



BILLET D'ÉTAT

XXI
2003

WEDNESDAY, 24th SEPTEMBER, 2003

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B I L L E T D ' É T A T

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 at **THE ROYAL COURT HOUSE, on WEDNESDAY, the 24th SEPTEMBER, 2003,** immediately after the Meeting already convened for that day.

PROJET DE LOI

entitled

THE REGULATION OF INVESTIGATORY POWERS (BAILIWICK OF GUERNSEY) LAW, 2003

The States are asked to decide:-

I.- Whether they are of opinion to approve the Projet de Loi entitled “The Regulation of Investigatory Powers (Bailiwick of Guernsey) Law, 2003”, and to authorise the Bailiff to present a most humble Petition to Her Majesty in Council praying for Her Royal Sanction thereto.

PROJET DE LOI

entitled

THE PREVENTION OF CORRUPTION (BAILIWICK OF GUERNSEY) LAW, 2003

The States are asked to decide:-

II.- Whether they are of opinion to approve the Projet de Loi entitled “The Prevention of Corruption (Bailiwick of Guernsey) Law, 2003”, and to authorise the Bailiff to present a most humble Petition to Her Majesty in Council praying for Her Royal Sanction thereto.

PROJET DE LOI

entitled

LA SOCIÉTÉ GUERNESIAISE (INCORPORATION) LAW, 2003

The States are asked to decide:-

III.- Whether they are of opinion to approve the Projet de Loi entitled “La Société Guernesiaise (Incorporation) Law, 2003”, and to authorise the Bailiff to present a most humble Petition to Her Majesty in Council praying for Her Royal Sanction thereto.

THE HOUSING (CONTROL OF OCCUPATION) (AMENDMENT OF HOUSING REGISTER) ORDINANCE, 2003

The States are asked to decide:-

IV.- Whether they are of opinion to approve the draft Ordinance entitled “The Housing (Control of Occupation) (Amendment of Housing Register) Ordinance, 2003”, and to direct that the same shall have effect as an Ordinance of the States.

**THE GUERNSEY GAMBLING CONTROL COMMISSION (CASINO
GAMING) (FEES) ORDINANCE, 2003**

The States are asked to decide:-

V.- Whether they are of opinion to approve the draft Ordinance entitled “The Guernsey Gambling Control Commission (Casino Gaming) (Fees) Ordinance, 2003”, and to direct that the same shall have effect as an Ordinance of the States.

THE HARBOURS (AMENDMENT) ORDINANCE, 2003

The States are asked to decide:-

VI.- Whether they are of opinion to approve the draft Ordinance entitled “The Harbours (Amendment) Ordinance, 2003”, and to direct that the same shall have effect as an Ordinance of the States.

STATES COMMITTEE FOR HORTICULTURE

NEW PRESIDENT

The States are asked:-

VII.- To elect a sitting member of the States as President of the States Committee for Horticulture to complete the unexpired portion of the term of office of the late Deputy P. A. C. Falla, namely, to the 31st May, 2005.

STATES BOARD OF INDUSTRY

NEW MEMBER

The States are asked:-

VIII.- To elect a sitting member of the States as a member of the States Board of Industry to complete the unexpired portion of the term of office of the late Deputy P. A. C. Falla, namely, to the 31st May, 2004.

STATES TRANSPORT BOARD

NEW MEMBER

The States are asked:-

IX.- To elect a sitting member of the States as a member of the States Transport Board to complete the unexpired portion of the term of office of the late Deputy P. A. C. Falla, namely, to the 31st May, 2004.

STATES GAMBLING CONTROL COMMITTEE

NEW MEMBER

The States are asked:-

X.- To elect a sitting member of the States as a member of the States Gambling Control Committee to complete the unexpired portion of the term of office of the late Deputy P. A. C. Falla, namely, to the 31st May, 2005.

STATES PROBATION SERVICE COMMITTEE

NEW MEMBER

The States are asked:-

XI.- To elect a sitting member of the States as a member of the States Probation Service Committee to complete the unexpired portion of the term of office of the late Deputy P. A. C. Falla, namely, to the 31st May, 2005.

STATES ADVISORY AND FINANCE COMMITTEE

**AMENDMENT TO THE CUSTOMS AND EXCISE (GENERAL PROVISIONS)
(BAILIWICK OF GUERNSEY) LAW, 1972**

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

13th August 2003

Dear Sir

**AMENDMENT TO THE CUSTOMS AND EXCISE (GENERAL
PROVISIONS) (BAILIWICK OF GUERNSEY) LAW, 1972.**

- 1.1 As set out in the 2003 Policy and Resource Plan, the purpose of this policy letter is to propose amendments to the Customs and Excise (General Provisions) (Bailiwick of Guernsey) Law, 1972, as amended, principally, to include provision for the States to levy Excise duty on such categories of goods and at such rates as it may, from time to time, specify and subsequently vary by Ordinance.
- 1.2 The Advisory and Finance Committee, in consultation with the Board of Administration, has examined the scope of existing Excise (or "impôt") legislation which dates back to 1900. A large proportion of this legislation is written in archaic terms and in the French language. In addition, it is by no means comprehensive enough to meet current requirements, is difficult to administer and is in need of review.
- 1.3 The principal existing legislation for the enforcement of Customs matters is the Customs and Excise (General Provisions) (Bailiwick of Guernsey) Law, 1972, as amended. Whilst this legislation provides for controls on the import and export of goods, including those liable to Excise Duty, it does not give the power to raise or set Excise duty rates. This power is currently included in various existing pieces of legislation which are scattered throughout the statute book in a number of Laws and Ordinances (some of them archaic) and which are in urgent need of consolidation.
- 1.4 Existing Excise legislation is also restrictive, in that it does not allow the States power to vary the categories of goods liable to Excise duty in any way by Ordinance.
- 1.5 The Law Officers of the Crown have confirmed that it would be appropriate to allow the States by Ordinance to set the categories of goods liable to Excise

duties and the rates of such duties, and also to provide for the collection of such duties, within the Customs and Excise (General Provisions) (Bailiwick of Guernsey) Law 1972, as amended.

- 1.6 Jersey has recently embarked on a similar exercise and has rewritten their equivalent Law, repealing their old Excise legislation and including similar new Excise provisions.
- 1.7 The proposed amendment to the Customs and Excise (General Provisions) (Bailiwick of Guernsey) Law 1972 will repeal all the old excise legislation and incorporate those dutiable commodities previously covered by that legislation into a single enactment. The excise legislation, being old and in the French language, has created difficulties, not only in the administration of the legislation but also because the States cannot introduce new forms of excise duty without each time making a new Law for each commodity. The object of the proposed amendments to the 1972 Law will therefore be to provide the States by Ordinance, as and when required, with the powers to introduce new forms of excise duties as well as consolidating the powers to vary the existing rates.
- 1.8 The proposed amendments will introduce into the 1972 Law the following:
 - (a) provision specifying the descriptions of goods liable to Excise duty, and the rates of such duty;
 - (b) provision empowering the States by Ordinance (and the Advisory and Finance Committee by order, in the lead-in period before the States budget meeting) to vary the descriptions of goods liable to Excise duty, and the rates of such duty;
 - (c) provision as to the calculation of Excise duty, and of the volume and strength of liquor;
 - (d) provision as to the holding of Excise licences by persons seeking, locally, to grow, produce or manufacture goods liable to Excise duty;
 - (e) provision as to relief from, and drawback of, Excise duty; and
 - (f) provision as to administration and enforcement, including the keeping of records, the payment of duty and penalties for criminal offences involving Excise duty.
- 1.9 The Alderney (Application of Legislation) Law, 1948 provides that the impôts and duties that are leviable by the States of Guernsey from time to time in the Island of Guernsey shall also be leviable by the States of Guernsey in the Island of Alderney; and that the provisions of every Law from time to time in force in the Island of Guernsey in relation to any such impôt or duty shall extend so as to have effect in the Islands of Guernsey and Alderney as though those islands were one.

