range of issues concerning the Training Agency. That report should also provide a firm basis for the future relationship it will have with both the Commerce and Employment Department and the Education Department.

Environment Department

The responsibilities of/for:-

Environmental policy and the management of environmental issues (including waste disposal)
Heritage Committee (Listed Buildings).
Island Development Committee
Traffic Committee

Health and Social Services Department

The responsibilities of/for:-

Board of Health
Children Board
Longue Rue House
Maison Maritaine
St Julian's House

Home Department

The responsibilities of/for:-

Broadcasting
Customs and Immigration
Data Protection
Emergency Planning (i.e. the development and implementation of emergency response plans) and some other functions of the Civil Defence Committee.
Fire Brigade
Gambling Control policy⁷
Parole
Police
Prison Service
Probation

Housing Department

The responsibilities of/for:-

Cadastre (rent control responsibilities)
Housing Authority

⁷ The regulatory functions would be placed with the Gambling Control Commission.

Public Services Department

The responsibilities of/for:-

Alderney Breakwater
 Co-ordination of search and rescue operations at sea
 Environmental monitoring ⁸
 Guernsey Technical Services
 Guernsey and Alderney Airports
 Pilotage Board
 Public Thoroughfares Committee
 Receiver of Wreck
 States Works Department
 St Peter Port and St Sampson's Harbours
 Water Board

The Public Services Department would have a relationship, through the Harbour Master, with the Guernsey branch of the Royal National Lifeboat Institution.

Social Security Department

The responsibilities of/for:-

Social Security Authority
 Public Assistance Authority
 Parochial Outdoor Assistance Boards

A schematic diagram of the proposed corporate and department structure is attached as appendix 6.

Some early work has been undertaken on framing the accountabilities of the nine new departments which will be further developed into draft mandates. The work completed to date on the frameworks is attached as appendix 7. Once finalised, the draft mandates will be placed before the States for consideration.

It would be a matter for each department to develop the most appropriate form of 'relationship' with each of the NGO's with which they have a link.⁹

⁸ The monitoring functions currently undertaken by the Civil Defence Committee.

⁹ For the avoidance of doubt, no changes are being proposed to the constitutions and mandates of the Elizabeth College Board of Directors, the Ladies College Board of Governors or the Priaulx Library Council. However, as these bodies are more akin to non-governmental organisations rather than States committees, they would no longer appear in the 'red book'.

Arrangements are likely to be in place with the NGO's mentioned above as these will have been developed by existing committees. However, the introduction of the proposed new structure represents a good opportunity to review those arrangements and to ensure they remain appropriate.

This is particularly important in view of the fact that most of the non-governmental organisations identified are in receipt of significant levels of public monies. The arrangements will need to be transparent and ensure that effective accountability for public monies and assets remains with the relevant States department.

13. The New Department Structure – Commentary

(i) General

The proposals for the new department structure have been developed in a manner which groups together broad political accountabilities that are compatible and provide for a streamlined system of government. The new structure offers a degree of pragmatism and recognises the fact that there is no 'ideal' solution. It can however be changed with relative ease should the States decide that further change is necessary in the future in the light of experience.

In recommending the department structure outlined earlier in this Policy Letter, the Committee does not necessarily expect, nor does it envisage the need for a proliferation of sub-committees; indeed in some respects this might be seen as a backwards step.

Whilst it would be for the new departments to decide whether or not sub-committees, working parties, sub-groups and other mechanisms were required, there would be other ways in which to address the effective discharging of political responsibilities and primarily the development of policy.

By way of example, several of the new departments will have a range of discrete political responsibilities (e.g. the Commerce and Employment Department). It might be envisaged that in such departments, the Minister could invite individual members of the department to take a special interest in a particular area such as tourism, agriculture, fisheries or finance and to be the spokesperson for technical and operational (as opposed to policy) issues.

The department would still operate by consensus as a 'committee' and all policy decisions would be taken by the Members as a whole. The Minister would be the principal spokesperson on policy matters.

Such an approach (which would not be entirely dissimilar from the process of being responsible for a particular portfolio), might provide Members of departments with a more significant and interesting 'job' dealing both with broad issues jointly with the other Members and in developing a special knowledge and

interest within their own particular ‘portfolio’. In putting forward this suggested way of operating, the Committee would stress that it is not intended that any or all of the departments should adopt such an approach. That would be a matter entirely for each department to determine.

One further point that needs to be emphasised is that the new departments will need to ensure that **all** areas of their new responsibilities are given full consideration and an appropriate priority.

(ii) Commerce and Employment Department

This department would primarily be a policy focused department which would be politically accountable for the Island’s various industries including finance, tourism, manufacturing and non-financial services, horticulture and others. (The interests and contributions to the economy of these industries are heavily dependent upon external transport links and hence it is suggested that these fit comfortably with the Department’s responsibility for external transport policy).

Whilst consideration has been given to placing responsibility for the airports and harbours with this Department, it was felt that there is merit in separating ‘policy’ from ‘service delivery’ where this is feasible. (The Public Services Department would be principally a ‘delivery’ department loosely based on the collection of a number of the Island’s infrastructure/utility providers; hence the decision to place the airports and harbours with that department).

Furthermore, ensuring the coordination of significant and inter-related policy and service delivery issues would be an important part of the role of the Chief Minister and Policy Council.

(iii) Culture and Leisure Department

The Culture and Leisure Department, although perhaps being one of the “smaller” departments, would nevertheless have important responsibilities relating to all aspects of the arts, sports, leisure and recreation.

(iv) Education Department

This department would ‘inherit’ the responsibilities of the Education Council. It would continue to have an important relationship with the Training Agency and would also assume the States’ responsibilities for the Priaulx Library.

(v) Environment Department

Whilst responsibility for environmental policy at a strategic level would rest with the Policy Council, in common with the development of all other strategic policies the Council would need to consult with, and take advice from, the relevant

department; as far as the environment is concerned, this would mean consulting with the Environment Department.

One of the principal reasons for recommending that an Environment Department is established under the new structure, is to emphasise the States' commitment to environmental issues in the broadest sense. It would therefore be incumbent upon the Department to work closely with the Policy Council in developing environmental policies and initiatives that complement the strategic framework.

Equally the Environment Department would need to develop good working relationships with all of the other departments in order to raise and maintain an awareness of environmental matters and to ensure each department was aware of its responsibilities in this area and the contribution they can make to environmental issues.

On a more 'operational' note, the Committee is not proposing that the Public Thoroughfares Committee's responsibility for roads maintenance should be placed with the Environment Department. This decision was reached having regard to the States' decision in May 2002 to provide the Traffic Committee with the legal authority to approve/refuse all applications for road closures and traffic management measures. Combining this 'regulatory' function with that of a major public utility responsible for a significant number of road work projects would be an inappropriate mix of functions and would undoubtedly be of concern to the other, existing utilities (electricity, gas, telecoms, water).

(vi) Health and Social Services Department

Combining the responsibilities of the Board of Health and the Children Board, the Health and Social Services Department would be amongst the biggest departments. It would also assume responsibility for Maison Maritain and Longue Rue House as well as St. Julians House.

Some issues associated with the identification of 'social service' functions will need to be further considered when the work commences on allocating the detailed functions to the new departments. For example, it has been contended that the Education Council's responsibilities for the 'Youth Service' are more akin to a social service. These, more detailed matters, would need to be resolved, in due course, through a process of discussion and consultation.

(vii) Home Department

This department would be constituted with responsibilities that clearly identify it as an entirely different States 'committee' to the current 'Committee for Home Affairs'. Its responsibilities would encompass a far broader range of political accountabilities and this will facilitate a more 'joined up' approach to issues such as emergency planning and responses to emergencies, the investigation,

enforcement and punishment of criminal activities, and the approach to developing criminal justice policy.

In common with all of the other departments, the Home Department would have a chief officer who would be responsible for the co-ordination of policy related matters and the provision of 'corporate services' to the 'satellites' for which the department would have political responsibility. Corporate services includes finance, ICT, HR and administration. The chief officer would not however become involved in the operational activities of each of the 'satellite' services (i.e. Customs, Police, Prison, Fire Brigade, Probation etc.).

The Committee recognises that there may be some merit in placing the functions of the Probation Service Committee under the auspices of the Courts. It is clear that the case work of the Committee is directed by the Courts and there is currently a reporting accountability to the Courts. Under the Advisory and Finance Committee's proposed structure, these existing arrangements would be continued although for the time being, Probation would remain within the government structure (with the Home Department) although this can be reviewed at the appropriate time. The Home Department would, of course, need to ensure that the Probation Service was properly resourced.

The Parole Review Committee is not a States committee although its Chair is appointed by the States in a similar way to other positions. This Committee would continue to be constituted and function as at present although the Home Department would be responsible for ensuring that the necessary resources were made available to the Committee to enable it to discharge its functions efficiently. In the future, it is conceivable that, as in the case of the Probation Service Committee, consideration can be given to the merits of placing the Parole Review Committee under the auspices of the Courts.

With regard to gambling control matters, the Committee believes that policy responsibility should rest with the Home Department, whilst regulatory functions would be placed with the Gambling Control Commission.

The Broadcasting Committee's functions are currently very limited and would sit comfortably with the Home Department. However, certain technical and legal issues for example in relation to the use of radio frequencies and other similar matters may eventually be formally transferred to the Office of Utility Regulation.

(viii) Housing Department

This Department's responsibilities would largely comprise those of the Housing Authority to which have been added the responsibility for rent control. Maison Maritime and Longue Rue House would become the responsibility of the Health and Social Services Department.

(ix) Public Services Department

This would be a major department with considerable political responsibilities for the Island's "infrastructure". It would comprise a number of discrete functions including those currently being delivered by the States Water Board.

It is possible that the functions of the Water Board could, in future, be delivered differently. However, the Committee believes there is considerable merit in retaining this service firmly within the control of the States for the foreseeable future.

In placing political responsibility for the Island's water supply within the Public Services Department as a discrete, self-accounting 'satellite', this would provide a good opportunity for that Department to evaluate the synergy which exists between water supply and other related activities such as water disposal (drainage). In other jurisdictions, the "cycle" of water collection, supply, disposal and recycling can and does sit with the same authority. Evaluating opportunities such as this could lead to greater efficiencies in the future.

(x) Social Security Department

Under the Committee's proposed structure, political responsibility for the existing functions of the Guernsey Social Security Authority, Public Assistance Authority and the Parish Outdoor Assistance Boards would rest with the new Social Security Department.

However, no decisions have yet been reached on whether or not the existing functions or the mechanisms for delivering public assistance should be changed. The Committee has received different views during its consultation process on this matter.

The Committee envisages that any changes to the mechanisms for the future delivery of public assistance would be a matter for the Social Security Department to determine, although the Committee is persuaded to the view that the current mechanisms are no longer appropriate in today's social climate.

14. New States Committees

In May 2002, the States resolved to create a number of what were then termed "non-governmental States committees". In this Policy Letter, these committees are simply referred to as States committees and include:-

- a House Committee
- a Scrutiny Committee

In addition, the Committee is recommending the introduction of a Public Sector Remuneration Committee, the purpose of which is explained later in this Policy Letter.

The roles of the committees would be no less significant than those of the departments, although the mandates of the committees would be more focused and would generally not involve ‘core’ government responsibilities. The committees would be led by a chair (as opposed to a Minister) and unlike the departments, they would not be represented on the Policy Council. The committees would instead report directly to the States, rather than through the Policy Council.

(a) House Committee

The House Committee would replace the States Procedures and Constitution Committee and subsume that Committee’s responsibilities as follows:-

Functions and Responsibilities

(i) To review and bring forward proposals for the States of Deliberation of the Island of Guernsey to consider in connection with:-

- The constitutions of the States of Deliberation and the States of Election.
- The Rules of Procedure in and in relation to the States of Deliberation of the Island of Guernsey.
- The constitution and operation of States departments and States committees.
- The system of election of Ministers and Members of States departments and States committees.
- Matters relating to the practical functioning of the States of Deliberation and States of Election including facilities provided for Members of the States.
- Election to public offices (e.g. to the office of States Deputy).
- Matters relating to the propriety and conduct of States Members.*
- Induction training and on-going support for States Members.*

N.B. *These would be additional responsibilities.

(ii) To review and keep under review the general procedures for the timely and efficient management of public business in the States of Deliberation.

- (iii) To develop, present to the States for approval and to implement policies on the above matters for the provision of services, introduction of legislation and other appropriate measures which contribute to the achievement of strategic and corporate objectives.
- (iv) To exercise the powers and duties conferred on it by extant legislation and States Resolutions including:-
 - The Reform (Guernsey) Law, 1948 as amended; and
 - The States Committees (Constitution and Amendment) (Guernsey) Law, 1991.
- (v) To be accountable to the States for the management and safeguarding of public funds and other resources entrusted to it.

The Committee would be supported by staff of the Policy Council.

(b) Scrutiny Committee

On the 17 May 2002 the States resolved (inter alia) to direct the Advisory and Finance Committee to report to the States and submit appropriate proposals for:-

“The functions and responsibilities of non-governmental committees, including one or more Scrutiny Committees” (Resolution 3 (d) (iv)).

What is a Scrutiny Committee?

Scrutiny committees generally operate within executive forms of government. In the UK, there is the added dimension of a party political environment. Generally speaking, those “in government” (i.e. holding ministerial positions, leading departments etc.) do not sit on scrutiny committees. There is “clear water” therefore between those undertaking the executive functions of government and those scrutinising the carrying out of the functions.

The scrutiny process generally takes two forms:-

- scrutinising decisions **before** they are made or **before** they are implemented either through “calling in”¹⁰ mechanisms or, more generally, by being consulted by the executive;
- scrutinising decisions after they have been implemented.

Scrutiny has been described as being the “critical friend” of the executive. However it is important that in discharging its responsibilities a scrutiny committee adopts the right balance between an adversarial and inquisitorial approach to its work. The main purpose of scrutiny is not to pose a threat to departments, agencies and other organisations that have a relationship with the government, but rather to help to ensure that appropriate policies are in place and to improve performance.

Emphasis is always placed on the need to ensure that scrutiny committees are properly resourced (manpower and finance) in order to discharge its functions effectively and independently.

In Jersey, the Policy and Resources Department has said that “scrutiny is not intended to be an alternative for the executive function of government. Some may characterise it as a freedom to make informed criticism. It cannot just be the opposite of responsibility. It must be more than monitoring, which gives the impression of docile observation. Scrutiny is the means of achieving accountability but it is not a self-contained activity. A scrutiny committee’s performance cannot only be judged by the amount of meetings or reports. Scrutiny in the Jersey system will not just be about committees. It will embrace debates in the Assembly, questions and answers, individual action as well as the new formal structures.”

The role of Scrutiny Committees

As well as holding the executive to account, scrutiny can also involve the following:-

- Policy
 - undertaking a review as part of developing key new policies;
 - examining how well a policy has been implemented by a department and whether the desired outcomes have been met;
 - undertaking wide-ranging reviews of policy (for example a review of housing policy).