- 1.10 These proposed amendments would therefore apply equally to the Island of Alderney. However, since the Committee is recommending proceeding by way of amending the 1972 Law, which is a Bailiwick-wide Law, the amendments will need to be approved by the States of Alderney. The Alderney authorities have accordingly been consulted, and have confirmed that they are content with the Committee's recommendations.
- 1.11 Although the Sark authorities have indicated that they would not want the new Ordinance-making powers to apply to Sark, thus retaining their autonomy over the categories of dutiable goods and the rates of impôt chargeable thereon, the Chief Pleas will still have to approve the amending legislation, again, because the 1972 Law is a Bailiwick-wide Law. They have indicated their willingness to do so.
- 1.12 The Committee would like to take this opportunity to thank the staff of the Customs and Excise Department and the Law Officers for their assistance in the preparation of this policy letter.

Recommendation

- 1.13 The Committee therefore recommends the States to agree that the legislation in force in Guernsey relating to impôts shall be repealed and replaced by amendments to the Customs and Excise (General Provisions) (Bailiwick of Guernsey) Law, 1972 in accordance with the proposals set out above.
- 1.14 I should be grateful if you would be good enough to lay this matter before the States with the appropriate propositions, including one directing the preparation of the necessary legislation.

Yours faithfully

L. C. MORGAN

President
Advisory and Finance Committee

The States are asked to decide:-

XII. - Whether, after consideration of the Report dated the 13th August, 2003, of the States Advisory and Finance Committee, they are of opinion:-

1. That the legislation in force in Guernsey relating to impôts shall be repealed and replaced by amendments to the Customs and Excise (General Provisions) (Bailiwick of Guernsey) Law, 1972 in accordance with the proposals set out in that Report.
2. To direct the preparation of such legislation as may be necessary to give effect to their above decision.

STATES ADVISORY AND FINANCE COMMITTEE

ALDERNEY – ISLAND HALL AND COURT BUILDING RENOVATIONS

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

15 August 2003

Dear Sir,

ALDERNEY – ISLAND HALL AND COURT BUILDING RENOVATIONS

Under the financial procedures when the States of Alderney wishes to undertake a capital project for a sum in excess of £250,000, other than one for a straightforward replacement of an existing item, the prior approval of the States of Guernsey is necessary. In such cases the policy letter seeking approval shall be submitted by the Advisory and Finance Committee on behalf of the Alderney authorities.

The Alderney Policy and Finance Committee has written to the Advisory and Finance Committee in the following terms with regard to the proposed renovations to the Island Hall and repairs to the Court Building.

“On 24th July 2002 the States of Alderney agreed in principle to the relocation of the States administration from the offices at St. Anne’s House and the adjoining Courthouse to the Island Hall. An integral part of this project was to part fund the cost of the necessary renovations at the Island Hall by the sale of St. Anne’s House.

However, the Island’s Court Building is in need of significant repairs and this will necessitate the temporary relocation of certain activities that take place in the building, including the Court operation and the Police, to St. Anne’s House. The sale of St. Anne’s House will only take place once these repairs have been completed and the projects are, therefore, linked in both operational and funding terms. It is anticipated that the cost of the repairs to the Court Buildings will be similar to the proceeds from the sale of St. Anne’s House.

Island Hall Renovations

Since July 2002, work has taken place between the architects and surveyors to produce a tender specification, which takes into account the fact that the Alderney Library will be relocating to new premises and the proposed use of the building

as offices. Following renovation the concert hall, kitchen and Anne French room would remain available for public use as at present.

Expressions of interest were sought from parties interested in tendering for the work. The tender documents were then sent to a short-list of tenderers, which in the Committee's view had the requisite skills, staff, experience and resources to carry out the work to budget and on time.

Four tenders were received for this project from:-

<i>ABC (1982) Ltd.</i>	<i>£651,458.66</i>
<i>A. J. Bohan</i>	<i>£725,267.50</i>
<i>E. J. Cosheril</i>	<i>£725,832.00</i>
<i>J. F. W. Main.</i>	<i>£738,492.67</i>

The Committee is recommending acceptance of the lowest tender from ABC (1982) Ltd.

Certain costs have already been incurred with this project in relation to the design and survey work of approximately £15,000.

There will be a further provisional cost for supervision and oversight of the project that will need to be carried out by a suitably qualified professional. Initial indications are that for this work to be carried out privately would cost the States £35,000. It is therefore proposed that the States Engineer provide such a service only contracting external expertise as and when required. It is therefore proposed to allocate a maximum of £17,500 for this element of the work. A further sum of £76,000 is added for contingencies taking into account that this is an old building and additional works may prove to be necessary once work begins on the fabric of the premises, and the costs of relocation of office and computer equipment following completion of the project. In the light of this the total cost of the project will be:

<i>1. Tender</i>	<i>£651,459</i>
<i>2. Architectural and surveying costs</i>	<i>£15,000</i>
<i>3. Project supervision</i>	<i>£17,500</i>
<i>4. Contingencies and relocation costs</i>	<i><u>£76,041</u></i>
<i>Total</i>	<i><u>£760,000</u></i>

It is anticipated that these proposals will be considered by the States of Alderney at their September meeting.

Recommendations

The Policy and Finance Committee accordingly requests that the Advisory and Finance Committee seek the approval of the States of Deliberation as follows: -

1. *(a.) To authorise the renovation and conversion of the Island Hall, Alderney for use as office accommodation and public use.*

(b.) To authorise the States of Alderney to accept the tender submitted by ABC (1982) Ltd. in the sum of £651,459.

(c.) To vote the States of Alderney a credit of £760,000 to cover the costs of above works, which sum shall be taken from the States of Alderney's capital allocation.
2. *To authorise the Advisory and Finance Committee to approve the acceptance of all tenders in respect of the repairs to the Court Building and to approve a capital vote to be charged to the capital allocation of the States of Alderney.*
3. *To note the States of Alderney's Policy and Finance Committee's intention to sell St. Anne's House to part fund these projects."*

The Committee recommends the States to agree, subject to the approval of the States of Alderney:

1. (a.) To authorise the renovation and conversion of the Island Hall, Alderney for use as office accommodation and public use.

(b.) To authorise the States of Alderney to accept the tender submitted by ABC (1982) Ltd. in the sum of £651,459.

(c.) To vote the States of Alderney a credit of £760,000 to cover the costs of above works, which sum shall be taken from the States of Alderney's capital allocation.
2. To authorise the Advisory and Finance Committee to approve the acceptance of all tenders in respect of the repairs to the Court Building and to approve a capital vote to be charged to the capital allocation of the States of Alderney.
3. To note the States of Alderney's Policy and Finance Committee's intention to sell St. Anne's House to part fund these projects.

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

Yours faithfully,

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

The States are asked to decide:-

XIII.- Whether, after consideration of the Report dated the 15th August, 2003, of the States Advisory and Finance Committee, they are of opinion:-

Subject to the approval of the States of Alderney –

1. (a) To authorise the renovation and conversion of the Island Hall, Alderney for use as office accommodation and public use.

(b) To authorise the States of Alderney to accept the tender submitted by ABC (1982) Ltd. in the sum of £651,459.

(c) To vote the States of Alderney a credit of £760,000 to cover the costs of the above works, which sum shall be taken from the States of Alderney's capital allocation.
2. To authorise the States Advisory and Finance Committee to approve the acceptance of all tenders in respect of the repairs to the Court Building and to approve a capital vote to be charged to the capital allocation of the States of Alderney.
3. To note the States of Alderney's Policy and Finance Committee's intention to sell St. Anne's House to part fund these projects.

STATES ADVISORY AND FINANCE COMMITTEE

**PROPOSALS FOR COMPREHENSIVE EQUAL STATUS AND FAIR
TREATMENT LEGISLATION**

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

20th August 2003

Dear Sir

**PROPOSALS FOR COMPREHENSIVE EQUAL STATUS AND FAIR
TREATMENT LEGISLATION**

1. The Advisory and Finance Committee believes that elimination of discrimination should be a central tenet of government because it is a fundamental basis for any democratic and civilised community. A legislative framework is required to achieve this objective. The Committee is however mindful that any legislative measures must be both appropriate and proportionate to the Bailiwick's circumstances.
2. In the 2003 Policy and Resource Plan the Advisory and Finance Committee reported on the progress of work on proposals for the elimination of all forms of discrimination and, in particular, against women and on the grounds of race. The Committee reported in the following terms:

"In respect of these two Conventions [the Convention on the Elimination of all forms of Discrimination against Women and the Convention on the Elimination of Racial Discrimination] the Committee is closely monitoring discussions in the United Kingdom about the possibility of consolidating and harmonizing its discrimination laws under a single equality act. The Committee believes that there is merit in incorporating anti-discrimination measures into a single piece of legislation and is keen to learn more about the experiences of other jurisdictions of drafting and operating unified equality laws as this could produce a clearer way for ensuring and promoting equality across the board rather than in a piecemeal way and be a more proportionate approach for the Bailiwick and one that is simpler and more accessible."

3. The introduction of a legal framework to deal with discrimination would also assist in giving effect to international obligations under a number of conventions which have been extended to the Islands, namely:
 - a) The International Convention on the Elimination of All Forms of Racial Discrimination (CERD) (Registered in Bailiwick 18th March 1969 - In force 6th April 1969);
 - b) The International Covenant on Economic, Social and Cultural Rights (ICESCR) (Ratified 20th May 1976, in force 20th August 1976);
 - c) The United Nations Declaration of Human Rights 1948;
 - d) The International Covenant on Civil and Political Rights (Article 26) (ICCPR) (Ratified 20th May 1976, in force 20th August 1976).
 - e) The European Convention on Human Rights (ECHR) (Extended to the Bailiwick 23rd October 1953).

Set out below is a brief statement of the relevant article(s) in the aforementioned conventions and our current status in that regard, where there are outstanding issues.

a) The International Convention on the Elimination of All Forms of Racial Discrimination (CERD)

4. The International Convention on the Elimination of All Forms of Racial Discrimination (CERD) was adopted by the General Assembly of the United Nations in March 1969. The Bailiwick of Guernsey was included in H.M. Government's ratification of this Convention. CERD is the oldest and most widely ratified United Nations Convention relating to Human Rights.
5. Under the Convention, State Parties are required to:

“engage in no act or practice of racial discrimination against persons, groups of persons or institutions”
and
“review government, national and local policies and to amend or repeal laws and regulations which create or perpetuate racial discrimination”.
6. Article 9.1 of the Convention requires State Parties to submit regular reports on:

“...the legislative, judicial, administrative or other measures which they have adopted and which give effect to the provisions of [the] Convention....”
7. Her Majesty's Government as a State Party is required to include in its reports measures within the dependent territories, that is the Crown Dependencies and Overseas Territories, for the elimination of racial discrimination. The Insular

Authorities have been required to submit reports periodically since 1994 and most recently in 2000. In 2000 the concluding observations of the Committee on the Elimination of Racial Discrimination included the recommendation that:

“The authorities complete the current process of enacting legislation outlawing all racial discrimination”.

8. In August 2000 the United Kingdom submitted its 15th Report to the United Nations in respect of CERD and the Committee reported in the following terms in respect of the Bailiwick’s work to fulfil its obligations under the Convention:

“ - *The Advisory and Finance Committee in Guernsey has decided, in principle, that it will lay proposals before the States later this year which will recommend the enactment of legislation rendering racial discrimination unlawful.*

- *Evidence of the Advisory and Finance Committee’s intention to pursue this matter is contained in paragraph 4 of a letter to the President of the States of Guernsey dated 5 July 2000 and will be included as an appendix to the next Billet d’Etat which is due for publication on 8 September 2000. Paragraph 4 of that letter reads:*

“The various issues raised in the Report will be addressed, in appropriate cases, in policy letters to the States. One such issue is the introduction of legislation regarding racial discrimination which the Advisory and Finance Committee intends to refer to the States later this year.”

- *Notwithstanding the fact that the States have not yet resolved on the matter, the Advisory and Finance Committee has already requested HM Procureur (Attorney General) to commence drafting appropriate legislation.*
- *Guernsey is also liaising closely with the Jersey authorities regarding the responses their Working Party is receiving in respect of their discussion paper published in December 1999 on race discrimination legislation.”*

9. The United Nations High Commissioner for Human Rights made the following comments in his concluding observations of the Committee on the Elimination of Racial Discrimination in respect of the submission made by the United Kingdom of Great Britain and Northern Ireland:

“The Committee encourages the State Party to introduce specific legislation against racial discrimination by private persons and organizations currently taking place in several of the [British] Territories.

The Committee remains concerned that specific legislation against racial discrimination has not yet been introduced in all [British] Territories and recommends the State party to continue its efforts to encourage such territories to proceed to the adoption of legislation, prohibiting and penalizing racial discrimination, in accordance with the provisions of the Convention.”

b) The International Covenant on Economic, Social and Cultural Rights (ICESCR)

10. The International Covenant on Economic, Social and Cultural Rights (ICESCR) seeks to guarantee that all human beings enjoy economic and cultural freedoms irrespective of nationality, place of origin, race or ethnicity.

“Part II, Article 2

2. The States Parties to the present Covenant undertake to guarantee that the rights enunciated in the present Covenant will be exercised without discrimination of any kind as to race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.”

c) The United Nations Declaration of Human Rights

11. The United Nations Declaration of Human Rights provides in Article 1 that **“all human beings are born free and equal in dignity and rights”** and, in Article 2 says that **“everyone is entitled to all the rights and freedoms set forth in this declaration, without discrimination of any kind.”**

d) The International Covenant on Civil and Political Rights (ICCPR)

12. The International Covenant on Civil and Political Rights provides in Article 2:

“1. Each State Party to the present Covenant undertakes to respect and to ensure to all individuals within its territory and subject to its jurisdiction the rights recognized in the present Covenant, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.”

e) The European Convention on Human Rights

13. The European Convention on Human Rights provides:

“Article 14 - Prohibition of discrimination

The enjoyment of the rights and freedoms set forth in this Convention shall be secured without discrimination on any ground such as sex, race,

colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status.”

14. The Committee acknowledges that the Human Rights (Bailiwick of Guernsey) Law 2000 will have some effect in this area by virtue of the concept of discrimination adopted by the Convention organs. Violations of Article 14 are not generally found, however, unless the discrimination at issue is direct and overt. In addition, the Law will be binding in the fullest sense only on public authorities.
15. The Council of Europe adopted Protocol 12 to the European Convention on Human Rights in 2000. It contains a general prohibition on discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status, which affects the enjoyment of any right guaranteed by law. It also prohibits discrimination by public authorities. It is to be regarded as an additional article to the ECHR. To date the UK has not signed or ratified it but it is indicative of a general tendency within (in particular) Europe.

Conventions not yet extended to the Bailiwick

16. There is a further anti-discrimination convention which has not yet been extended to Guernsey, that is the International Convention on the Elimination of all forms of Discrimination against Women.
17. That Convention was adopted by the General Assembly of the United Nations in December 1979. The Bailiwick of Guernsey was not included in H.M. Government's ratification of this Convention.
18. It is the most comprehensive treaty on women's human rights, establishing obligations to end discrimination. Often described as an international bill of rights for women, the Convention provides for equality between women and men in the enjoyment of civil, political, economic, social and cultural rights. Discrimination against women is to be eliminated through legal, policy and programmatic measures and through temporary special measures to accelerate women's equality, which are defined as non-discriminatory.
19. State Parties are required to end all forms of discrimination against women and to ensure their equality with men in political and public life with regard to nationality, education, employment, health and economic and social benefits. Obligations are also imposed to eliminate discrimination against women in marriage and family life and to ensure that women and men are treated equally before the law. States are required to take account of the particular problems of women in rural areas, and their special roles in the economic survival of the family.

20. The rights and freedoms afforded by the aforementioned Conventions do not have any meaning unless they are deliverable, that is, they must be capable of being enforced. The rights and freedoms they embrace will exist in practice only if there exists the means and capacity to take positive steps not only to ameliorate an individual's experience of discrimination and racism but also to reduce the likelihood of its occurrence or recurrence.