¹⁰ A “calling in” mechanism is designed to allow the scrutiny of executive decisions before they are implemented. If a member of the non-executive has concerns about a key decision or policy which has been made by the executive collectively, a committee of the executive, an individual member of the executive, or an officer with delegated authority from the executive, then this decision may be “called in” for a scrutiny committee to consider. Once a decision is “called in”, the scrutiny committee has the option to make the executive reconsider the decision and if that option is exercised, the decision cannot be implemented until it has been reconsidered and if necessary amended.

- Undertaking “best value” reviews where scrutiny committees are charged with the task of examining the outcomes of best value purchases or processes that have been conducted. (This function is more likely to rest with a Public Accounts Committee in the Guernsey context).
- External scrutiny, where a scrutiny committee examines and investigates the work of government agencies and non-governmental bodies and the impact of their roles and work on the communities that they serve.

Departmental Select Committees

In the UK, the House of Commons has published guidance on the principal objectives of Departmental Select Committees (which are a form of scrutiny committee). The Select Committee on the Modernisation of the House of Commons first report in 2001/2 recommended the following objectives for Departmental Select Committees:-

- To consider major policy initiatives.
- To consider the Government’s response to major emerging issues.
- To propose changes where evidence persuades the Committee that present policy requires amendment.
- To conduct pre-legislative scrutiny of draft bills.
- To examine and report on main estimates, annual expenditure plans and annual resource accounts.
- To monitor performance against targets in the public facilities agreements.
- To take evidence from each Minister at least annually.
- To take evidence from independent regulators and inspectorates.
- To consider the reports of executive agencies.
- To consider and if appropriate report on major appointments by Secretary of State or other Senior Ministers.
- To examine treaties within their subject areas.

Scrutiny committees are principally used within Local Government Authorities in the UK and Select Committees are used by the Houses of Parliament in relation to Central Government functions.

Existing forms of ‘Scrutiny’ in Guernsey

- Every States committee scrutinises its own policy and legislative work often having undertaken some form of consultation.
- The States of Deliberation scrutinises all policy and legislative proposals put forward by committees.
- Any States Member can approach a committee with a request for it to reconsider a particular policy (or lack of), policy initiative or legislative requirement.
- Any States Member can put formal oral or written questions to the Presidents of committees.
- Requêtees can also be used to encourage the States to either review a committee’s policy or, where such a policy is lacking, to require a committee to investigate and report back on the introduction and implication of a new policy.
- There is already an independent Audit Commission that has been established to scrutinise broad financial policy issues within the States of Guernsey including undertaking ‘best value’ reviews.
- External Auditors certify the accuracy of the States year-end accounts.
- The Internal Audit Department scrutinises the income and expenditure of each committee and the financial controls that are in place.
- The Estates sub-committee scrutinises committees’ capital expenditure proposals.
- A States Review Board can scrutinise certain administrative decisions taken by States committees.
- Under the Tribunals of Enquiry (Evidence)(Guernsey) Law, 1949 as amended, the States has the authority to establish tribunals to look into matters of urgent public importance.

Proposed Framework for Scrutiny in Guernsey.

The proposed framework for scrutiny that the Committee is recommending as set out below, firmly establishes it as a political process that will focus on important policy and service delivery matters for which each department will be accountable. It will not replace the existing forms of scrutiny mentioned in the preceding section but will complement them.

The emphasis of the scrutiny process would be on examining policy and service delivery matters in a constructive and objective manner. The focus of each 'review' would be to assist departments and the States as a whole to improve in these areas.

Constitution.

- The proposal is to establish, by States Resolution, a 'Scrutiny Committee' as a States committee with a constitution comprising a Chair (who must be a States Member), 4 States Members and 4 non-States Members.
- The Chief Minister, department Ministers and Chairs of States committees would be excluded from **membership** of the Committee as they would be expected to be invited by the Committee to contribute their department's/committee's views within the scrutiny process.
- The Committee would be able to co-opt additional non-voting members and experts, to call for any information relevant to a particular review, and to invite the Chief Minister, Ministers and Chairs to attend its meetings and to answer questions.
- The Committee would be able to invite other people to attend its meetings in order to provide information and advice and to assist the Committee in exploring the issues involved.
- It is anticipated that a Minister/Chair would, when appearing before the Scrutiny Committee, be provided with support from his/her chief officer and/or other senior staff.
- The Committee could establish, from amongst its standing membership, smaller sub-committees to carry out particular enquiries. All sub-committees would comprise a minimum of three members of the Scrutiny Committee although additional non-voting members could be co-opted (including the holders of the positions in bullet point 2 above). All sub-committee reports would have to be considered and endorsed by the full Committee.
- Meetings of the Committee and any scrutiny sub-committees could be held in public or in private at the discretion of the Committee or sub-committee.

- The Committee would determine its own workload and associated priorities. The Policy Council, departments and individual States Members would be able to **suggest** issues for the Committee to investigate.
- Appropriate protocols and procedures would need to be developed to address matters such as the questioning of Ministers and others who are asked to provide evidence, the provision of advance ‘guidance’ to Ministers and others on the areas that are to be ‘probed’ and so on.

NB It will also be necessary to introduce a code of practice governing the requirements for Ministers to accept invitations from the Committee to attend its meetings, give evidence and provide relevant papers. This could be a task for the Committee, the House Committee or the Policy Council.

Functions and Responsibilities.

- The Committee’s broad area of responsibility would consist of reviews of departments’ policies and services’. It is anticipated that the Committee’s work would comprise reviews of all departments (perhaps focusing on specific policy or service delivery issues) **and** ‘one-off’ short reviews of an issue or problem that has occurred.
- The terms of reference (mandate) for the Scrutiny Committee would be: -
 - “To examine States, department and committee policies and services together with the development processes in order to determine the effectiveness of those policies or services, to identify areas that might be inadequately or inappropriately addressed and to assess the performance of departments and committees in implementing policies and services.”¹¹

Committee Reports.

- Any draft report produced would be forwarded for consideration and comment by the relevant department/committee, the Policy Council (and the Treasury if appropriate). The Policy Council, in arriving at its conclusions, would consult with the relevant department(s). Any comments provided by the Policy Council and the department would be included in the report prior to publication.
- The Chair of the Scrutiny Committee would be responsible for making all reports available to the States either for debate or for information.

¹¹ The States Internal Audit Department, attached to the Treasury, would continue to be responsible for scrutinising departments’ financial procedures and controls, the generation of income and the incurring of expenditure at a detailed level.

- Where a report is presented by the Chair of the Committee for debate, the States may be asked to ‘note’ it together with the actions and timescales agreed with the particular department. Alternatively, the Committee may request the States to approve a report, accept its recommendations and to direct the relevant department accordingly.
- The Committee would produce an annual report on its activities for the information of the States.

Resources and Support.

- The Committee would have its own chief officer and small dedicated staff with a sufficient budget to cover salaries and overheads and a reasonable sum for consultancy assistance.
- Committee Members and officers should receive training in their roles and in developing an effective approach to scrutiny.

(c) Public Accounts Committee.

In May, 2002 the Committee was also directed to develop the functions and responsibilities for a Public Accounts Committee (Resolution 3(d)(i)).

The Advisory and Finance Committee is due to report to the States separately on the possible establishment of a post of Auditor General as a statutory official (Billet D’Etat XXII of 2002). At the same time detailed proposals will be brought forward for the establishment of a Public Accounts Committee that would subsume the functions of the States Audit Commission and would have the following responsibilities:

- To ensure that proper scrutiny is given to the States’ assets, expenditure and revenues to ensure that States’ bodies operate to the highest standards in the management of their financial affairs.
- To recommend to the States the appointment of the States External Auditors and their remuneration.
- To advise the States on the appointment of the Auditor General and on the Auditor General’s budget.
- To comment on the Auditor General’s work programme without impinging on the Auditor General’s ultimate right to determine his/her own priorities.
- To examine reports prepared by the Auditor General on the States and other public bodies and on their economy, efficiency and effectiveness.

(d) Legislation Committee

The Committee has given very careful consideration to the need or otherwise for the States to establish a Legislation Committee under the new structure.

It is acknowledged that the drafting of legislation is a highly technical and specialised skill that is undertaken in an extremely thorough and competent manner by the Law Officers and their staff. This process offers, in itself, a form of scrutiny.

Once draft legislation has been prepared in consultation with the sponsoring committee, it is then forwarded to that committee for scrutiny. Subsequently, the draft legislation is scrutinised by the States of Deliberation. In effect, there are three tiers of legislative scrutiny in addition to that currently undertaken by the Legislation Committee.

Having carefully considered this matter, the Advisory and Finance Committee has concluded that under the new structure, the sponsoring departments should be primarily responsible for scrutinising draft legislation prepared by the Law Officers. A second tier of scrutiny would then fall to the States of Deliberation. Consequently, there would be no requirement for a Legislation Committee. However, the Committee is also proposing that:-

- the function of the existing Legislation Committee for bringing Ordinances into force early should rest with the Policy Council;
- the Policy Council should also be responsible for the function of the existing Ecclesiastical Committee which is “to study, together with the Standing Committee of the Guernsey Deanery Synod, Schemes for the application of certain General Synod measures prepared by the Bishop of Winchester pursuant to the Channel Islands (Church Legislation) Measures 1931 and 1957 as amended by the Synodical Government (Channel Islands) Order 1970 and to report to the States”.
- The Law Officers would be responsible for certifying to the Policy Council that each Projet de Loi and Ordinance complied with the terms of the relevant States Resolution(s).

(e) Public Sector Remuneration Committee

At present responsibility for human resources (HR) falls largely under the aegis of the Civil Service Board including:-

- Human resources policy;
- Conditions of service;
- Appointments of Established Staff;
- Remuneration (including pay negotiations and administration of pensions);

- Training and development;
- Administration of the staff number limitation policy.

Under the Committee's proposed new structure, the current functions of the Civil Service Board (with the exception of pay negotiations) would be divided between the Policy Council, the Treasury and individual departments¹² in the following way:-

- The Policy Council would be responsible for the strategic human resource framework for the States including human resource policy; the recruitment and appointment of chief officers and other very senior Civil Service appointments; corporate staff development and training. (A Head of Human Resources would act as 'Head of Profession' advising and assisting the departments).
- The Treasury would be responsible for staff in respect of resource policy ('establishment' issues i.e. the current Staff Number Limitation Policy) and the administration of public sector pension schemes.
- At departmental level, it is envisaged that staff generally below the level of chief officer would be appointed by their own department in accordance with policies and directives and under standards laid down by the Policy Council's Head of Human Resources .

A further, important, area is the negotiation of public servants' pay and benefits package. This does not fit comfortably either with the Policy Council (it is not policy) or the Treasury, as employee groups may consider it unlikely that they could negotiate a 'fair' settlement with the same department that would be responsible for recommending overall spending limits and effectively encouraging restraint in all areas of public expenditure.

The Committee is therefore recommending that all public sector pay negotiations should be carried out by a Public Sector Remuneration Committee set up in a similar manner as envisaged for the House Committee. The Public Sector Remuneration Committee could also advise on the remuneration of statutory officials and employees of non-governmental organisations in which the States has an interest.

The benefits of establishing a Public Sector Remuneration Committee would include:-

¹² At the time the new structure is implemented some of the larger departments (Education, Health and Social Services and Social Security) would inherit "mature" HR teams. Other departments may develop dedicated HR teams in the future whilst others may continue to rely on the "centre" (i.e. Policy Council) for the provision of HR support. The level of HR support provided by the 'centre' would therefore vary from department to department and over time. It would be important to ensure that the delegation of HR responsibilities does not lead to additional staffing or duplication of effort.

The benefits of establishing a Public Sector Remuneration Committee would include:-

- it would facilitate the continuation of all existing collective bargaining arrangements and to a large extent reflect the existing pay negotiation mechanism;
- it would distance the process of negotiating pay and conditions from the ‘core’ of government business whilst ensuring that the overall accountability remained with the States;
- it would enable the Treasury to provide input via representations on “affordability” and the state of the economy;
- it could include non-States Members and/or off Island expertise as considered appropriate;
- it could evolve into a more independent (arms length) pay determination body, should such an approach be considered appropriate in the future.

In arriving at its conclusions in respect of the proposed Public Sector Remuneration Committee, the Advisory and Finance Committee has been aware of the recent work undertaken in this area by Professor J. Clarke. He was commissioned by the Board of Industry to review the existing arrangements for pay negotiations within the public sector. One of his recommendations was to consider the establishment of an Independent Pay Review Body which would, after receiving evidence from the interested parties, determine the pay awards for each public sector group.

The Board of Industry has recently written to the Committee on these matters expressing the view that:-

- “1. The proposed Remuneration Committee should, from the outset, be viewed as an interim Committee working towards an improved structure that will embrace all, or at least some, of the elements identified by Professor Clarke;*
- 2. That as a first step the new Committee should be charged with taking steps to acquire the necessary labour market data that is essential to underpin any sensible pay policy in the public sector. In this connection you may recall that more than one arbitrator in a public sector dispute has criticised the lack of this fundamental data which is hindering the proper conduct of good industrial relations; and*
- 3. The interim Remuneration Committee should be instructed to further review the Island’s approach to public sector pay negotiations and report back to the States with recommendations for embracing all or some of the principles contained in the Clarke Report by the end of 2005.”*

The Advisory and Finance Committee shares the sentiments put forward by the Board of Industry and believes that an important, early task of the Public Sector Remuneration Committee will be to review the Island's approach to public sector pay negotiations including the proposals put forward by Professor Clarke.

15. Delivering services differently

The May 2002 Policy Letter referred to opportunities to identify services that might be devolved to non-States bodies (which could include agencies, statutory officials and commercialised bodies).

The Committee is aware of an initiative that the Board of Health is developing for the creation of an Environmental Health Agency that would separate the policy making responsibilities from the regulatory functions.

The Recreation Committee has also developed proposals for a Sports Commission that would deliver some services that are currently provided by the Committee. At the time of preparing this Policy Letter, the States has yet to debate this proposal.

The Advisory and Finance Committee is developing proposals that would remove responsibility for the licensing (regulating) of Guernsey and Alderney airports from the Royal Court. This function may rest in future with a 'statutory official', as under International Civil Aviation Agreements, it cannot be undertaken by the government because of the potential for political influencing of the decisions.

The Committee is also proposing that:-

- the current Lifeboat Committee's functions would be devolved to the Guernsey Branch of the Royal National Lifeboat Institution (RNLI) which would have a close working relationship with the Harbour Master, through the Public Services Department;
- the function of the Liberation Religious Service Committee (i.e. organising an annual ecumenical service on Liberation Day) could, with its agreement, be devolved to the Guernsey Council of Churches; and
- the function of the Ecclesiastical Committee is placed with the Policy Council.

With regard to the future arrangements with the Guernsey Branch of the RNLI, the Public Services Department, through the Harbour Authority and Harbour Master, would provide the necessary 'search and rescue' infrastructure and the co-ordination and control of search and rescue assets. The search and rescue assets are currently provided locally by the RNLI, St John Ambulance and Rescue Service and the Channel Islands Air Search. Should these voluntary organisations withdraw their services in the future, the States would then have to consider

alternative arrangements in order to fulfil their obligations under the International Convention on Maritime Search and Rescue, 1979.