Proposals for Equal Status and Fair Treatment legislation

21. The Committee is mindful that any measures to eliminate all forms of discrimination must be both appropriate and proportionate. It therefore believes that the introduction of one comprehensive law represents the best way forward because it would:
- (a) strengthen all areas of anti-discrimination measures;
 - (b) ensure that each area can draw on and learn from developments in relation to other areas;
 - (c) prevent the development of a hierarchy of equality grounds;
 - (d) encourage the promotion of equality in all areas;
 - (e) reduce the likelihood of marginalization;
 - (f) lead to the development of a societal approach which opposes any form of discrimination; and
 - (g) provide the most cost efficient and proportionate approach.
22. The approach recommended by the Committee would enable the States, by Ordinance, to legislate to define those personal attributes which justify anti – discrimination and fair treatment measures, and to prevent one person being treated less favourably than another within defined parameters. Such grounds could include: gender; race, nationality or ethnic or national status; colour; disability; marital status; family status; sexual orientation; religion; and age.
23. In the United Kingdom anti-discrimination legislation has been developed in a piecemeal fashion. In many instances legislation has been passed in response to:
- (a) immediate problems;
 - (b) determined lobbying by pressure groups seeking protection from discrimination;
 - (c) legal developments in the European Union.
24. As a result of this piecemeal approach gaps and inconsistencies have inevitably developed. In the United Kingdom legislation currently prohibits discrimination on a significant but limited number of protective grounds, namely, sex, colour, race, nationality or ethnic or national grounds, disability, marriage and gender reassignment. There is also legislation prohibiting less favourable treatment on grounds of trade union membership and for part-time workers. In Northern Ireland additional legislation also prohibits

discrimination on the grounds of religious belief, political opinion and membership of the Irish traveller community.

25. In addition to these 'domestic' provisions, in 2000 the European Community agreed a Directive for establishing a general framework for equal treatment in employment and legislation to cover discrimination in employment on the grounds of age, religion or belief, and sexual orientation. A separate Directive the same year provided for equal treatment between persons irrespective of racial or ethnic origin and covers employment as well as other areas. Furthermore, in 2002 the existing Directive on the equal treatment of men and women as regards access to employment, vocational training and promotion and working conditions was updated to incorporate the case law of the European Court of Justice and to bring it into line with the two non-discrimination Directives which were adopted in 2000.
26. The Committee is determined to avoid the problems which the United Kingdom has experienced and believes that a single equal status and fair treatment law would provide cohesion and consistency. It would also be more efficient and cost effective over time. The Committee acknowledges that in the Bailiwick there are very few protections against discrimination, and is not proposing that anti-discrimination measures should be introduced in all the aforementioned grounds at this time. Indeed the process will evolve over many years. However, it is mindful that society, and its regard to what is reasonable and acceptable conduct, is changing. Therefore, the Bailiwick must ensure that it has appropriate provisions in place to ensure that the rights and freedoms of individuals are appropriately safeguarded. An Equal Status and Fair Treatment 'enabling' law should ensure that equality and fair treatment is a core principle of our society.
27. The Committee stresses that legislation will only be proposed after the most thorough analysis of the perceived ground of discrimination, and most importantly the social and economic consequences of such legislation. In particular the States must be able to take into account whether Guernsey's economy, or the well being of any sector of the economy, or public finances, would be adversely affected by such legislation.
28. On 14th January 2003 the Equality Bill was introduced as a private Member's bill in the House of Lords which seeks to provide a comprehensive and less complex alternative to the current raft of United Kingdom anti-discrimination measures. The Committee believes that the experience of other jurisdictions, including Northern Ireland, Eire, Australia, New Zealand and Canada, suggests that such a co-ordinated approach may ensure that there is less dilution of power and resources within an equality agenda.
29. A second, but no less important strand to the elimination of all forms of discrimination is the promotion of equality of opportunity. Any obligation not to discriminate is, in most cases, a negative one. The active promotion of

equality of opportunity and the value of diversity can serve to reduce the incidence of discrimination and so create a more harmonious society. The Committee firmly believes that promotion of equality of opportunity through education and the dissemination of information is vital complement to the enforcement of a legal framework for achieving such objectives.

30. The final factor for consideration has been the enforcement of anti-discrimination legislation. In the UK, cases of alleged discrimination are currently considered in various tribunals. The Equality Bill proposes that such cases will be referred to an employment tribunal in all situations apart from education or immigration cases which will be referred to an equality tribunal. In Ireland, cases of alleged discrimination are normally referred to the Director of Equality Investigations, the only exceptions being gender cases which are referred to the Circuit Court and dismissal cases which are referred to the Labour Court. The Director will investigate the matter and issue a binding decision which can be appealed to the Circuit Court.
31. The monitoring of compliance with legislation and the promotion of anti-discriminatory practices, including advice to the public, is carried out by various bodies in the UK which have been established under the piecemeal legislation in this area e.g. the Commission for Racial Equality. The Equality Bill envisages the establishment of an Equality Commission to undertake this role for all grounds of discrimination. This would be similar to the Equality Authority in Ireland which also has the power to issue non-discrimination notices. These notices either require the cessation of a discriminatory action/policy or require that an equality clause be complied with.
32. The Committee therefore recommends the States to approve the principle of progressing anti-discrimination and equality promotion measures through a single equal status and fair treatment law which will afford the most effective and responsive way of eliminating all forms of discrimination, whilst being appropriate and proportionate to the Bailiwick's needs and circumstances.
33. It is proposed that the legislation will cover the six areas as detailed in Appendix 1, namely:
 - Part 1 – Definition of discrimination
 - Part 2 – Grounds for prohibition of discrimination
 - Part 3 – Areas for prohibition of discrimination
 - Part 4 – Enforcement
 - Part 5 – Equal Status and Fair Treatment Commissioner
 - Part 6 – Promotion of equal status and fair treatment
34. In its very broadest terms discrimination will be defined as the treatment of a person or group of persons in a less favourable way than another person or group of persons on grounds of one or more of the areas of discrimination, as

- defined under the law. Discrimination will be established either directly or indirectly.
- (a) Direct discrimination will be made through a direct comparison, for example gender discrimination will compare the treatment of a man against a woman in like circumstances;
 - (b) Indirect discrimination will occur when practices or policies which may not appear to discriminate against one group more than another actually have a discriminatory impact. Indirect discrimination may also occur where a requirement, which may not appear discriminatory, adversely affects a particular group or class of persons.
35. The legislation would include a power for the States to amend by Ordinance the definition for a particular ground. This may only be necessary for some grounds and would not detract from the general definition in the enabling legislation. It is also proposed to address issues of harassment within the enabling legislation.
36. The proposed single equality legislation will provide an enabling legislative framework Order in Council under which subordinate legislation, principally by Ordinance, will be developed to deal with the discrimination on various grounds in the areas defined under the law. These areas may for example include employment, the provision of services, the supply of goods, the disposal of premises and the provision of accommodation, advertising, educational/vocational provision, planning matters.
37. The Advisory and Finance Committee anticipates that the first discriminatory ground which will be addressed will be racial discrimination in light of the Islands' international obligations under the International Convention for the Elimination of all forms of Racial Discrimination (see paragraphs 4 to 9 above). A non-exhaustive list of other discriminatory grounds which could be introduced by Ordinance are sex, age, sexual orientation, marital status, family status, gender reassignment, religion, political or other opinion, national or social origin, language, birth, or property. It is anticipated that the legislation will also include a common time limit for complaints.
38. The legislation will include sections detailing the circumstances where discrimination is permissible. The most important will be where any proposed measure will have an adverse effect on Guernsey's economy, or any sector of the economy, or bear unduly on public funds. Furthermore, regard may be had to permitted exceptions established in other jurisdictions, which may include;
- (a) Bona fide preferential treatment for people disadvantaged in a particular opportunity in relation to other persons;
 - (b) The provision of facilities to cater for the special needs of some individuals which would not be required by other persons;

- (c) Circumstances where there is a danger that criminal or disorderly conduct or behaviour might be induced or there is a danger that criminal damage might be occasioned;
 - (d) Restrictions in accordance with licensing laws;
 - (e) Preferential rates or charges for certain groups e.g. family membership or free admission for the over 60s;
 - (f) Medical reasons e.g. different treatment due to ongoing medical treatment or a clinical judgment.
39. The Committee envisages that the appointment of an Equal Status and Fair Treatment Commissioner will be based on similar existing offices, for example the Data Protection Commissioner and Legal Aid Administrator. This office will need to be at 'arms length' from the States as the Commissioner will be responsible for monitoring and, where necessary, taking action against the public sector in regard to anti-discrimination measures. The role of the Commissioner will also include the active promotion of equality and the equality legislation, and the ability to issue non-discrimination notices similar to those issued in Ireland. Further consideration will need to be given as to the precise mechanism for the creation of the office of Commissioner and the initial status of the Commissioner.
40. The legislation would also contain the power to impose a positive duty on public bodies to promote equality and eliminate discrimination, similar to that contained in the Equality Bill currently before the English Parliament. This would include the active promotion of non-discrimination and equality through education and training.
41. The Committee is mindful that the establishment of the post of Commissioner represents the creation of a further such office. However, it firmly believes that such offices are essential if the Island is to fulfil its international obligations and it will seek, wherever possible, to ensure that administrative resources and staff are combined and remain proportionate to the requirements of the administration of the legislation.
42. The Advisory and Finance Committee envisages that in the future, persons aggrieved by discriminatory practices will have access to a tribunal to adjudicate on the matter. A centralised tribunal system is currently under development and provision should be made in the enabling legislation to allow for this form of redress in the future.

Consultation

43. Responsibility for discrimination and unfair treatment in the area of employment rests with the Board of Industry through the Industrial Relations Service. The Committee has therefore sought the views of the Board of Industry which are:

“The Board of Industry concurs that a legislative framework that would support specific elements of anti-discrimination legislation would be a pragmatic way of dealing with this issue.

The Board of Industry is mindful that legislation for the elimination of all forms of discrimination cuts across the whole range of issues including the treatment of individuals in employment.

The Board intends to lay before the States a draft law outlawing discrimination in employment on the grounds of gender. Should the States decide at some point to extend the scope of the Sex Discrimination Law to cover the provisions of goods, services and education, or to address equal pay issues, this could be achieved through the enabling legislation, by amending the Sex Discrimination Law. Further, should the Authorities in Alderney and Sark wish to have such legislation extended to their Island this could be achieved in the same way.

The Board is also considering bringing proposals to the States later this year to strengthen the adjudication process that it currently runs under the Employment Protection (Guernsey) Law, 1998. This strengthened service may well be able to provide the mechanism to deal with complaints of discrimination in areas other than in employment.”

44. The Committee is pleased that the Board of Industry supports the proposals for comprehensive equal status and fair treatment legislation.

Alderney and Sark

45. The Committee has sought the views of the Authorities in Alderney and Sark and is pleased that both Islands support the proposals and would wish it to be drafted as Bailiwick legislation. This support for comprehensive equal status and fair treatment legislation means that all the Bailiwick’s citizens will benefit from the protection against discrimination which the proposed legislation will provide.

Conclusions

46. The Committee restates that these proposals extend only to the enactment of enabling legislation, and that no Ordinance enacting equal status and fair treatment measures under any ground will be brought to the States without the fullest consideration of the civic issues and consequences, particularly social and economic.
47. The Advisory and Finance Committee recommends the States to agree that enabling legislation to make discrimination unlawful and to promote equality of opportunity and diversity be prepared.

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

Yours faithfully

L. C. MORGAN

President
Advisory and Finance Committee

APPENDIX 1

**OUTLINE FOR COMPREHENSIVE EQUAL STATUS AND FAIR
TREATMENT LEGISLATION**

Part One

DEFINITION OF DISCRIMINATION

**The meaning of discrimination
Actions or failure to act which constitute discrimination**

Part Two

GROUND FOR PROHIBITION OF DISCRIMINATION

**Sex/Gender
Race/Colour/Ethnicity
Religion/Belief
Age
Disability
Sexual Orientation
Gender Reassignment**

Part Three

AREAS FOR PROHIBITION OF DISCRIMINATION

**Employment
Education
Access to Goods, Services, Facilities and Premises
Housing
Planning
Practices and Advertisements
Professional and Representative Bodies
Exemptions**

Part Four

ENFORCEMENT

**Redress in respect of prohibited conduct
Enforcement and Mediation
Non-Discrimination Notices
Compensation**

Part Five

EQUAL STATUS AND FAIR TREATMENT COMMISSIONER

**Composition
Function, Powers and Rôle
Regulation**

Part Six

PROMOTION OF EQUAL STATUS AND FAIR TREATMENT

**Obligations on Public Authorities
Education and Training
Establishing and Monitoring Equal Status and Fair Treatment Measures
Reporting**

The States are asked to decide:-

XIV.- Whether, after consideration of the Report dated the 20th August, 2003, of the States Advisory and Finance Committee, they are of opinion:-

1. That legislation shall be enacted along the lines set out in that Report to make discrimination unlawful and to promote equality of opportunity and diversity.
2. To direct the preparation of such legislation as may be necessary to give effect to their above decision.

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STATES ADVISORY AND FINANCE COMMITTEE
LEGISLATION FOR RACIALLY MOTIVATED CRIME

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

20th August 2003

Dear Sir

LEGISLATION FOR RACIALLY MOTIVATED OFFENCES

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

“As you are aware, the Bailiwick of Guernsey was included in H.M. Government's ratification of the International Convention on the Elimination of All Forms of Racial Discrimination in 1969. The Convention imposes obligations on State Parties to ensure that its citizens can live in a society free from racial discrimination and abuse. The elimination of racial discrimination, and racism itself, should be a central tenet of government and is fundamental for any democratic and civilised community.

Specifically, States Parties to the Convention are placed under an obligation to:

“declare an offence punishable by law all dissemination of ideas based on racial superiority or hatred, incitement to racial discrimination, as well as all acts of violence or incitement to such acts against any race or group of persons of another colour or ethnic origin, and also the provision of any assistance to racist activities, including the financing thereof.”

Offences Adopted in the United Kingdom

The legislation in the United Kingdom reflects the obligations imposed by the Convention in the following way;

1. Racial Hatred

Part III of the Public Order Act, 1986 is concerned with racial hatred, defined as hatred against a group of persons defined by reference to colour, race, nationality (including citizenship), or ethnic or national origins.¹

The Act creates 6 offences for acts which are intended or likely to stir up racial hatred. These include, in summary form:

- a) using words or behaviour, or displaying written material;*
- b) publishing or distributing written material;*
- c) public performance of a play;*
- d) distributing, showing or playing a recording;*
- e) broadcasting;*
- f) possessing racially inflammatory material;*

in each case with intent to stir up racial hatred, or if racial hatred is likely to be stirred up, thereby.

The Act also gives powers to authorise search and entry where there are grounds for suspecting that a person has possession of racially inflammatory written or recorded material. Section 25 gives the court power to order the forfeiture of any material concerned in the offences listed above. A person guilty of an offence under Part III is liable on conviction on indictment to imprisonment for a term not exceeding seven years, or a fine, or both.

2. Racially Aggravated Offences

Sections 29 to 32 of the Crime and Disorder Act, 1998 created four classes of racially aggravated offences in England and Wales, namely assaults, criminal damage, public order offences and harassment.

A crime is "racially aggravated" if it can be shown that it was motivated either wholly or partly by racism. A crime also counts as "racially aggravated" if it can be shown that, even though the motivation for the attack was not racist, racial hostility was demonstrated during the course of the offence, or immediately before or after it.

Racially aggravated offences carry a higher penalty than the offences in their ordinary form.

¹s.17 as amended by [Anti-terrorism, Crime and Security Act 2001, ss 37, 125, Sch 8](#), Pt 4.

Proposals for Legislation in the Bailiwick

Racial Hatred

At present, public order offences in the Bailiwick of Guernsey are contained within the Summary Offences (Bailiwick of Guernsey) Law 1982. It is necessary to introduce new legislation to provide for offences which are intended or likely to stir up racial hatred, i.e. those offences mentioned above under 1. I recommend that such legislation should be enacted to ensure that the Bailiwick fully meets its obligations under Article 4 of the Convention. The new legislation should include 6 offences corresponding to those under the Public Order Act, 1986.

I believe that the legislation would also need to include powers similar to those in sections 24 and 25 of the Public Order Act 1986, to authorise the Bailiff by warrant to order search and entry where there are reasonable grounds for suspecting that a person has racially inflammatory material, and to authorise the court to order forfeiture of any racially inflammatory written, recorded or distributed material when a person is convicted of an offence.

Racially Aggravated Offences

In my opinion, there is no present need to provide specific legislation for assault or criminal damage that is racially aggravated, because – unlike England and Wales – the Royal Court has more extensive sentencing powers in relation to assault and greater flexibility in relation to whether a case of criminal damage is dealt with in the Magistrate's Court or the Royal Court than provided under English Law.