In addition, the Public Services Department would assume the States’ obligations for the provision of States’ employees and machinery for the administration of the lifeboat station as was agreed by the States in 1931. The Harbour Master would continue to act as Honorary Secretary and Lifeboat Operations Manager for the RNLI. The Department would also be expected to continue the arrangement whereby limited accounting services are provided for the RNLI.

As far as the proposal to dissolve the Liberation Religious Service Committee is concerned, it should not be concluded from this that the Committee is indicating any lack of commitment to the Liberation Day service; rather the Committee feels that the organisation of such a service would be more appropriately undertaken on behalf of the States by the Guernsey Council of Churches, instead of a States committee. The small amount of funding that the States makes available for the production of an ‘Order of Service’ each year (less than £1000) would continue to be provided and the Culture and Leisure Department would be responsible for this and for liaising with the Guernsey Council of Churches.¹³

There are likely to be other functions and services in the future that the States may decide should be delivered through a different mechanism or that have to be taken outside of ‘government’ in order to meet international standards, agreements and conventions in areas such as human rights. Equally, there are likely to be opportunities to outsource some services to the private sector which may be better equipped to deliver these more efficiently.

However, at this point in time, the Committee has merely identified a number of functions or services that are either of a ‘regulatory’ nature or are operated on a ‘trading’ basis and which might, in the future, be areas that the States determines should be delivered differently. These include:-

- | | | |
|---|---|------------|
| <ul style="list-style-type: none"> • Health and Safety at work • Trading Standards • States Analyst Department • Air route licensing | <div style="border-left: 1px solid black; border-right: 1px solid black; border-bottom: 1px solid black; width: 30px; height: 60px; margin: 0 auto;"></div> | Regulatory |
| <ul style="list-style-type: none"> • Water Board • Dairy • States Works Department • Airport • Harbours • Tourism marketing | <div style="border-left: 1px solid black; border-right: 1px solid black; border-bottom: 1px solid black; width: 30px; height: 60px; margin: 0 auto;"></div> | Trading |

¹³ At the time of preparing this Policy Letter, the Committee is consulting with the Guernsey Council of Churches.

The Committee would emphasise that there will be a considerable amount of work involved in evaluating these areas in a comprehensive manner and if considered appropriate, developing suitable proposals for their future delivery through different mechanisms. There will inevitably be other ‘candidates’ for review.

The necessary work in these areas will need to be undertaken primarily by the new departments in consultation with the Policy Council.

As part of any process for reviewing the opportunities for functions and services to be delivered differently including outsourcing, creating agencies, statutory officials and commercialised bodies, the States will need to be mindful of the likely costs to the community and the need to weigh these against the potential benefits. On each occasion it will be essential to have regard to the Island’s size, the financial costs and the availability of labour; in other words to develop proposals that keep things in a local perspective.

16. Changes to the Civil Service

(i) General

Whilst it is unlikely that the introduction of the new machinery of government structure would have any significant implications for the wider public sector, it is inevitable that some parts of the Civil Service would be affected. Changes would be necessary in some important areas as it is right that the Civil Service should continue to provide appropriate support for the changed political structure. It is difficult to predict at this stage, the full extent of the impact that the new structure would have for the Civil Service. In general terms however, this is likely to involve some existing Civil Service ‘teams’ and individuals working with new line managers and/or in new locations. Certainly, in common with most other public sector groups, many Civil Servants will be working for a larger organisation.

The services that are being delivered today would, unless the States decide otherwise, continue to be delivered after 1 May 2004 (the date for implementation of the new structure). There will, of course, be opportunities to remove existing overlaps in functions between committees and to identify efficiencies arising from the new structure both in terms of some staff savings and improvements in working practices. One of the likely outcomes of the new structure and the remodelling of the Civil Service would be its gradual reduction in size. These efficiencies are likely to be identified as the new departments get to grips with their responsibilities and staffing structures.

Any implications and changes for Civil Servants would be managed in a transparent and constructive manner and in accordance with existing procedures with the full involvement, where appropriate, of the Association of Guernsey Civil Servants.

(ii) Policy Council – Staffing Structure

The Civil Service will play a key role in ensuring the successful implementation and on going evolution of the new political structures.

It is right that the Civil Service structure should support and, to an extent, mirror the political structure and nowhere will this be more important than within the Policy Council.

The current thinking, in respect of the broad staffing accountabilities for the Policy Council, is set out in section 9.

(iii) Staffing Structures for the New Departments

On the basis that the States approves the Committee’s proposals for the new structure of government, then it is intended to appoint the chief officers to the new departments by the end of the summer. These appointments would be made on a ‘designate basis’. The States’ (Civil Service Board) existing policies and procedures would be used to make the appointments.

It is also essential that, in the same way it is expected the new political structure would engender a more corporate approach to the work of the States at a political level, this approach is also developed and reflected within the Civil Service. One of the ways that this can be achieved will be through the work of the chief officers. It is important that as individuals and as a ‘team’ they ensure that they work in the ‘corporate’ interests of the States. The Policy Council’s chief executive, as head of the Civil Service, would play a key role in bringing about this changed emphasis.

Once these appointments have been made, it is intended that the chief officers (designate) would work with the staff of the Advisory and Finance Committee and the Civil Service Board on:-

- developing management structures for the new departments;
- developing the new organisational structures;
- developing the new financial structures and budgets; and
- determining the allocation of the detailed functions to the new departments.

17. Other Matters

(i) Legislative implications

The Committee is convinced that the proposals it is putting forward comply with the objectives of the States and the Resolutions arising from the debate in May 2002 and if accepted they will lead to:-

- a more streamlined system of government;
- more effective communications between departments;
- a more comprehensive approach to the development and co-ordination of policy;
- an improved decision-making process; and
- improved delivery of services for the community.

Due to the evolutionary approach that the Committee is recommending to the change in government structure, the proposals would not require any major revisions to The States Rules of Procedures (although some will be needed – see Appendix 4) or significant amendments to existing legislation. The legislative changes that are necessary would involve the preparation of Transfer of Functions Ordinances under The Public Functions (Transfer and Performance) (Bailiwick of Guernsey) Law, 1991. Some amendments may also be required to The Reform (Guernsey) Laws, 1948-1993 as amended and to The Appointments to the States Established Staff (Guernsey) Law, 1985.

(ii) Implementation Date

Some concern has been expressed about the timing for the implementation of the new structure which the Committee believes should be 1 May 2004. Some view the implementation date as being too early which will lead to difficulties because of the number of experienced States Members that are unlikely to be seeking re-election in April 2004 and the election of a number of new and hence inexperienced States Members.

Equally, a number of States Members have expressed the counter view that they think the proposed implementation date is too late.

Although the Committee acknowledges these concerns, the fact is that following each general election, new States Members have to become acquainted with the structure for the machinery of government. Deferring the implementation date for up to a further year until May 2005 would mean that new States Members would have to become acquainted with the current structure and, having done so, they, together with their more experienced colleagues, would then have to get used to an entirely new structure within a period of twelve months.

On the other hand, given the amount of detailed planning that would need to be undertaken if the States approves these proposals, implementing the new structure earlier than May 2004 is unlikely to be a realistic proposition.

The reality is that irrespective of the implementation date, existing services will need to be delivered and the Civil Service will play a key part in ensuring the continuity of those services and in working with States Members to overcome the challenges thrown up by the introduction of the new political structure.

The Committee is therefore firmly of the view that the proposed implementation date of 1 May 2004 is the right one. Whilst not underestimating the amount of change that will confront States Members and the Civil Service, following the introduction of the new structure, the management of the change process is a challenge that should be met sooner, rather than later so that the full benefits of the new structure can be effected at the earliest opportunity. The Committee would add that it has been very encouraged by the cooperative, supportive and pragmatic assistance it has received from Members of the States in the preparation of this Policy Letter.

(iii) Courts and Legal Services

These services currently comprise:-

Guernsey Court of Appeal
 Royal Court
 Magistrate's Court
 Bailiff's office
 The Greffe
 H M Sheriff and H M Sergeant
 Legal Aid Service
 Tribunal Service

In addition, the Law Officers of the Crown provide a range of legal services to the Crown and to both the States and to the Island's Courts.

All of these services would continue to remain outside of the government structure. However, there would need to be a working relationship between the States (Policy Council) and the Courts and Legal Services where matters of mutual interest can be aired and discussed.

It is also proposed that responsibility for resource allocation for the 'Courts and Legal Services' and separately the Law Officers of the Crown, would rest with the Treasury.

18. Recommendations

Following consideration of this report the States are recommended to:-

1. approve the new corporate structure for the future machinery of government comprising the Policy Council and the Treasury as set out in section 6 of this report;
2. approve the broad political accountabilities for the Policy Council and the Treasury as set out in section 6 of this report;
3. approve the new department structure for the future machinery of government as set out in section 12 of this report;
4. approve the broad political accountabilities for the nine new departments as set out in section 12 of this report;
5. approve the establishment of a House Committee and its functions and responsibilities as set out in section 14 (a) of this report;
6. approve the establishment of a Scrutiny Committee and its functions and responsibilities as set out in section 14 (b) of this report;
7. note the Committee's intention to report back to the States on proposals for establishing a post of Auditor General and the establishment of a Public Accounts Committee as set out in Section 14(c) of this report;
8. dissolve with effect from midnight on 30 April 2004 the Legislation Committee and allocate its functions as described in section 14 (d) of this report;
9. approve the establishment of a Public Sector Remuneration Committee as set out in section 14 (e) of this report;
10. dissolve with effect from midnight on 30 April 2004 the Lifeboat Committee and agree to the arrangements for States support for the Guernsey Branch of the Royal National Lifeboat Institution as set out in section 15 of this report;
11. dissolve with effect from midnight on 30 April 2004 the Liberation Religious Service Committee and agree to the devolving of responsibility (with their agreement) to the Guernsey Council of Churches for organising, on behalf of the States, an annual ecumenical service as set out in section 15 of this report;
12. dissolve with effect from midnight on 30 April 2004 all of the other committees that are shown in appendix 5 of this report with the exception of the Elizabeth College Board of Directors, the Ladies College Board of Governors, the Priaulx Library Council and the Parochial Outdoor Assistance Boards;

13. approve of the establishment, with effect from 1 May 2004, of a
- (a) Policy Council
 - (b) Treasury
 - (c) Commerce and Employment Department
 - (d) Culture and Leisure Department
 - (e) Education Department
 - (f) Environment Department
 - (g) Health and Social Services Department
 - (h) Home Department
 - (i) Housing Department
 - (j) Public Services Department
 - (k) Social Security Department
- as set out in this report;
14. note the requirement for further work to be conducted into the possible opportunities for the States to deliver some existing services through alternative mechanisms and to require the new departments to work with the Policy Council in examining all such opportunities;
15. note that the Advisory and Finance Committee and the Civil Service Board will work together to manage the implications arising for the Civil Service as a consequence of the implementation of the new machinery of government and in particular the appointment of chief officers to the new departments and the development of new staffing structures;
16. agree that the implementation date for the new machinery of government structure will be 1 May 2004;
17. agree that the Advisory and Finance Committee, in consultation with existing committees as appropriate, should be responsible for determining the allocation of the detailed functions to the new departments.

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

Yours faithfully

L. C. MORGAN

President
Advisory and Finance Committee

The Future Machinery of Government in Guernsey.

APPENDICES

Review of the Machinery of Government in Guernsey

Residents' Views on Proposed Changes

Research Study Conducted for
The States of Guernsey



August 2002

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Key Findings	5

Appendices

Sample profile	
Statistical reliability	
Social class definitions	
Marked up questionnaire	
Computer tabulations	

Introduction

Objectives

This report contains the findings of a survey of Guernsey residents conducted by the MORI Social Research Institute on behalf of the Advisory and Finance Committee and the States' Procedures and Constitution Committee (the 'Joint Committees') of the States of Guernsey. The objective of the survey was to measure public support for the States' decisions regarding the reform of Guernsey's governmental **machinery**.

Background to the survey

In December 1998, the States established an independent panel to conduct a review of the machinery of government in Guernsey. The Panel was chaired by Advocate Peter Harwood. The Joint Committees were charged with reporting back to the States on the outcome of the review and with putting forward any proposals for change.

The Harwood Panel's November 2000 report set out a range of options for the future machinery of government, including organisational issues (possible forms of government) and representational ones (the number of States' members and how they might be elected), following which it prepared its preferred options in March 2001. A summary of the Panel's preferred options, and the Joint Committee's views on what changes to the current machinery of government they would prefer, were set out in a consultation document which was widely circulated. A questionnaire was sent to all households on the Island and responses from members of the public were received.

In addition to this consultation, in January – February 2002, MORI undertook a *representative* survey to provide 'hard' data about residents' perceptions of local governance and their views about the way forward. This covered attitudes to the current machinery of government, the changes proposed by the Harwood Panel, those favoured by the Joint Committees and other approaches which may be put forward. The results of this survey can be found in a separate MORI report.

Following the full consultation process, the Joint Committee formulated their final proposals for the debate by the States in May 2002. Following the debate and on the direction of the States, the Joint Committees commissioned MORI to undertake a representative survey of the population of the island of Guernsey, for the purposes of measuring public support or opposition towards the May 2002 final decisions. This report presents the findings of that survey.

Review of the Machinery of Government in Guernsey for The States of Guernsey

Methodology

MORI interviewed a random sample of 1,008 residents (aged 16 plus) across the Island. Interviews were carried out by telephone between 5 and 11 August 2002.

Sampling Procedure

The sampling was designed to ensure the sample was as random as possible. The procedure used to select respondents was as follows:

- The entire phone book for Guernsey was photocopied and the pages randomised. The aim of this is to prevent the achieved interviews coming from only one part of the book;
- It was estimated that 5,000 leads would be needed to achieve 1,000 interviews (this would represent a strike rate of one in five - typical for surveys of this kind);
- The total number of residential entries in the phone book was then counted (approximately 25,000);
- This number was then divided by the amount of sample required (5,000);
- This gave the 'sampling interval', of five.

The procedure for selecting numbers was then as follows:

- The interviewers were instructed to choose a residential number at random from the page and to use this as their first contact. Once this has been called, they then count down five (the 'sampling interval') residential numbers down, to choose the next number to call. This process was continued throughout all the residential numbers in the book until the required interviews were achieved. No more than three interviews were conducted per page of the phone book;
- Each selected number was called until a definite call outcome was achieved – either an interview was conducted, the respondent refused or was screened out on account of being an elected States member. If there was no reply at a number, a maximum of 10 calls was made to it before being counted as an outcome and the number not called again;
- Business numbers, mobile phone numbers as well numbers belonging to surrounding islands were excluded;
- Calling times were 5pm – 9pm during the week and 10am to 6pm at weekends;

Review of the Machinery of Government in Guernsey for The States of Guernsey

- Quotas were set by gender, age and work status.