There is no limitation on the sentencing powers of the Royal Court in a case of assault. In any case where an assault is racially aggravated, the prosecution may elect Royal Court trial to reflect such aggravating circumstances. In any criminal damage case, under the Criminal Damage (Bailiwick of Guernsey) Law, 1983, there is no statutory provision to restrict the hearing of the offence to the Magistrate's Court and where the damage is racially aggravated, the prosecution may elect Royal Court trial, and a sentence of up to 10 years can be imposed. In any case involving criminal damage with an intention to endanger life (or being reckless as to whether the life of another would be endangered) or arson, the legislation permits life imprisonment.

At present, there is no offence of harassment in the Bailiwick. It would be the intention of the Law Officers to address the issue of harassment, and further issues of public order, through forthcoming crime and disorder legislation, and to keep under review the sentencing policy in respect of any of these offences involving a racial element. If it appears that the sentences available or awarded for racially aggravated harassment or public order offences are insufficient, the Law Officers would refer the matter to the Committee with a view to further legislation.

Summary

I therefore recommend that:

1) legislation should be introduced to provide for offences for acts which are intended or likely to stir up racial hatred by:

- a) using words or behaviour or displaying written material;*
- b) publishing or distributing written material;*
- c) public performance of a play;*
- d) distributing, showing or playing a recording;*
- e) broadcasting ;*
- f) possessing racially inflammatory material.*

The legislation should provide for these offences to be committed where the internet is used as a medium for publishing, broadcasting or receiving material: and racially inflammatory material.

2) such new legislation should include powers to:

- a) authorise search and entry where there are reasonable grounds for suspecting that a person has racially inflammatory material; and*
- b) order forfeiture of any written, recorded or distributed material that is racially inflammatory when a person is convicted of an offence of incitement to racial hatred.”*

The Advisory and Finance Committee concurs with the view expressed by H.M. Procureur and recommends the States to direct the preparation of legislation concerning racially motivated offences.

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

Yours faithfully

L.C. MORGAN

President
Advisory and Finance Committee

The States are asked to decide:-

XV.- Whether, after consideration of the Report dated the 20th August, 2003, of the States Advisory and Finance Committee, they are of opinion:-

1. That legislation shall be enacted as set out in that Report concerning racially motivated offences.
2. To direct the preparation of such legislation as may be necessary to give effect to their above decision.

GUERNSEY SOCIAL SECURITY AUTHORITY

BENEFIT AND CONTRIBUTION RATES FOR 2004

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

20 August 2003

Dear Sir

Benefit and contribution rates for 2004

1. This report is in five parts:

Part I ***Social insurance***

recommends increases in the rates of social insurance benefits from 5 January 2004 including a further strengthening in the rate of single pension, recommends increases in the contribution lower and upper limits and sets out the effect of these changes on the finances of the social insurance scheme;

Part II ***Health Benefits***

reports on the pharmaceutical service, recommends an increase in the prescription charge and proposes an increase in the health benefit medical consultation grant, conditional on independent review of doctors' fees;

Part III ***Long-term care insurance***

comments on the first six months of the scheme's operation and recommends increases in the standard co-payment and benefit rates to take effect from 5 January 2004;

Part IV ***Non-contributory services***

recommends increases in supplementary benefit requirement rates from 9 January 2004, recommends an increase in the benefit limitations, recommends a winter allowance for heating and recommends minor amendments to the supplementary benefit legislation;

recommends an increase in family allowance from 6 January 2004;

recommends an increase in the rates of attendance and invalid care allowances from 5 January 2004;

comments on the free TV licence scheme;

Part V ***Recommendations***

sets out a summary of the Authority's recommendations.

Introduction

2. The Authority has undertaken its annual review of the social security and health benefits paid under the various schemes for which it is responsible and, with the exception of medical benefit grants and some of the benefit add-ons for dependant adults, will recommend increases in all benefit rates.
3. Guernsey continues to enjoy full employment at present, with only 81 people registered as wholly unemployed at the beginning of July 2003. This represents just 0.28 % of the working population.
4. Full employment continues to have major positive effects on the finances of the Guernsey Insurance Fund on both the expenditure and income sides. In addition to the low level of expenditure on unemployment benefit, contribution income to the Fund is increased through more people being in paid employment, paying earnings related contributions.
5. As reported last year, despite these most favourable economic conditions, Guernsey has a recognised problem of relative poverty. This was identified by the Survey of Guernsey Living Standards, undertaken by the Townsend Centre for International Poverty Research and published in January 2002. The Townsend Centre reported that 16% of Guernsey households are living in relative poverty. High incidence of relative poverty was found among single pensioners, single parents and in some families with more than the average number of children.
6. An anti-poverty strategy is being developed by the Advisory and Finance Committee, with the assistance of the officer level Social Policy Working Group. A successful strategy will have more to it than simply raising benefit levels or widening the net of benefit cover. Notwithstanding that point, in September 2002 (Billet d'Etat XX of 2002) the States agreed that there were some measures relating solely to benefits that could be taken in advance of an agreed cross-committee anti-poverty strategy. The States approved a number of such measures to take effect from 1 January 2003. The Authority, in this report, will recommend pursuing further the benefit strategies that have been put in place.

PART I SOCIAL INSURANCE

Benefit Rates

7. Having regard to the income and expenditure for 2002 and the projections of income and expenditure for 2003 and 2004, the Authority recommends increases in the rates of social insurance benefits, to take effect from 5 January 2004.
8. For the sixth year in succession, the Authority will recommend increases in the contributory, social insurance benefits which are above the current rate of increase in the Guernsey Retail Prices Index. This year, the recommendation is for general increases of around 5%, but with an increase of 7.4% in the case of single pensioners for reasons explained in the paragraphs that follow.
9. It is the Authority's policy that, over the medium and long term, the rates of old age pension, and other contributory benefits should increase by some point between the increase in RPI and the increase in average earnings. Having stated that aim, it should be noted that benefit increases recommended by the Authority each year depend both on current circumstances and the longer-term liabilities of the Fund. The Authority is mindful of the need to balance its desire for real increases in benefit rates against rates of contributions that are affordable now and in the future for persons paying into the Fund.
10. The Townsend Centre's Survey of Guernsey Living Standards reported that, whereas only 5% of pensioner couples were poor, an alarming 43% of single pensioners were poor. The Authority is resolved to improve this unacceptable situation.
11. The reasons for the striking contrast between the fortunes of the pensioner couples and the single pensioners were discussed in the Authority's previous benefit uprating policy letter (Billet d'Etat XX of 2002) and will not be repeated here.

Further strengthening of single pension

12. As a measure to address single pensioner poverty, the Authority has embarked on a strategy of rebalancing the level of the single pension relative to the married woman's pension paid on the insurance record of the husband. Last year, the States approved the Authority's proposal for a 7.5% increase in the single pension rate and just 1.0% on the married woman's pension. The new rates took effect from the beginning of 2003. This gave a substantial increase for single pensioners, where it is clearly needed. For a married pensioner couple, living together, it gave an overall pension increase of around 5%.

13. Importantly, the strengthening of the single pension results in an improved pension for the majority of married women following the death of their husband. This is because a married woman pensioner will transfer to her late husband's level of old-age pension if it is better than her own rate. This current provision will become available to male pensioners early in 2004, following States approval of the Authority's gender equality proposals for the social insurance scheme (Billet d'Etat V of 2003).
14. The Authority recommends a continuation of this strategy again this year. The Authority recommends an increase of 7.4% in the single old age pension, but less than 1.0% for the married woman's pension. For a pensioner couple this will give a combined increase of 5%. This will add £9.00 per week to the full rate single pension, will add just £0.50 to the married woman's pension and will mean a £9.50 per week increase for a pensioner couple on full rate pension.
15. If the Authority's proposals are approved, this will mean that the single pension becomes 65% of the combined amount for a married couple. This is a further movement towards the figure of 70%, which the Authority considers to be the ideal proportion, based on references quoted in the Townsend report. But the Authority asked the States to note, in last year's report, that there are major cost implications in the strengthening of the single pension, as there are many more single pensioners than married couple pensioners. This will certainly prevent the figure of 70% being achieved in the short or medium term and may prevent it being achieved indefinitely.
16. The Authority is aware that its strategy of giving relatively large increases on the single pension rate and minimal increases in the married woman's rate is not of benefit to a female pensioner receiving the married woman's pension but not living with her husband. The Authority has received one or two complaints on this issue. The Authority has sympathy with the small number of separated married women pensioners in this position, but considers that the disadvantage to these few pensioners must be weighed against the considerable advantage of its strategy to the great majority of pensioners who are living with their spouse or single, having never married or, more often, are the surviving spouse of a pensioner couple.