Data Analysis

In this report, responses have been analysed by a range of demographic and attitudinal variables, together with a number of additional categories: length of residency in Guernsey, whether born in Guernsey, geographically by parish, and social class (definitions of which are set out as an appendix).

The data have been weighted by gender, age, and work status to the known population profile of Guernsey according to the 2001 Census results. This weighting process has ensured that the sample of 1,008 residents is representative of Guernsey as a whole.

Full details of responses are set out in the computer tabulations appended to this report.

Value of the research

This report contains evidence of knowledge of key aspects of the existing machinery of government, and about the review, as well as attitudes towards seven key aspects of the decisions including:

- That the number of States' members should remain at 57;
- Electoral districts should continue to be based on parish boundaries, but with a similar population, and electing broadly the same number of People's Deputies;
- Instead of members of each Douzaine selecting a douzenier to represent them in the States, electors of each parish should elect a douzenier to represent the parish;
- A new Policy Council consisting of all ministers should be established to co-ordinate States' activities;
- A new post of Chief Minister should be established to chair the Policy Council and represent the island on external matters;
- The number of States' committees should be reduced from 37 at present to around 11 or 12. They should be renamed Departments and be chaired by a Minister;
- There should be more scrutiny of States' activities through a new Public Accounts Committee and ad hoc scrutiny committees.

*Review of the Machinery of Government in Guernsey for The States of Guernsey***Presentation and interpretation of the data**

The fact that a sample, not the entire population of Guernsey, has been interviewed for this research means that all results are subject to sampling tolerances. Not all differences are therefore statistically significant. A note explaining statistical reliability is appended to this report.

Where percentages do not sum to 100, this may be due to computer rounding, the exclusion of “don’t know” categories, or multiple responses. Throughout the volume an asterix (*) denotes any value between zero and 0.5 per cent.

In the report, reference is made to “net” figures. This represents the balance of opinion on attitudinal questions, and provides a particularly useful means of comparing results for number variables. In the case of “net satisfaction” figures, this represents the percentage satisfied on a particular issue or service, less the percentage dissatisfied. For example, if 40 per cent of residents were satisfied and 25 per cent dissatisfied, the “net satisfaction” figure is +15 points.

Publication of the Results

As the States have engaged MORI to undertake an objective programme of research, it is important to protect the States’ interests by ensuring that the research is accurately reflected in any press release or publication of the findings. As part of our standard terms and conditions, the publication of the findings of this report is therefore subject to the advance approval of MORI. Such approval will only be refused on the grounds of inaccuracy or misrepresentation.

MORI/17988

Simon Atkinson

August 2002

Checked

&Approved:

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Colin Wilby

Checked &Approved:

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Sarah Hackworth

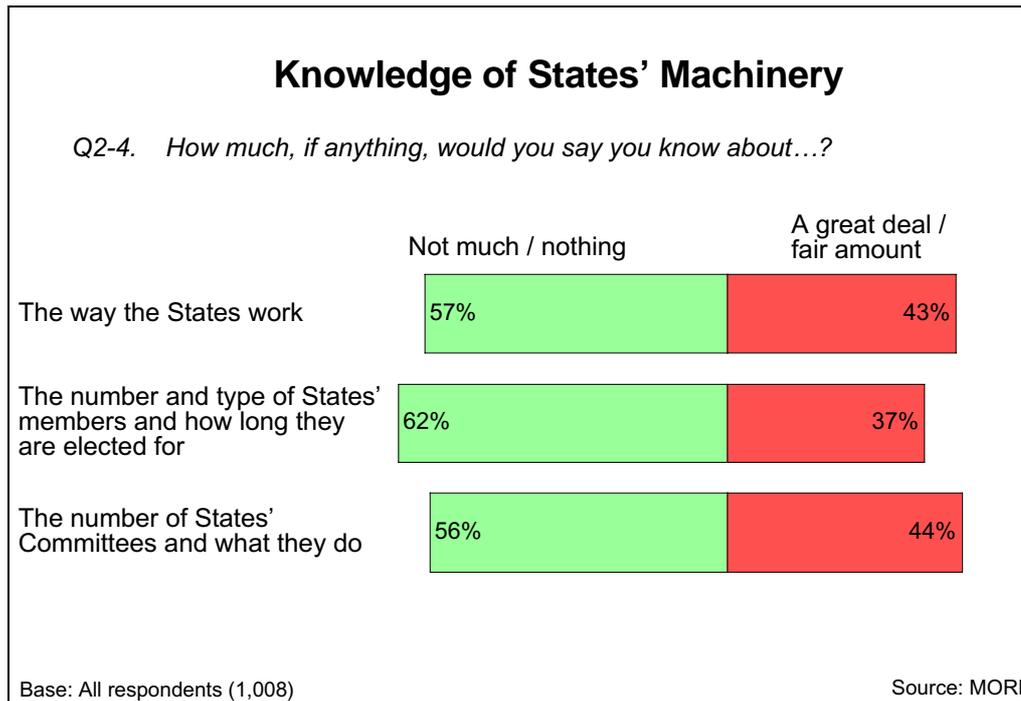
Key Findings

There is widespread support for the majority of the States’ decisions for the machinery of government in Guernsey. In line with the findings of the earlier survey, residents are in favour of constitutional change, and most of the decisions covered in this survey are given strong backing.

Public awareness of the machinery of government at present is limited – and appears to have fallen since the February survey, probably due to the corresponding level of media coverage. Less than half of residents feel familiar with the way the States work. Over half, however, feel familiar with the review.

Levels of Public Awareness

Overall, just under half of residents (43%) feel they know at least a fair amount about the way the States work. The same proportion are well informed about the number of committees and what they do (44%) and slightly less (37%) about the number and type of States’ members and how long they are elected for. Overall, a slight majority of residents do not feel very well informed about the details of how the States work.



As was found in the previous survey, older people, ABC1s, owner-occupiers and those who have lived in Guernsey for the longest (over 20 years) tend to be most aware. Residents of St Peter Port are less well informed about the

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States than those living elsewhere on the island. The table below shows some key sub-group differences.

Q. How much, if anything, would you say you know about...?			
A great deal/fair amount (%)	Way the States work %	States' members %	States' committees %
Total	43	38	44
Men	50	43	49
Women	36	33	40
16-34	25	18	31
35-54	46	43	46
55-64	60	51	62
65+	53	50	50
ABC1	48	41	49
C2DE	35	33	37
Working full time	42	36	43
Not working full time	44	39	45
Owner occupier	48	42	48
States rent	20	19	24
St Peter Port	36	32	39
Elsewhere	45	40	46
Living in Guernsey up to 5 years	19	15	23
Over 5 years up to 10 years	36	25	36
Over 10 years, up to 20 years	29	22	31
Living in Guernsey over 20 years	47	43	48

Source: MORI

Interestingly, awareness levels of each of these three factors are lower than at the time of the last survey. For example:

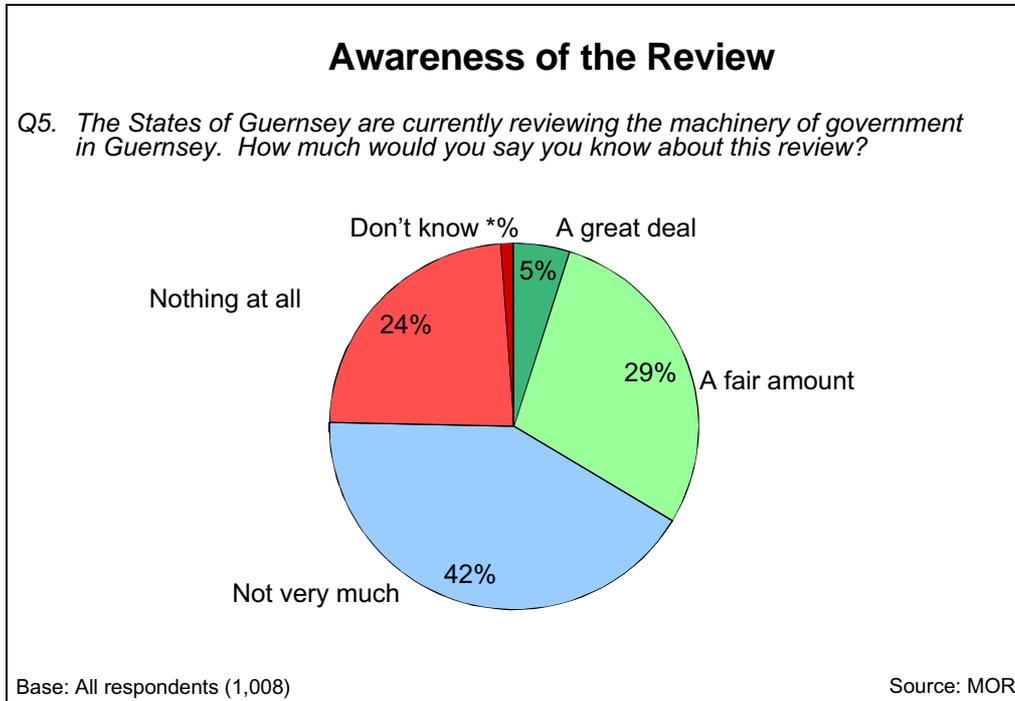
- in February 59% said they knew at least a fair amount about the way the States work, compared with 43% in August;
- Awareness of the number and type of States' members has dropped from 52% to 37% and of the number of committees and what they do from 53% to 44%.

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This may be due the fact that the previous survey coincided with the large-scale public consultation conducted by the States at the start of the year, in which the States’ mailed questionnaires to all households on the island. In addition, high media coverage surrounding the subject in February might have heightened public awareness of the issues. In this sense, the results of the August survey can be seen to portray a more realistic representation of actual levels of public awareness. This is likely to form a useful benchmark for the States to return to in the future.

Knowledge of the Review

Residents were also asked how much they feel they know about the machinery of government review. Awareness of the review remains fairly consistent with the February survey – 34% saying they know at least a fair amount (a slight fall from 39% previously).



As before, we have laid out some of the sub-group differences. Older residents and ABC1s are more aware of the review than those under 35 or C2DEs.

Review of the Machinery of Government in Guernsey for The States of Guernsey

R. The States of Guernsey are currently reviewing the machinery of government in Guernsey. How much would you say you know about the review?	
A great deal/fair amount (%)	%
Total	34
Men	41
Women	27
16-34	19
35-54	38
55-64	50
65+	40
ABC1	42
C2DE	22
Working full time	35
Not working full time	32
Owner occupier	37
States rent	13
St Peter Port	31
Elsewhere	35
Living in Guernsey up to 5 years	32
Over 5 years up to 10 years	43
Over 10 years, up to 20 years	26
Living in Guernsey over 20 years	35

Source: MORI

Review of the Machinery of Government in Guernsey for The States of Guernsey

Attitudes towards States' Decisions

Residents were asked for their opinions on the changes decided by the States. Specifically, they were asked to say how much they feel they agree with a series of statements. These statements were:

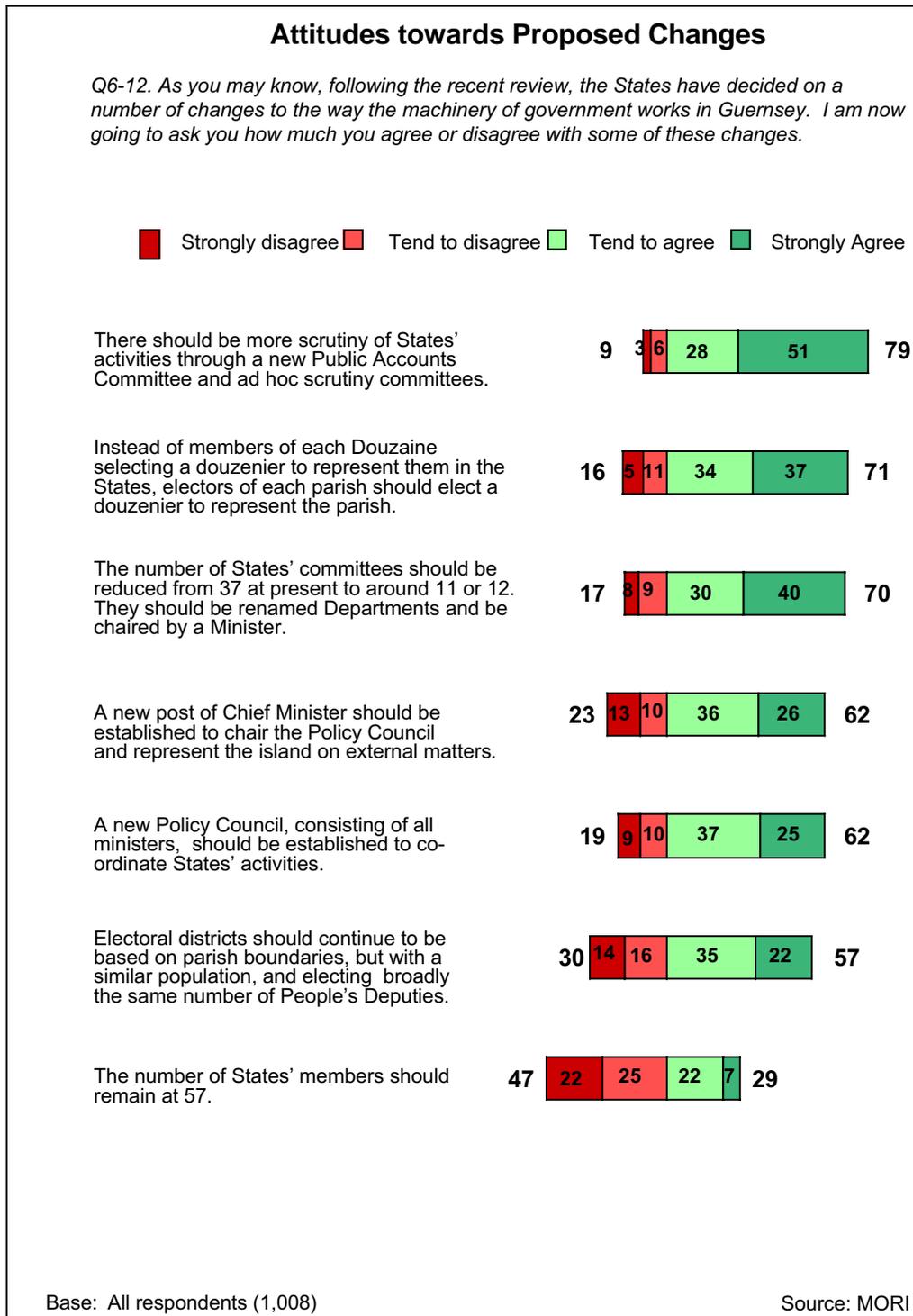
- The number of States' members should remain at 57;
- Electoral districts should continue to be based on parish boundaries, but with a similar population, and electing broadly the same number of People's Deputies;
- Instead of members of each Douzaine selecting a douzenier to represent them in the States, electors of each parish should elect a douzenier to represent the parish;
- A new Policy Council consisting of all ministers should be established to co-ordinate States' activities;
- A new post of Chief Minister should be established to chair the Policy Council and represent the island on external matters;
- The number of States' committees should be reduced from 37 at present to around 11 or 12. They should be renamed Departments and be chaired by a Minister;
- There should be more scrutiny of States' activities through a new Public Accounts Committee and ad hoc scrutiny committees.