Gender equality

17. On 28 April 2003 (Billet d'Etat V of 2003), the States approved the Authority's proposals for reform of the social insurance scheme for gender equality. The proposals include a general individualisation of contribution liabilities and benefit entitlements. That process involves a planned removal of increases of contributory benefits for adult and child dependants, with, of necessity, different strategies being applied to different benefits. The Authority, in this report, recommends increases in the headline benefit rates to compensate, on average, for the removal of the increases for dependants. The new, consolidated rates will apply to new claims made on or after 1 January 2004.

18. Sickness, unemployment and industrial injury benefit claims with increases for dependants already in payment will continue to run their course, following the amendments coming into force, which is time-limited to a maximum of 30 weeks. Invalidity benefit claims with increases for dependants already in payment will continue for a maximum of 12 months, following the amendments coming into force, after which time the benefit will be paid at the appropriate consolidated rate.
19. The foregoing means that, in this report, there is a need for the Authority to recommend transitional rates of benefit as well as the new, individualised, consolidated rates.

Widow's pension/bereavement allowance

20. Extensive changes were proposed and accepted to the benefits payable to widows and widowers, which will come into being as a result of the amendments to the Social Insurance Law which are expected to become effective, at the latest, during the first quarter of 2004. Women receiving a widow's pension immediately before the amendment of the Law will continue to receive that benefit, which will be renamed 'bereavement allowance', until their claim ends when they reach pension age or ends before that time through remarriage or cohabitation with a man as husband and wife.
21. After the introduction of the new law, however, the bereavement allowance will change its basis altogether and become an adjustment benefit designed to ease the transition to single life, payable, for the period of 52 weeks only, to both men and women aged 45 and over whose late spouses satisfied the contribution conditions.

Widowed parent's allowance

22. Widowed parent's allowance is largely unchanged under the proposals for gender equality, being payable to all widows and widowers with a child or children in their family whose late spouses satisfied the contribution conditions. In common with the general principle that individual increases for dependants should no longer be payable, however, the consolidated rate for widowed parent's allowance has been enhanced in recognition that there is always at least one dependant child associated with this particular benefit.

23. Subject to the foregoing, the Authority recommends increases in the contributory benefits, from 5 January 2004, as set out below:

Long-term benefits	Consolidated 2004 rates	Transitional 2004 rates	(2003 rates)
Old age Pension -			
Insured person	£130.00		(£121.00)
Dependant wife or wife over age 65	<u>£70.00</u>		<u>(£69.50)</u>
	£200.00		(£190.50)
Widow's/Survivor's Benefits -			
Widowed Parent's Allowance*	£141.25		(£115.50)
Widow's Pension/Bereavement Allowance	£121.25	£121.25	(£115.50)
Guardian's Allowance	£32.75		(£31.25)
Industrial Disablement Benefit -			
100% disabled	£108.00		(£103.00)

Short-term benefits			
Unemployment, Sickness and Industrial Injury Benefit -			
Insured person	£99.00	£88.50	(£84.30)
Dependant Wife	n/a	<u>£43.44</u>	<u>(£43.44)</u>
		£131.94	(£127.74)

Invalidity Benefit -			
Insured Person	£120.00	£101.30	(£96.90)
Dependant Wife	n/a	<u>£48.90</u>	<u>(£48.90)</u>
		£150.20	(£145.80)

Maternity Allowance	£99.00		(£84.30)
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These rates of weekly benefit apply to persons who have fully satisfied the contribution conditions. Reduced rates of benefit will be increased proportionately.

Survivor's grant/ bereavement payment

24. A survivor's grant can currently be claimed by widows, and also by widowers with dependant children, where the late spouse was under 65 at the time of death. The amount of the grant is based on the insurance record of the deceased. Included with the resolutions of the States on gender equality was a resolution that survivor's grant should be renamed 'bereavement payment' and that the coverage should be extended by removing all age and gender restrictions. This means that bereavement payment will become payable to every surviving spouse, including that of a pensioner couple. As the great majority of deaths occur after the age of 65, this extension of coverage will add significantly to expenditure under this contributory benefit, increasing it from approximately £50,000 to £250,000 in year 2002 terms. The Authority considers, however, that the extended cover and additional expenditure is fully justified as a further response to the findings on pensioner poverty.
25. Full rate survivor's grant is currently £1,160. The Authority recommends that this be increased to £1,220 from 5 January 2004. Reduced rates of grant will be paid in respect of incomplete contribution records. Subject to the legislative processes, the name of the benefit will change to 'bereavement payment', and the coverage will be extended, during the first quarter of 2004

Maternity grant

26. Maternity grant is at present £236.00. The benefit does not carry contribution conditions, other than the mother-to-be being an insured person and ordinarily resident in Guernsey or Alderney. Maternity grant is an alternative, not an addition, to the contribution-based maternity allowance. The Authority recommends that maternity grant be increased to £248.00 from 5 January 2004.

Death grant

27. Death grant is at present £367.00, where the contribution conditions are fully met. The Authority recommends that the benefit be increased to £385.00 from 5 January 2004. This amount of the grant will be reduced for incomplete contribution records.

Social insurance contributions

28. The Authority is able to recommend the above increases in social insurance benefits without increasing the percentage rates of contributions payable by employed, self-employed and non-employed persons for those benefits. The Authority will, however, recommend increases in the upper and lower earnings or income limits, within which contributions are paid.
29. In approving the Authority's proposals for gender equality (Billet d'Etat V of 2003), the States resolved that the option for married women and widows to pay reduced percentage rate contributions should be discontinued with effect from 1 January 2004. This means that all married women and widows in employment or self-employment who have chosen to pay reduced rate contributions, will become liable for the same percentage rate contributions as

single women and all men. It also means that widows who are not in employment or self-employment will be liable for non-employed contributions based on their personal income in the same way as applies all other non-employed persons.

30. The gender neutral contribution rates for 2004, which are the same rates as apply in 2003 to all men and all single women, are as shown below:

Contribution rates for employed persons	
Employer	5.5%
Employee	6.0%
Total	11.5%

Contribution rates for self-employed persons	10.5%
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Contribution rates for non-employed persons under 65	9.9%
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Contribution rates for non-employed persons over 65	2.6%
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Upper earnings limit for employed persons

31. The Authority recommends that the upper earnings limit be increased from 1 January 2004 from £591 per week to £621 per week in the case of the weekly paid (or £2,691 per month in the case of employed persons paid less frequently than once a week).
32. The effect of the proposed new upper earnings limit on persons who pay a contribution at the upper earnings limit is as follows:

(2003 figures in brackets)

Weekly Earnings	Contributions		
	Employer	Employee	Total
	5.5%	6.0%	11.5%
Upper Earnings Limit			
£621 or more	£34.15	£37.26	£71.41
(£591)	(£32.50)	(£35.46)	(£67.96)

Lower earnings limit for employed persons

33. The Authority proposes to increase the lower earnings limit from £83 per week to £87 per week. The corresponding monthly limit would be £377.

34. The effect of the above changes on a contribution at the lower earnings limit is as follows:

(2003 figures in brackets)

Weekly Earnings	Contributions per week		
	Employer	Employee	Total
	5.5%	6.0%	11.5%
Lower Earnings Limit			
£87	£4.78	£5.22	£10.00
(£83)	(£4.56)	(£4.98)	(£9.54)

Upper earnings limit for self-employed persons

35. The proposed increase in the upper weekly earnings limit from £591 to £621 would mean that the upper annual earnings limit for self-employed persons in 2004 would be increased from £30,732 to £32,292 (£621 x 52).
36. The effect of the proposed new upper earnings limit on self-employed persons who pay a contribution at the upper earnings limit is as follows:-

(2003 figures in brackets)

Annual earnings from self-employment	Contributions per week
	10.5%
£32,292 or more	£65.20
(£30,732 or more)	(£62.05)

37. Self-employed persons who have applied to pay earnings related contributions, and whose earned income from self-employment was less than £32,292 per year, will pay less than the maximum contribution.
38. The proposed increase in the lower earnings limit from £83 to £87 per week would mean that the lower annual earnings limit for self-employed persons in 2004 would be increased from £4,316 to £4,524 (£87 x 52). The minimum self-employed (Class 2) contribution in 2004 would be £9.13 per week (£8.71 in 2003).