On the whole, residents' reactions to these changes are extremely positive. As can be seen from the chart that follows, all aspects, except keeping the number of States' members the same, enjoy considerable public support.

The most popular aspect of the proposed changes is that a new *Public Accounts Committee and other ad hoc committees should scrutinise States' activities*. Four in five residents agree that this would be a positive change. In the February survey, only 15% felt that the States are not sufficiently accountable when things go wrong. This puts this new finding in an interesting light. The attraction of increased accountability is not obviously or directly connected with any present dissatisfaction; perhaps it can simply be explained by the fact that accountability is central to public confidence in governments and voters welcome any measures taken to preserve or increase it.

Support for increased accountability is consistently high across all sub-groups, but particularly so amongst those who have high awareness of the States and of the review.

Review of the Machinery of Government in Guernsey for The States of Guernsey



Most people (71%) are in favour of altering the voting structure so that *electors, rather than members of each Douzaine, elect douzeniers to represent parishes*. This is in line with the findings in the previous survey, which showed that 75% of residents wanted to see electors take voting rights away from members of the Douzaine (although in February there was a split over whether this should be to vote for a douzenier or other type of representative – a distinction not covered in the August survey). Younger residents are most

Review of the Machinery of Government in Guernsey for The States of Guernsey

favourable, as well as ABC1s and full time workers. Older residents are slightly less keen to see the method of electing douzeniers change, although still in favour (62% of those over 55 agree compared with 75% of 16-54 year olds).

The next most popular proposed change is that *the number of committees should be reduced*. 70% of residents are in support of this – an unequivocal endorsement and a reflection of the finding in February which showed 72% agreeing that 37 committees is too many. Again, the more people know about the States generally and about the proposed review, the more supportive they are. ABC1s and older people are also more enthusiastic.

The *creations of a new Chief Minister and a Policy Council* both enjoy the support of 62% of Guernsey residents. Support for both is highest amongst ABC1s, those under 35, those in full time work, newer Guernsey residents (less than 5 years) and those who know at least a fair amount about the review.

In February, a majority (53%) expressed support for using existing parish boundaries to create six new constituencies (involving grouping smaller parishes together). In the August survey, slightly more (57%) agree that *electoral districts, based on parish boundaries, should contain a similar population and elect broadly the same number of People's Deputies*. Two important conclusions can be drawn from this – firstly that there is widespread support for the reorganisation of electoral districts, and secondly that it is important to residents that representation is equal. There are very few significant sub-group differences in opinion here – the only group of note are those under 35, who are slightly more supportive than average (62%).

A third (30%) of residents are opposed to the reorganisation of electoral districts, however. This is a significant minority, tending to be the over 35s, those who have lived in Guernsey for over 20 years and those who know at least a fair amount about the way the States work, and the review.

The only change to attract more criticism than support is that which makes no changes (perhaps a significant endorsement of change in itself). We find that 28% agree that the number of States' members should remain at 57, while 47% disagree. Those most in favour of keeping 57 States' members are DEs and those who live outside St Peter Port. Those most opposed to keeping 57 members are those over 55, longer term residents, and those who know more about the way the States work and the review in particular.

The following table shows a selection of key sub-group differences. Comprehensive computer tables are appended.

Review of the Machinery of Government in Guernsey for The States of Guernsey

S. *As you may know, following the recent review, the States have decided on a number of changes to the way the machinery of government works in Guernsey. I am now going to ask you how much you agree of disagree with some of these changes.*

% agree with each proposal	No. of States' members	Electoral districts	Electors elect douzenier	Policy Council	Chief Minister	Reduce States' Committees	Public Accounts Committee
Total	28	57	71	61	62	70	79
Men	29	54	67	66	66	74	82
Women	28	60	74	57	60	66	76
16-34	30	62	74	65	69	67	76
35-54	29	58	76	62	65	69	83
55-64	24	52	65	54	61	77	87
65+	27	52	60	57	48	71	71
ABC1	27	58	74	65	67	73	81
C2DE	32	56	66	56	57	65	76
Living in Guernsey up to 5 years	23	63	79	78	81	70	74
Over 5 years up to 10 years	16	59	71	66	82	69	79
Over 10 years, up to 20 years	30	59	69	64	67	67	71
Living in Guernsey over 20 years	29	56	70	59	59	70	81
Know at least a fair amount about the way the States work	27	55	70	65	63	77	82
Know not very much/nothing about the way the States work	29	58	71	58	62	64	77

Source: MORI

Appendices

Sample profile

Statistical reliability

Social class definitions

Marked up questionnaire

Computer tabulations

Sample Profile¹

	Unweighted number 1,008	Unweighted % 100	Weighted % 100
Total			
Sex			
Male	504	50	49
Female	504	50	51
Age			
16-24	117	12	13
25-34	181	18	18
35-44	185	18	19
45-54	183	18	18
55-64	149	14	13
65+	190	19	19
Social class			
A	89	9	11
B	170	17	21
C1	342	34	30
C2	196	17	18
D	74	7	9
E	118	12	9
Work status			
Full-time (30+ hrs/wk)	559	56	54
Part-time/ not working	447	44	46
Housing tenure			
Owner occupier	785	78	78
Rent from States	63	6	6
Privately rented	133	13	13
Other/don't know/refused	27	3	3

¹ Where figures do not sum to 100%, this is due to respondents' refusing to answer the question.

Statistical Reliability

The respondents to the questionnaire are only samples of the total "population", so we cannot be certain that the figures obtained are exactly those we would have if everybody had been interviewed (the "true" values). We can, however, predict the variation between the sample results and the "true" values from a knowledge of the size of the samples on which the results are based and the number of times that a particular answer is given. The confidence with which we can make this prediction is usually chosen to be 95 per cent - that is, the chances are 95 in 100 that the "true" value will fall within a specified range. The table below illustrates the predicted ranges for different sample sizes and percentage results at the "95 per cent confidence interval":

Approximate sampling tolerances

Size of sample on which survey result is based at or near these levels	Applicable to percentages		
	10% or 90%	30% or 70%	50%
	±	±	±
100 interviews	6	9	10
200 interviews	4	6	7
300 interviews	3	5	6
400 interviews	3	4	5
500 interviews	3	4	4
800 interviews	2	3	3
900 interviews	2	3	3
1,008 interviews	2	3	3

For example, with a sample size of 1,008 where 30 per cent give a particular answer, the chances are 19 in 20 that the "true" value (which would have been obtained if the whole population had been interviewed) will fall within the range of ± 3 percentage points (actually 2.8%) from the sample result.

When results are compared between separate groups within a sample, different results may be obtained. The difference may be "real," or it may occur by chance (because not everyone in the population has been interviewed). To test if the difference is a real one - i.e. if it is "statistically significant", we again have to know the size of the samples, the percentage giving a certain answer and the degree of confidence chosen. If we assume "95 per cent confidence interval", the differences between the results of two separate groups must be greater than the values given in the table below:

Size of samples compared	Differences required for significance at or near these percentage levels		
	10% or 90%	30% or 70%	50%
	±	±	±
100 and 100	7	13	14
100 and 200	7	11	12
100 and 500	7	10	11
200 and 200	7	10	11
200 and 400	5	8	9
200 and 500	5	8	8
400 and 400	4	6	7
400 and 500	4	6	7
500 and 500	4	6	6

Social Class Definitions

A Professionals such as doctors, surgeons, solicitors or dentists; chartered people like architects; fully qualified people with a large degree of responsibility such as senior editors, senior civil servants, town clerks, senior business executives and managers, and high ranking grades of the Services.

B People with very responsible jobs such as university lecturers, hospital matrons, heads of local government departments, middle management in business, qualified scientists, bank managers, police inspectors, and upper grades of the Services.

C1 All others doing non-manual jobs; nurses, technicians, pharmacists, salesmen, publicans, people in clerical positions, police sergeants/constables, and middle ranks of the Services.

C2 Skilled manual workers/craftsmen who have served apprenticeships; foremen, manual workers with special qualifications such as long distance lorry drivers, security officers, and lower grades of Services.

D Semi-skilled and unskilled manual workers, including labourers and mates of occupations in the C2 grade and people serving apprenticeships; machine minders, farm labourers, bus and railway conductors, laboratory assistants, postmen, door-to-door and van salesmen.

E Those on lowest levels of subsistence including pensioners, casual workers, and others with minimum levels of income.

Corporate Structure - Organisational Options

The following options arise from the States' decision on 17 May 2002 that there should be a Chief Minister without a Chief Minister's department. In all options the Policy Council would be chaired by the Chief Minister.

- A. Policy Council with a coordinating role only. A senior (Policy & Resources) department with responsibilities for policy formulation (including the Treasury) and the allocation of resources.

Disbenefits: Would cut across the leadership role of the Chief Minister.

Relationship between the Chief Minister and the P&R Minister would be a complex but critical to success.

No defined role for a Deputy Chief Minister (who would, presumably, only deputise as Chair of the Policy Council in the absence of the Chief Minister).

- B. Chief Minister responsible, on his own behalf, for corporate policy. Policy Council with coordinating role and supporting the Chief Minister. No senior department. Responsibility for resources devolved to individual departments.

Disbenefits: Chief Minister would have too much power.

Contrary to the non-executive principles laid out in the Joint Committee's proposals and agreed by the States.

- C. Policy Council responsible for corporate policy, and with a general coordinating role. Chief Minister acting on behalf of the Council. No senior department. Responsibility for resources devolved to individual departments.

Disbenefits: Limited leadership role for the Chief Minister.

Lack of coordination in respect of resources.

No clear role for a Deputy Chief Minister.

- D. Policy Council responsible for corporate policy and for resources, and with a general coordinating role. Chief Minister acting on behalf of the Council. No senior department. Responsibility for resources devolved to individual departments.

Benefits: Clear leadership role for the Chief Minister.

Combining responsibility for policy and resources would encourage corporate management and cohesive government.

Disbenefits: A Policy Council with approximately 12 members (Ministers) could be too cumbersome for effective administration of resources.

It is difficult to see how the Policy Council could carry out the finance/treasury function, and guide the States in the generation of revenue.

The Policy Council could engage in detail, rather than concentrating on strategic policy and coordination.

It may be felt that the Chief Minister would have too much power.

Need a role for a Deputy Chief Minister.

- E. Policy Council with coordinating role only. Senior (Policy & Resources) department also led by the Chief Minister (subject to election by the States), with responsibility for corporate policy and for resources.

Benefits: Clear leadership role for the Chief Minister.

Combining responsibility for policy and resources would encourage corporate management.

Administration of resources could be effectively carried out in a P&R Department, which would have fewer members than the Policy Council.

Disbenefits: Leaves the Policy Council with a coordination and advisory role only, reducing cohesive government.

It may be felt that the Chief Minister would have too much power.

Need a role for a Deputy Chief Minister, possibly as Deputy Chair of the Policy Council.

Other than in name, this could be what the States voted against (by 36 votes to 19).

**Draft 'Frameworks' for the accountabilities of the Policy
Council and the Treasury.**

POLICY COUNCIL

Constituted by Resolution of the States of (?)

CONSTITUTION

ACCOUNTABILITIES

a) To advise the States on matters relating to:

- The formulation of strategic and corporate objectives and the implementation of policies to achieve those objectives.
- The Island's constitutional position including its relationships with the United Kingdom and European Union, international relations and matters relating to the other Islands of the Bailiwick.
- The coordination of the work of the States.
- The policy for the future provision of aid overseas on behalf of the States.

And to be responsible for:

- The relationship between the States of Guernsey and Alderney.
- The allocation of duties to States departments and States committees.
- Requesting a department or committee to examine and report to the States or to the Policy Council on any matter which falls within the mandate of such a department.
- Reporting to the States or requesting a department or committee to examine and report to the States, on any matter which falls outside the mandate of any department or committee.
- Receiving and commenting as appropriate on all proposals and reports which are to be placed before the States by departments.
- Considering international agreements to which the insular authorities are invited to acquiesce and to make appropriate recommendations thereon.
- Human resource policy and the provision of corporate human resource services.

- The appointment of chief officers of departments and committees and other senior civil service appointments.
- Matters necessary in the event of an emergency to preserve the life and well-being of the community and the preservation of law and order.
- The preparation of the States' Agenda.
- The prioritisation of the States' legislative programme.
- The early enactment of legislation where there is a public interest issue.
- Studying, together with the Standing Committee of the Guernsey Deanery Synod, Schemes for the application of certain General Synod measures prepared by the Bishop of Winchester pursuant to the Channel Islands (Church Legislation) Measures 1931 and 1957 as amended by the Synodical Government (Channel Islands) Order 1970 and to report thereon to the States.
- The provision of population and migration statistics and the need for measures relating to population and migration.
- The provision, on behalf of the States, of hospitality to appropriate visiting persons and organisations.
- The Island Archives Service.

GENERIC ACCOUNTABILITIES

- b) To develop, present to the States for approval and to implement policies on the above matters for the provision of services, introduction of legislation and other appropriate measures which contribute to the achievement of strategic and corporate objectives.
- c) To exercise the powers and duties conferred on it by extant legislation and States resolutions and in particular the Emergency Powers (Bailiwick of Guernsey) (Law), 1965.
- d) To be accountable to the States for the management and safeguarding of public funds and other resources entrusted to it.

TREASURY

Constituted by Resolution of the States of the (?).

CONSTITUTION

ACCOUNTABILITIES

a) To advise the States on matters relating to:

- The regulation and control of States financial affairs.
- The raising of States income and control of financial resources.
- The system for the assessment and collection of income tax.
- The allocation and administration of States resources including establishment policies (e.g. the current staff number limitation policy).
- Pensions to be paid to persons in the service of the States and for the administration of the scheme constituted by the pension rules.

And to be responsible for:-

- Financial and treasury functions including the provision of advice and corporate services to other States departments.
- The shareholders' functions and duties in respect of the States Trading Companies.
- The provision of resources for the offices of Crown appointees and for the function of the Royal Court.
- The maintenance of a register of property ownership for the purpose of assessing and collecting taxes based on rateable value.
- The provision of the strategic property function and administration of property services.
- Internal audit, insurance and management of risks to States assets.
- Information and communication technology strategy and the States ICT network.

GENERIC ACCOUNTABILITIES

- b) To develop, present to the States for approval and to implement policies on the above matters for the provision of services, introduction of legislation and other appropriate measures which contribute to the achievement of strategic and corporate objectives.
- c) To exercise the powers and duties conferred on it by extant legislation and States resolutions.
- d) To be accountable to the States for the management and safeguarding of public funds and other resources entrusted to it.

The Future Machinery of Government in Guernsey.

The Development and Presentation of Policy Proposals.

Introduction.

This paper sets out the process for the development and presentation of policy proposals under the new machinery of government structure.

The existing timetable will be used with Policy Letters having to be submitted to the Policy Council 60 days (i.e. 2 months) before the date of a States meeting.

A major difference is that policy proposals which accord with States' strategic policies, having been 'cleared' where appropriate by the Treasury in respect of resource implications, may be 'processed' through the Policy Council without debate. In these circumstances Policy Letters could be accommodated on the basis of the existing "concessionary period" i.e. being submitted to the Policy Council six weeks (1½ months) prior to a States meeting. **Consequently, the system should be more efficient than at present.**

Where policy proposals presented by a department do **not** comply with States corporate policy, the Policy Council will have a right to withhold that Policy Letter from presentation to the States for a further 30-day period (i.e. an extra month) even if the Policy Letter has been submitted within the 60 day rule. This will provide the Policy Council with additional time (if required) to consider the proposals, discuss them with the department and call for more information.

Policy Council.

- The Policy Council would be responsible for developing and coordinating economic, fiscal, social and environmental policy at a strategic level.
- The Chief Minister, on behalf of the Policy Council, would present to the States all new strategic policies which were developed by the Policy Council and any proposals for changing existing strategic policies in the areas mentioned in the first bullet point above.
- Individual Ministers would be free to vote against proposals put forward by the Policy Council (although it is hoped that this would occur infrequently).
- The principal 'vehicle' for the development / presentation of revisions to strategic policy would be the States Policy and Resource Plan but this would not, of course, preclude the Policy Council from initiating other Policy Letters.

- The Policy Council would consult with the relevant departments in developing strategic policy. It would be supported by a chief executive and the staff of the Policy Council.

Departments.

- Each department would develop policy proposals in their own areas of responsibility / expertise.
- Policy proposals (Letters) should refer to and work within the States strategic policies.
- Departments would be expected to consult with the Treasury on all resource issues prior to finalising their Policy Letters.
- Policy proposals would have to set out all resource implications and whether or not these had been previously identified in the department's Policy and Resource Plan.
- Policy Letters should state whether or not the resource implications had the support of the Treasury which would be entitled to append to a department's Policy Letter a letter of comment that addressed resource issues only.
- Departments would be encouraged to consult with staff of the Policy Council during the development of policy proposals.
- Policy Letters would be submitted by the departments to the Policy Council.
- The staff of the Policy Council would scrutinise each Policy Letter to ensure, amongst other things, compliance with strategic policies and that resource implications had been addressed in consultation with the Treasury.

The Process.

- The Chief Minister would send those Policy Letters that complied with strategic policies to the Members of the Policy Council for their information. However, there could be occasions where the Chief Minister determines that a Policy Letter should be discussed by the Policy Council notwithstanding that the proposals were within strategic policy.
- In addition, any Minister could request the Chief Minister to include a particular Policy Letter on the agenda for debate by the Policy Council even where the proposals were within strategic policy. Such an item would then appear on the Policy Council's agenda as soon as the staff of the Policy Council had prepared a Briefing Paper.

- Only those Policy Letters containing proposals that in the opinion of the Policy Council were outside of strategic policy would normally be considered by the Policy Council. In such circumstances, Briefing Papers would be prepared by the staff of the Policy Council to assist the Ministers in focusing on the key issues.
- Where in the opinion of the Policy Council a Policy Letter fell outside of strategic policy, the Chief Minister would determine when to place the matter on the agenda of the Policy Council and subsequently which States agenda would contain the Policy Letter. This ‘discretion’ would be subject to an overall time limit of three months (90 days) from receipt of the Policy Letter at the end of which the item must appear on the States agenda.
- Where in the opinion of the Policy Council a Policy Letter fell outside of strategic policy, the Policy Council would need to determine whether to support or oppose the policy proposal(s) and recommend (or otherwise) their approval by the States.
- The Policy Council would have the right to attach a letter of comment to any Policy Letter irrespective of whether or not it complied with strategic policy.
- Should the Policy Council decide, either unanimously or by a majority, to oppose a particular policy proposal, the Minister and Members of the relevant department, would retain the option of presenting the Policy Letter to the States (with the Policy Council’s letter of comment attached).

The Annual Budget Process.

- The Treasury would prepare the overall annual Budget in consultation with the individual departments. Each department would prepare its own detailed budget within the strategic fiscal framework established by the Policy Council and approved by the States, and in accordance with technical guidelines established by the Treasury.
- The draft Annual Budget would be presented to the Policy Council by the Minister of the Treasury and endorsed (or otherwise) by the Council.
- The Minister of the Treasury would present the Annual Budget to the States. This could be done even if a majority of the Policy Council did not support the proposals.

Agendas for States Meetings.

Some initial consideration has been given to developing an alternative system to replace the Billet D’Etat.

However, it has been concluded that the system of using the Billet D'Etat should remain in place at least for an initial period after implementation of the new machinery of government structure whilst things settle down. Once the Chief Minister and Policy Council have become accustomed to setting the States agenda through the Billet D'Etat process, that may be the time to consider alternative mechanisms such as the use of "Order Papers" which are used in other jurisdictions.

Changes to the States Rules of Procedure.

In order to facilitate the above process, the following changes would need to be made:-

- Amendments to Rule 1 to reflect the fact that in future the Policy Council will coordinate the preparation and issue of each Billet D'Etat.
- An additional rule requiring departments to consult with the Treasury **prior to the submission** of a Policy Letter to the Policy Council.
- An additional rule to enable the Policy Council to defer the inclusion of a department's Policy Letter in a Billet D'Etat for a maximum one-month period where in the opinion of the Policy Council the proposals do not comply with the corporate policy of the States.

Relationship between the Policy Council and the Treasury and the departments.

Example 1

The Health and Social Services Department proposes a major change to the Island's primary health care system of the Island, which will affect provision of health care including human resources and the type of equipment and buildings required. The proposals therefore impact upon the Island's health policies and have capital, revenue, staff and property resource implications.

The Health and Social Services Department consults other affected departments, including the Treasury (in respect, for example, of finance, staff and property issues), and places its proposals before the Policy Council, which will also be made aware of the Treasury's view of resource implications and cost effectiveness.

The Policy Council supports the proposals. The Health and Social Services Department then submits its proposals to the States, with the express support of the Policy Council. The States approve the proposals, which include the provision of additional financial and human resources and property acquisitions.

The Treasury ensures that the financial and human resources are made available to the Health and Social Services Department, and carries out the property transactions necessary and maintains its mandated financial oversight function.

Example 2

As example 1, but the Treasury opposes the proposals on the grounds that they are excessively costly and cannot be met from existing States financial resources. (These views would have to be made clear in the Policy Letter). The Health and Social Services Department nevertheless places its proposals before the Policy Council, which overrides the objections of the Treasury Minister and supports the proposals in principle. The Policy Council asks the Treasury to prepare proposals for increasing States income or reducing expenditure in order to meet the requirements of the Health and Social Services Department's proposals. The matter then proceeds to the States as in example 1 but with both the Policy Council and the Treasury appending a letter of comment to the Policy Letter.

However, provided that the Policy Council has a corporate strategy, the chances of disagreement between the Council and the Treasury should be much reduced (as the objectives of each would be in closer alignment). This should make example 2 a rare event.

Example 3

As example 2, but the Policy Council does not support the proposals, in view of the objections of the Treasury. The Health and Social Services Department then has the option of either dropping the proposals, modifying them in the hope of gaining Policy Council support, or submitting them to the States without the support of the Policy Council or Treasury. If the Health and Social Services Department decided to take this latter course of action, the States would be apprised of the objections of the Policy Council and the Treasury.

It is anticipated that under the new structure, greater emphasis would be placed on a corporate approach to policy development by the Policy Council and the departments. The States Policy and Resource Plan should therefore provide for a more robust approach by the States to developing strategic policies within which the individual departments will work. Consequently, it is hoped that example 3 will become a rare event.

Example 4

The Health and Social Services Department proposes to enlarge day care facilities to improve care facilities in the community and thus reduce the need for in-patient facilities. This accords with existing States-approved policies. The Department consults other affected departments, such as the Planning Department (making an application if required) and the Treasury. Once the Policy Council has confirmed that the proposals accord with existing States policies in respect of health, and as the resource requirements are within the power (as determined by the States) of the Treasury to grant, the proposal does not need to be debated by the States or the Policy Council. The Treasury makes the necessary resource allocation and the project proceeds subject to receiving relevant permissions (i.e. planning).

Current Committee Structure

Board of Administration	Gambling Control	Legislation
Advisory and Finance	Guernsey Social Security	Liberation Celebrations
Agriculture and Countryside	Transport Board	Overseas Aid
Arts	Health	Probation
Broadcasting	Heritage	Public Assistance
Cadastre	Home Affairs	Public Thoroughfares
Children Board	Horticulture	Recreation
Civil Defence	Housing	Sea Fisheries
Civil Service	Income Tax	Procedures and Constitution
Education	Industry	Tourist Board
Emergency Council	Island Development Committee	Traffic
	Island Reception	Water

Other Current “Committees”

Ecclesiastical Committee

Elizabeth College Board of Directors

Joint Guernsey/Alderney Consultative Council

Ladies College Board of Governors

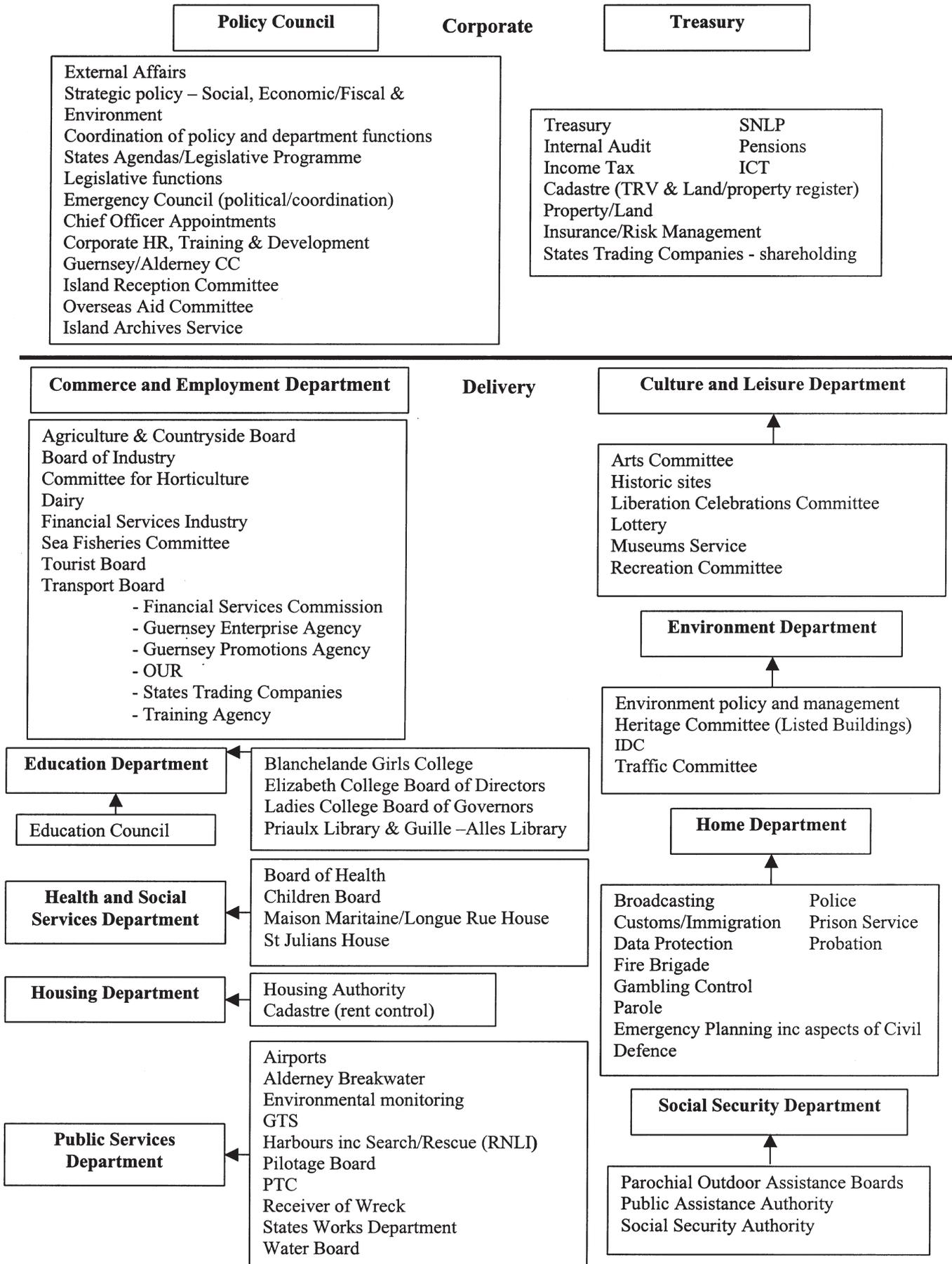
Liberation Religious Service Committee

Lifeboat Committee

Parochial Outdoor Assistance Boards

Priaulx Library Council

Proposals for a New Corporate and Department Structure



**Draft 'Frameworks' for the accountabilities of the new
Departments**

COMMERCE AND EMPLOYMENT DEPARTMENT

Constituted by Resolution of the States of the (?)

CONSTITUTION

ACCOUNTABILITIES

a) To advise the States on matters relating to:

- The creation of a balanced and diversified economy through the development of:-
 - commerce and industry
 - financial services industry
 - the visitor economy
 - the Island's horticultural industry
 - agriculture and the countryside.
- The promotion, provision and regulation of air and sea links to and from the Bailiwick including liaison with other jurisdictions.
- Safeguarding the living marine resources within the Bailiwick waters and managing, where appropriate, their exploitation in a sustainable manner to the benefit of the Bailiwick's population and within its responsibilities to the wider environment.

And to be responsible for:-

- Raising of awareness of the Island nationally and internationally as a tourist destination.
- Employment and industrial relations.
- Health and safety and good working practices in the workplace.
- Consumer advice and protection and trading standards.
- The provision of temporary work for the unemployed.
- The regulation of utilities.
- The States Dairy.
- Plant protection.
- Animal Welfare.

- The provision of an Island wide tree planting scheme.

GENERIC ACCOUNTABILITIES

- a) To develop, present to the States for approval and to implement policies on the above matters for the provision of services, introduction of legislation and other appropriate measures which contribute to the achievement of strategic and corporate objectives.
- b) To exercise the powers and duties conferred on it by extant legislation and States resolutions.
- c) To be accountable to the States for the management and safeguarding of public funds and other resources entrusted to it.

CULTURE AND LEISURE DEPARTMENT

Constituted by Resolution of the States of the (?)

CONSTITUTION

ACCOUNTABILITIES

a) To advise the States on matters relating to:

- The promotion of arts and crafts in Guernsey including the provision of financial assistance.
- The promotion of all sport and recreation in the Island.
- The States' museums and galleries and historical and archaeological sites in the care of the department.
- Matters relating to Liberation celebrations.

And to be responsible for:-

- The management of the Beau Sejour Leisure Centre.
- Liaison with the Guernsey Council of Churches in respect of the organisation of the religious service to be held on Liberation Day.
- The promotion and administration of public lotteries within the Island, including the use of proceeds accruing from such lotteries.

GENERIC ACCOUNTABILITIES

- b) To develop, present to the States for approval and to implement policies on the above matters for the provision of services, introduction of legislation and other appropriate measures which contribute to the achievement of strategic and corporate objectives.
- c) To exercise the powers and duties conferred on it by extant legislation and States resolutions.
- d) To be accountable to the States for the management and safeguarding of public funds and other resources entrusted to it.

EDUCATION DEPARTMENT

Constituted by Resolution of the States of (?)

CONSTITUTION

ACCOUNTABILITIES

a) To advise the States on matters relating to:

- The provision of Education (including vocational and industrial training) in Guernsey, Alderney and Herm.

And to be responsible for:-

- Providing assistance for students taking courses of education not provided directly by the Department.
- The Education Development Centre.
- Youth employment and careers advice.
- The employment of children.
- Support Services for children with learning difficulties or behavioural problems.
- Schools' Music Service.
- Youth organisations.
- The Guilles Alles Library.
- The Priaulx Library.

GENERIC ACCOUNTABILITIES

- b) To develop, present to the States for approval and to implement policies on the above matters for the provision of services, introduction of legislation and other appropriate measures which contribute to the achievement of strategic and corporate objectives.
- c) To exercise the powers and duties conferred on it by extant legislation and States resolutions.
- d) To be accountable to the States for the management and safeguarding of public funds and other resources entrusted to it.

ENVIRONMENT DEPARTMENT

Constituted by Resolution of the States of the (?).

CONSTITUTION

ACCOUNTABILITIES

a) To advise the States on matters relating to:

- Environmental policy.
- The protection, enhancement and sustainable development of the physical environment in accordance with the social and economic objectives of the States.
- The protection and enhancement of the natural environment of States owned land including sites of nature conservation importance, cliff paths, beaches, headlands and other public areas and parks, gardens and plantations.

And be responsible for:-

- The provision of an integrated planning process for all development applications.
- Traffic and traffic management.
- Road safety.
- Public transport .
- Vehicle registration and licensing.
- Driving licences.

GENERIC ACCOUNTABILITIES

- b) To develop, present to the States for approval and to implement policies on the above matters for the provision of services, introduction of legislation and other appropriate measures which contribute to the achievement of strategic and corporate objectives.
- c) To exercise the powers and duties conferred on it by extant legislation and States resolutions.
- d) To be accountable to the States for the management and safeguarding of public funds and other resources entrusted to it.

HEALTH AND SOCIAL SERVICES DEPARTMENT

Constituted by Resolution of the States of (?).

CONSTITUTION

ACCOUNTABILITIES

a) To advise the States on matters relating to:

- The welfare and protection of children, young people and their families.
- The mental, physical and social well being of the people of Guernsey and Alderney.

And to be responsible for:-

- health education
- promoting, protecting and improving environmental and public health
- preventing or diagnosing and treating illness, disease and disability
- caring for the sick, old, infirm and those with disabilities including the management of Maison Maritaine and Longue Rue House
- the management of St Julian's House .

GENERIC ACCOUNTABILITIES

- b) To develop, present to the States for approval and to implement policies on the above matters for the provision of services, introduction of legislation and other appropriate measures which contribute to the achievement of strategic and corporate objectives.
- c) To exercise the powers and duties conferred on it by extant legislation and States resolutions.
- c) To be accountable to the States for the management and safeguarding of public funds and other resources entrusted to it.

HOME DEPARTMENT

Constituted by Resolution of the States of (?).

CONSTITUTION

ACCOUNTABILITIES

a) To advise the States on matters relating to:

- Criminal Justice Policy¹.
- The Island's Police force.
- Fire Brigade .
- Prison Service.
- Customs and Immigration.
- Broadcasting Services within the Bailiwick.
- All forms of gambling in the Island.
- Probation, Through care and After care.

And to be responsible for:-

- The organisation of Broadcasting Services within the Bailiwick of Guernsey.
- The administration of controls over immigration and the import and export of goods, the registration of shipping and the collection of impôts and import duties.
- Liaison with the Data Protection Office.
- Emergency planning including responses to Civil Protection and Nuclear issues.
- The Fire Brigade and the provision of services for fire fighting, rescue and salvage in the Islands of Guernsey and Herm.
- The control of all forms of gambling in the Island.
- Liaison with the Parole Review Committee and the provision of administrative services to that Committee.
- The Island Police Force and the effective and efficient policing of the Bailiwick of Guernsey.

¹ developed in conjunction with the Courts, Law Officers and other interested parties.

- The Prison Service and the efficient control and administration of the States Prison.
- The operation of the Attendance Centre for young offenders and the introduction of other alternative sentences to full custodial sentences.
- The provision of the States Probation, Through Care and After Care services.

GENERIC ACCOUNTABILITIES

- b) To develop, present to the States for approval and to implement policies on the above matters for the provision of services, introduction of legislation and other appropriate measures which contribute to the achievement of strategic and corporate objectives.
- c) To exercise the powers and duties conferred on it by extant legislation and States resolutions.
- d) To be accountable to the States for the management and safeguarding of public funds and other resources entrusted to it.

HOUSING DEPARTMENT

Constituted by Resolution of the States of (?).

CONSTITUTION

ACCOUNTABILITIES

a) To advise the States on matters relating to:

- The Island's housing policies and housing stock.

And to be responsible for:-

- The provision of States housing and accommodation.
- The provision of assistance for house purchase and repair of housing.
- Controls on housing occupation.
- Controls on population growth (by limiting the effects of uncontrolled immigration).
- The control of rents of dwellings in the private sector.

GENERIC ACCOUNTABILITIES

- b) To develop, present to the States for approval and to implement policies on the above matters for the provision of services, introduction of legislation and other appropriate measures which contribute to the achievement of strategic and corporate objectives.
- c) To exercise the powers and duties conferred on it by extant legislation and States resolutions.
- d) To be accountable to the States for the management and safeguarding of public funds and other resources entrusted to it.

PUBLIC SERVICES DEPARTMENT

Constituted by Resolution of the States of the (?)

CONSTITUTION

ACCOUNTABILITIES

a) To advise the States on matters relating to:

- Guernsey and Alderney airports.
- St Peter Port and St Sampson's harbours.
- The roads infrastructure.
- The drainage infrastructure.
- The public water supply.

And to be responsible for:-

- The provision and administration of port facilities in respect of Guernsey's airport and harbours together with Alderney's airport.
- Liaison with the Guernsey branch of the Royal National Lifeboat Institution and the coordination of search and rescue functions.
- The establishment and management of a Pilotage Board.
- The maintenance of Alderney breakwater.
- The provision, maintenance, operation and development of effective radiological and environmental monitoring.
- The operation and maintenance of property under the control of the Civil Defence organisation.
- The provision of property, engineering and architectural functions.
- The management of environmental emergencies, control of essential commodities and receivership of wrecks.
- The management, structure and wearing surfaces of the road network.
- The surfaces of green lanes.

- The management, collection and disposal of surface waters that fall on and/or pass under the road network.
- The management, collection, treatment and disposal of waste water from household, industrial and commercial properties.
- The provision and administration of a direct labour organisation (States Works department).
- Foulon cemetery and crematorium, public conveniences, States markets and Herm.

GENERIC ACCOUNTABILITIES

- b) To develop, present to the States for approval and to implement policies on the above matters for the provision of services, introduction of legislation and other appropriate measures which contribute to the achievement of strategic and corporate objectives.
- c) To exercise the powers and duties conferred on it by extant legislation and States resolutions.
- d) To be accountable to the States for the management and safeguarding of public funds and other resources entrusted to it.

SOCIAL SECURITY DEPARTMENT

Constituted by Resolution of the States of (?).

CONSTITUTION

ACCOUNTABILITIES

- a) To advise the States on matters relating to:
- The provision of social security coverage, through social insurance, health insurance and other schemes of social protection, for the well being of Guernsey and Alderney residents and for migrant workers and their families.
 - The provision, through the Parochial Outdoor Assistance Boards, of temporary financial support to persons whose resources are insufficient to meet basic living standards.

GENERIC ACCOUNTABILITIES

- b) To develop, present to the States for approval and to implement policies on the above matters for the provision of services, introduction of legislation and other appropriate measures which contribute to the achievement of strategic and corporate objectives.
- c) To exercise the powers and duties conferred on it by extant legislation and States resolutions and in particular:
- to control and manage the Guernsey Insurance Fund, as required by section 100 of the Social Insurance (Guernsey) Law, 1978 as amended;
 - to control and manage the Guernsey Health Service Fund, as required by section 1 of the Health Service (Benefit) (Guernsey) Law, 1990;
 - the central Outdoor Assistance Board regulations, 1939 and 1963.
- d) To be accountable to the States for the management and safeguarding of public funds and other resources entrusted to it.

N.B. The constitution and mandate of the Parochial Outdoor Assistance Boards will continue as presently drafted.

The States are asked to decide:-

I.- Whether, after consideration of the Report dated the 31st March, 2003, of the States Advisory and Finance Committee, they are of opinion:-

1. To approve the new corporate structure for the future machinery of government comprising the Policy Council and the Treasury as set out in section 6 of that Report.
2. To approve the broad political accountabilities for the Policy Council and the Treasury as set out in section 6 of that Report.
3. To approve the new department structure for the future machinery of government as set out in section 12 of that Report.
4. To approve the broad political accountabilities for the nine new departments as set out in section 12 of that Report.
5. To approve the establishment of a House Committee and its functions and responsibilities as set out in section 14 (a) of that Report.
6. To approve the establishment of a Scrutiny Committee and its functions and responsibilities as set out in section 14 (b) of that Report.
7. To note the States Advisory and Finance Committee's intention to report back to the States on proposals for establishing a post of Auditor General and the establishment of a Public Accounts Committee as set out in Section 14(c) of that Report.
8. To dissolve with effect from midnight on 30 April 2004 the Legislation Committee and allocate its functions as described in section 14 (d) of that Report.
9. To approve the establishment of a Public Sector Remuneration Committee as set out in section 14 (e) of that Report.
10. To dissolve with effect from midnight on 30 April 2004 the Lifeboat Committee and to agree to the arrangements for States support for the Guernsey Branch of the Royal National Lifeboat Institution as set out in section 15 of that Report.
11. To dissolve with effect from midnight on 30 April 2004 the Liberation Religious Service Committee and to agree to the devolving of responsibility (with their agreement) to the Guernsey Council of Churches for organising, on behalf of the States, an annual ecumenical service as set out in section 15 of that Report.

12. To dissolve with effect from midnight on 30 April 2004 all of the other committees that are shown in appendix 5 of that Report with the exception of the Elizabeth College Board of Directors, the Ladies College Board of Governors, the Priaulx Library Council and the Parochial Outdoor Assistance Boards.
13. To approve of the establishment, with effect from 1 May 2004, of a
 - (a) Policy Council
 - (b) Treasury
 - (c) Commerce and Employment Department
 - (d) Culture and Leisure Department
 - (e) Education Department
 - (f) Environment Department
 - (g) Health and Social Services Department
 - (h) Home Department
 - (i) Housing Department
 - (j) Public Services Department
 - (k) Social Security Department

as set out in that Report.
14. To note the requirement for further work to be conducted into the possible opportunities for the States to deliver some existing services through alternative mechanisms and to require the new departments to work with the Policy Council in examining all such opportunities.
15. To note that the States Advisory and Finance Committee and the States Civil Service Board will work together to manage the implications arising for the Civil Service as a consequence of the implementation of the new machinery of government and in particular the appointment of chief officers to the new departments and the development of new staffing structures.
16. To agree that the implementation date for the new machinery of government structure will be 1 May 2004.
17. To agree that the States Advisory and Finance Committee, in consultation with existing committees as appropriate, shall be responsible for determining the allocation of the detailed functions to the new departments.
18. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

STATES PROCEDURES AND CONSTITUTION COMMITTEE

MACHINERY OF GOVERNMENT REFORMS

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

25th March 2003

Dear Sir,

MACHINERY OF GOVERNMENT REFORMS

1. On the 17th May, 2002 the States resolved, inter alia, to direct the States Procedures and Constitution Committee to report to the States and submit proposals for:
 - a. The methods of nomination and election of the Chief Minister;
 - b. The methods of nomination and election of Ministers;
 - c. The constitutions of Departments;
 - d. The methods of nomination and election of Members of Departments;
 - e. ...
 - f. The constitution of non-governmental Committees, including a Legislation Committee, one or more Scrutiny Committees, and a House Committee, and the method of appointment of Members thereto.

This present report is submitted having regard to a draft of the Advisory and Finance Committee's report entitled *The Future Machinery of Government in Guernsey*.

Nomination and Election to offices

2. *Terms of Office:* Insofar as terms of office are concerned the Committee is of the opinion that all terms of office should be approximately coterminous with the life of the States of Deliberation, that is office holders elected in May 2004 would continue in office until their successors were elected in May, 2008 except that office holders would automatically cease to hold office on ceasing to be a Member of the States. For example, a minister who failed to be re-elected in the 2008 General Election would cease to hold his ministerial position on 30th April, 2008, but if re-elected, he would again be eligible for ministerial office.

3. ***Maximum number of terms:*** The Committee has considered whether a maximum term of office should be prescribed for some or all of the offices and has concluded that such a condition is not necessary. As stated in the previous paragraph all terms of office will be coterminous and this will make it easier to switch between departments than is presently possible with the “one-third each year” system currently in force. Further, the Committee cannot see why a good Chief Minister, Minister or Member of a Department should have to vacate the position merely as a result of the effluxion of time. States Members are best placed to decide whether someone should serve more than one term of office.
4. ***Limitation on number of offices which may be held:*** The Committee spent much time in considering whether a limit should be placed on the number of offices which may be held by an individual member but concluded that the advantages of allowing the States total flexibility in finding the best person for the job far outweighed any perceived disadvantages. The only exceptions are that the Chief Minister could not be an ordinary Minister and that a member could not be a Minister of more than one department, and the Committee so recommends.
5. ***Nominations:*** It was represented to the Committee that candidates for some or all of the offices should be nominated by five members in order to prevent spurious nominations. Whilst the precept is laudable the Committee does not think that such a rule would have a practical effect and therefore proposes that each candidate should be proposed and seconded as at present. The Committee considered whether nominations should be published in advance of the meeting but concluded that such a procedure would serve no real purpose as nominations for all the offices will be allowed, as at present, from the floor of the House. Lead nominations for the offices of Minister, Deputy Chief Minister and Chairmen of States committees will be made by the Chief Minister; nominations for members of departments will be made by the Minister of the department concerned and nomination for members of States committees will be made by the Chairman of the committee concerned.
6. ***Speeches:*** With regard to speeches, however, the Committee proposes a change. In respect of the offices of Chief Minister and Minister it recommends that the proposer should speak, principally on the merits of the candidate, following which the candidate would be entitled to set out his/her views on matters of policy. A time limit of five minutes would be imposed on each speaker. In all other cases only the proposer will be entitled to speak for not more than five minutes. The current rule that does not allow speeches unless there are more candidates than seats will continue.
7. ***Deputy Departmental Ministers:*** It is recommended that Deputy Departmental Ministers be elected in the same way as Vice-Presidents are

presently elected, that is at the first meeting of the Departmental Committee following the election of a Minister.

8. ***Election Procedure:*** Where the number of candidates exceeds the number of vacancies voting shall be carried out by secret ballot. For all elections, other than that of Chief Minister and Minister, the elections will be on a first past the post basis, that is, not requiring any specific percentage of the votes cast. For the two aforementioned offices where there are more than two candidates and if none of them secures more than 50% of the votes cast, the candidate securing the least number of votes shall be deemed to have failed and a further ballot shall be held. The process shall be repeated until one of the candidates secures more than 50%. Once there remain only two candidates the one securing the greatest number of votes shall be elected, whether or not he/she has secured more than 50%.

9. ***Order in which elections are held:*** The Committee believes that the election process should be carried out in three sessions in quick succession. It will be of utmost importance that the new system of government should be up and running as soon as possible after the members elected in the 2004 General Election take up office, that is on the 1st May, 2004. It is therefore suggested that the States could sit as follows:
 - Saturday, 1st May: for the election of the Chief Minister;
 - Tuesday, 4th May: for the election of Ministers, the Deputy Chief Minister and Chairmen of States Committees;
 - Thursday, 6th May: for all other elections.

The Committee considers that the Chief Minister should have the greatest flexibility possible in the nomination of Ministers and, to that end, the Committee proposes that he should determine the order in which he wishes the ministerial offices to be filled. That same order will then be followed in electing members of departments.

Constitutions of Departments

10. ***Policy Council:*** The Committee recommends that the constitution of the Policy Council be:
 - A Chairman who shall be the Chief Minister
 - The 10 Ministers
 Ministers unable to attend a meeting of the Policy Council will be represented by either the Deputy Departmental Minister or another member of the Department nominated in that behalf by the Minister, save that the representative shall not be a Minister of another department.

11. ***Departments:*** Consideration has been given as to whether different departments need to be constituted in different ways and the Committee has concluded that no case has been made for certain departments having larger or smaller membership than others. The Committee has also considered

whether non-States members should be included as full members and has reached the view that non-States members should not have a vote. Full responsibility for Department decisions should rest with the elected members. That is not to say, however, that non-States members have no part to play in the work of departments. On the contrary, their expertise should be drawn on whenever possible. For that reason the Committee recommends that departments be empowered to co-opt not more than two non-voting non-States members on their departments. The proposed constitution for all of the departments is, therefore:

A Minister

Four members of the States

Up to 2 non-voting members appointed by the Department, who shall not be sitting members of the States, which appointment shall be coterminous with the quadrennial elections of members.

12. ***House Committee:*** The House Committee's mandate is concerned, almost exclusively, with matters relating to the functioning of the States of Deliberation. For that reason the Committee is of the view that there should not be an option of co-opting non-States members to this Committee. Accordingly, it is recommended that it be constituted as follows:

A Chairman who shall be a sitting member of the States

Four members of the States

13. ***Scrutiny and Public Accounts Committees:*** These committees, unlike departments, need a far greater and more active input from non-States members. The Committee therefore proposes that they be constituted as follows:

A Chairman who shall be a sitting member of the States

Four members of the States

Four members who shall not be sitting members of the States, elected by the States.

Recommendations

14. The States Procedures and Constitution Committee recommends the States to direct it to lay before the States amendments to the Rules of Procedure of the States of Deliberation and the Rules relating to the Constitution and Operation of States Committees to provide that:

(a) Elections of a Chief Minister, Ministers, Deputy Chief Minister, Members of Departmental Committees, Chairmen and Members of Committees shall take place in May, 2004 and quadrennially thereafter;

(b) (i) The Chief Minister shall not be an ordinary Minister;
(ii) A Minister shall be Minister of one department only at

any time;

- (c) In all elections no speech shall be allowed when the number of candidates does not exceed the number of vacancies;
- (d)
 - (i) In the election of a Chief Minister and Ministers the proposer and the candidate only may address the States for not more than five minutes each;
 - (ii) In all other elections the proposer only may address the States for not more than five minutes;
- (e) In elections for the offices of
 - (i) Minister, Deputy Chief Minister and Chairmen of Committees, the Chief Minister shall be entitled to propose candidates before any other member of the States does so;
 - (ii) Members of Departments, the Minister of the Department concerned shall be entitled to propose candidates before any other member of the States does so;
 - (iii) Members of States Committees, the Chairman of the Committee concerned shall be entitled to propose candidates before any other member of the States does so;
- (f) Deputy Departmental Ministers shall be elected in the same way as Vice-Presidents are currently elected;
- (g) Elections for Chief Minister and Ministers shall be conducted on the lines set out in paragraph 8 of this report;
- (h) The Chief Minister shall determine the order in which the Ministers shall be elected which order will then be followed in electing members of Departments;
- (i) The constitution of the Policy Council shall be as set out in paragraph 10 of this report;
- (j) The constitution of States Departments shall be as set out in paragraph 11 of this report;
- (k) The constitution of the House Committee shall be as set out in paragraph 12 of this report;
- (l) The constitution of Scrutiny and Public Accounts Committees shall be as set out in paragraph 13 of this report.

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

Yours faithfully,

R.C. BERRY

President
States Procedures and Constitution Committee

(NB The States Advisory and Finance Committee supports the proposals)

The States are asked to decide:-

II.- Whether, after consideration of the Report dated the 25th March, 2003, of the States Procedures and Constitution Committee, they are of opinion:-

To direct the States Procedures and Constitution Committee to lay before the States amendments to the Rules of Procedure of the States of Deliberation and the Rules relating to the Constitution and Operation of States Committees to provide that:

- (a) Elections of a Chief Minister, Ministers, Deputy Chief Minister, Members of Departmental Committees, Chairmen and members of Committees shall take place in May, 2004 and quadrennially thereafter.
- (b) (i) The Chief Minister shall not be an ordinary Minister;
- (ii) A Minister shall be Minister of one department only at any time.
- (c) In all elections no speech shall be allowed when the number of candidates does not exceed the number of vacancies.
- (d) (i) In the election of a Chief Minister and Ministers the proposer and the candidate only may address the States for not more than five minutes each;
- (ii) In all other elections the proposer only may address the States for not more than five minutes.
- (e) In elections for the offices of
 - (i) Minister, Deputy Chief Minister and Chairmen of Committees, the Chief Minister shall be entitled to propose candidates before any other member of the States does so;
 - (ii) Members of Departments, the Minister of the Department concerned shall be entitled to propose candidates before any other member of the States does so;
 - (iii) Members of States Committees, the Chairman of the Committee concerned

shall be entitled to propose candidates before any other member of the States does so.

- (f) Deputy Departmental Ministers shall be elected in the same way as Vice-Presidents are currently elected.
- (g) Elections for Chief Minister and Ministers shall be conducted on the lines set out in paragraph 8 of that Report.
- (h) The Chief Minister shall determine the order in which the Ministers shall be elected which order will then be followed in electing members of Departments.
- (i) The constitution of the Policy Council shall be as set out in paragraph 10 of that Report.
- (j) The constitution of States Departments shall be as set out in paragraph 11 of that Report.
- (k) The constitution of the House Committee shall be as set out in paragraph 12 of that Report.
- (l) The constitution of the Scrutiny and Public Accounts Committees shall be as set out in paragraph 13 of that Report.

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

The Royal Court House,
Guernsey.
The 17th April, 2003

IN THE STATES OF THE ISLAND OF GUERNSEY

ON THE 16TH DAY OF MAY, 2003

The States resolved as follows concerning Billet d'Etat No. VII
dated 17th April, 2003

(Meeting adjourned from the 14th and 15th May, 2003)

STATES ADVISORY AND FINANCE COMMITTEE

THE FUTURE MACHINERY OF GOVERNMENT IN GUERNSEY

- I. After consideration of the Report dated the 31st March, 2003, of the States Advisory and Finance Committee:-
1. To approve the new corporate structure for the future machinery of government comprising the Policy Council and the Treasury as set out in section 6 of that Report, but subject to proposition 2A.
 2. To approve the broad political accountabilities for the Policy Council and the Treasury as set out in section 6 of that Report, but subject to proposition 2A.
 - 2A. That in place of the Treasury proposed in that Report there shall be a Treasury and Resources Department.
 3. To approve the new department structure for the future machinery of government as set out in section 12 of that Report.
 4. To approve the broad political accountabilities for the nine new departments as set out in section 12 of that Report, save that the present functions of the Liberation Religious Service Committee shall be added to the responsibilities of the Culture and Leisure Department.
 5. To approve the establishment of a House Committee and its functions and responsibilities as set out in section 14 (a) of that Report.
 6. To approve the establishment of a Scrutiny Committee and its functions and responsibilities as set out in section 14 (b) of that Report, subject to the modification that the Scrutiny Committee shall comprise a Chairman and 8 other members, who shall all be members of the States (but the Committee shall have the power to co-opt one or more non-States Members for any particular enquiry).

7. To note the States Advisory and Finance Committee's intention to report back to the States on proposals for establishing a post of Auditor General and the establishment of a Public Accounts Committee as set out in Section 14 (c) of that Report.
8. By a majority of more than two thirds of the members present and voting:
 - (a) To dissolve with effect from midnight on 30th April, 2004 the Legislation Committee and allocate its functions to a newly constituted Legislation Select Committee.
 - (b) To approve of the establishment, with effect from 1st May, 2004 of a Legislation Select Committee incorporating the constitution functions and responsibilities of the Legislation Committee with an additional role of suggesting to the Policy Council items which might require changes to Island Legislation.
9. To approve the establishment of a Public Sector Remuneration Committee as set out in section 14 (e) of that Report.
10. To dissolve with effect from midnight on 30 April 2004 the Lifeboat Committee and to agree to the arrangements for States support for the Guernsey Branch of the Royal National Lifeboat Institution as set out in section 15 of that Report.
11. To dissolve with effect from midnight on 30 April 2004 the Liberation Religious Service Committee and to agree to the delegation of responsibility (with their agreement) to the Guernsey Council of Churches for organising, on behalf of the States, an annual ecumenical service as set out in section 15 of that Report, but subject to Proposition 4 above.
12. To dissolve with effect from midnight on 30 April 2004 all of the other committees that are shown in appendix 5 of that Report with the exception of the Elizabeth College Board of Directors, the Ladies College Board of Governors, the Priaulx Library Council and the Parochial Outdoor Assistance Boards.
13. To approve of the establishment, with effect from 1 May 2004, of a
 - (a) Policy Council
 - (b) Treasury and Resources Department
 - (c) Commerce and Employment Department
 - (d) Culture and Leisure Department
 - (e) Education Department
 - (f) Environment Department
 - (g) Health and Social Services Department
 - (h) Home Department
 - (i) Housing Department
 - (j) Public Services Department
 - (k) Social Security Departmentas set out in the above propositions.

14. To note the requirement for further work to be conducted into the possible opportunities for the States to deliver some existing services through alternative mechanisms and to require the new departments to work with the Policy Council in examining all such opportunities.
15. To note that the States Advisory and Finance Committee and the States Civil Service Board will work together to manage the implications arising for the Civil Service as a consequence of the implementation of the new machinery of government and in particular the appointment of chief officers to the new departments and the development of new staffing structures.
16. To agree that the implementation date for the new machinery of government structure will be 1 May 2004.
17. To agree that the States Advisory and Finance Committee, in consultation with existing committees as appropriate, shall be responsible for determining the allocation of the detailed functions to the new departments.
18. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

STATES PROCEDURES AND CONSTITUTION COMMITTEE

MACHINERY OF GOVERNMENT REFORMS

- II. After consideration of the Report dated the 25th March, 2003, of the States Procedures and Constitution Committee:-

To direct the States Procedures and Constitution Committee to lay before the States amendments to the Rules and Procedure of the States of Deliberation and the Rules relating to the Constitution and Operation of States Committees to provide that:

- (a) Elections of a Chief Minister, Ministers, Deputy Chief Minister, Members of Departmental Committees, Chairmen and members of Committees shall take place in May, 2004 and quadrennially thereafter.
- (aA) Nominations for the Chief Minister shall be made to the Presiding Officer before the election meeting and posted in the Royal Court House as they are received. The States Procedures and Constitution Committee will decide on the opening and closing dates for nominations and revise, if necessary, the election programme described in paragraph 9 of that Report. Nominations for the Chief Minister shall not be accepted from the floor or the House.
- (b)
 - (i) The Chief Minister shall not be an ordinary Minister;
 - (ii) A Minister shall be Minister of one department only at any time;

- (iii) The Chief Minister shall not sit on any other States Department or Committee;
- (iv) Ministers shall not sit on more than one other States Department.
- (c) In all elections no speech shall be allowed when the number of candidates does not exceed the number of vacancies.
- (d)
 - (i) In the election of a Chief Minister and Ministers the proposer and the candidate only may address the States for not more than five minutes each;
 - (ii) In all other elections the proposer only may address the States for not more than five minutes.
- (e) In elections for the offices of
 - (i) Minister and Deputy Chief Minister, the Chief Minister shall be entitled to propose candidates before any other member of the States does so;
 - (ii) Members of Departments, the Minister of the Department concerned shall be entitled to propose candidates before any other member of the States does so;
 - (iii) Members of States Committees, the Chairman of the Committee concerned shall be entitled to propose candidates before any other member of the States does so.
- (f) Deputy Departmental Ministers shall be elected in the same way as Vice-Presidents are currently elected.
- (g) Elections for Chief Minister, Deputy Chief Minister and Ministers shall be conducted on the lines set out in paragraph 8 of that Report in respect of the Chief Minister and Ministers.
- (h) The Chief Minister shall determine the order in which the Ministers shall be elected which order will then be followed in electing members of Departments.
- (i) The constitution of the Policy Council shall be as set out in paragraph 10 of that Report.
- (j) The constitution of States Departments shall be as set out in paragraph 11 of that Report, but that, of the four members of the States, not more than one shall be a Minister of another Department.
- (k) The constitution of the House Committee shall be as set out in paragraph 12 of that Report.

- (l) The constitution of the Scrutiny and Public Accounts Committees shall be as set out in paragraph 13 of that Report, subject to the modification that in the case of the Scrutiny Committee there shall be nine States Members and no elected non-States Members, but the Committee shall have the power to co-opt one or more non-States Members for any particular enquiry.

- (m) The constitution of the Public Sector Remuneration Committee shall be:
 - (i) A Chairman who shall be a member of the States;
 - (ii) Four members of the States;
 - (iii) Up to two non-voting members appointed by the Committee, who shall not be sitting members of the States, which appointment shall be coterminous with the quadrennial elections of members.

K. H. TOUGH
HER MAJESTY'S GREFFIER