Upper income limit for non-employed persons

39. As with the self-employed, non-employed contributors are liable to pay non-employed, Class 3 contributions, at the maximum rate unless application is made to the Authority and authorisation given for the release of the relevant information by the Income Tax Authority. This allows an income-related contribution to be calculated

40. There are three main categories of non-employed contributions:
- (i) Full percentage rate contributions to cover social insurance, health service and long-term care insurance liabilities. This is the rate of contribution that all non-employed adults under the age of 60 will be liable to pay, based on their income, from 1 January 2004;
 - (ii) Health service and long-term care insurance contributions. These contributions go towards funding the pharmaceutical service, the medical consultation grants, the specialist health insurance scheme and the long-term care insurance scheme. This is the rate of contribution that a non-employed person between the age of 60 and 65 can opt to pay, based on their income. This option is usually taken by non-employed persons approaching 65 who have already maximised their contribution records for old age pension;
 - (iii) Specialist health insurance and long-term care insurance contributions. These contributions, which are payable by persons aged 65 or over, go towards funding the specialist health insurance scheme and the long-term care insurance scheme.
41. The proposed increase in the upper earnings limit will mean that the upper income limit for non-employed contributions will also increase to £32,292 per year.
42. The Authority recommends that the lower income figure at which non-employed contributions become payable be increased from £10,790 per year to £11,310 per year from 1 January 2004.
43. The table shows the minimum and maximum weekly contributions payable in 2004 by non-employed persons. People with income at some point between the upper and lower limits will pay pro-rata.

(2003 figures in brackets)

Contributions for non-employed persons			
Annual Income	Full rate (under 65)	Health service and long-term care only(60 to 65 optional)	Specialist health and long-term care only (over 65)
	9.9%	4.2%	2.6%
Weekly contribution			
Less than £11,310	zero	zero	zero
(less than £10,790)	(zero)	(zero)	(zero)
£11,310	£21.53	£9.13	£5.65
(£10,790)	(£20.54)	(£8.71)	(£5.39)
£32,292	£61.48	£26.08	£16.15
(£30,732)	(£58.51)	(£24.82)	(£15.37)

Voluntary contributions

44. As shown above, where a non-employed person's annual income is below £11,310 that person will be exempted from the payment of contributions. However, this could affect old age pension entitlement.
45. With the revision of the social insurance scheme for gender equality, and the associated individualisation of contribution records, the need for an affordable voluntary contribution has become more important. This issue was addressed in the Authority's report to the States on gender equality (Billet d'Etat V of 2003). Currently, the voluntary contribution that can be paid by non-employed persons under 65, with low personal income, is £20.54 per week. The Authority considers that this should be substantially reduced and, to give effect to a reduction will base the voluntary contribution on the social insurance element only (not health or long-term care) of the non-employed contribution percentage applied to the lower income limit. The social insurance contribution rate of 5.7%, applied to the lower income limit of £11,310 per annum, produces a voluntary contribution of £12.40 per week in 2004, which the Authority recommends.

Special (minimum) rate Class 3 contributions

46. A special rate non-employed contribution is payable by insured persons who would normally rely upon employed contributor's employment for their livelihood, but have a small gap in their record where they were neither employed nor receiving an unemployment credit. The special rate contribution is currently £10.27 per week. To simplify matters and to avoid confusion the Authority recommends that this should be aligned with the voluntary contribution, explained above, and increased to £12.40 per week in 2004.

Income and expenditure on Guernsey Insurance Fund

47. In the following paragraphs, contribution income and States Grant from general revenue refer only to the Guernsey Insurance Fund. Revenues for the Guernsey Health Service Fund and the Long-term Care Insurance Fund are reported later in this report.
48. The Guernsey Insurance Fund accounts for 2002 show income from contributions of £43.75m and from the States' Grant of £24.92m, giving a total income of £68.67m, before taking investment income into account. Total benefit expenditure and administration amounted to £59.13m, producing an operating surplus of £9.54m for the year. The operating surplus was transferred to the Guernsey Insurance Fund reserve for provision against future long-term liabilities.
49. The estimated results for 2003 and 2004 will, as always, be influenced by the benefit expenditure, the amounts by which contribution income increases and the level of the States' Grant to the Fund.

Reduction in States Grant to Guernsey Insurance Fund

50. Since the financing of the social insurance scheme changed from flat-rate stamps to earnings related contributions, in 1979, a grant equal to 57% of contribution receipts has been paid into the Guernsey Insurance Fund from general revenue. This is for the purpose of supplementing the contributions of persons who pay contributions at less than the maximum (support) rate.
51. The UK Government Actuary's Department has advised the Authority that, owing to an increasing proportion of workers paying contributions at the upper earnings limit, the amount of the States grant should be reduced to equal 50% of contribution receipts, if its share in the financing is to be limited to its original purpose and no more.
52. An argument could be advanced for leaving the States Grant at 57% of contribution receipts and allowing the surpluses to accrue to the reserves of the Fund. This would undoubtedly strengthen the long-term position of the Fund. The Authority has, however, always strongly advocated the insurance principle on which the social insurance scheme is founded and part of which is the properly balanced States Grant. Accordingly, the Authority recommends a reduction in the States Grant from 57% to 50% with effect from 1 January 2004.
53. It is estimated that contribution income in 2003 will be £46.63m, resulting in a 57% States grant amounting to £26.56m.
54. In 2004, contribution income is expected to increase by approximately £2.6m, over and above any extra contributions from wage increases, by reason of the gender equality reforms requiring all married women and widows being liable for full rate contributions. The combined effects of a lower percentage States Grant of 50%, and the extra number of full percentage rate contributors will result in an estimated States Grant of £26.17m in 2004.
55. On the basis of assumptions of wage and salary increases, the increases in benefits proposed in this report, the removal of the option to pay reduced rate contributions and the proposed reduction in the States Grant it is estimated that:
 - (1) there will be a surplus in 2003 in the order of £9.64m; and
 - (2) there will be a surplus in 2004 in the order of £9.32m.

Amendment to social insurance law to enable work rehabilitation

56. The Authority is committed to introducing further opportunities for work rehabilitation. At present the social insurance law only allows the Fund to be used to subsidise rehabilitation programmes for those people in receipt of industrial disablement benefit following an accident at work. The Authority recommends amending the law to introduce general enabling powers so that the Fund can be used to assist those people in receipt of other social insurance benefits who wish to embark upon work rehabilitation programmes.

PART II

HEALTH SERVICE BENEFITS

57. The health service benefits, costing £21.55m in 2002, were financed by £17.48m from contributions allocated to the Health Service Fund and £6.30m from the States' Grant from general revenue. There was an operating surplus of £2.23m for the year.

Medical Benefit Grants grants

58. The total benefit expenditure on consultation grants in 2002 was £2.10m. This was just 0.8% above the previous year.
59. The consultation grants have remained unchanged, at £8 per doctor consultation and £4 per nurse consultation, since their introduction in 1991. At that time the doctor consultation grant was approximately 50% of the cost of a consultation. With the 2003 cost of a standard consultation being £33.00, the grant has now reduced to less than 25%.
60. In recent years, the level of the medical benefit grants has attracted the interest of a number of States members in the course of debate on the Authority's uprating proposals. There have been calls for the Authority to increase the levels of the grants. While this has been a minority view to date, the Authority is aware of there now being substantial support among States members for an increase in the grants.
61. There are approximately 230,000 doctor consultation grants per year and 62,000 nurse consultation grants, so the cost to the Fund of adding each extra £1 to the grants can be easily appreciated.
62. One of the reasons for the Authority resisting an increase in the consultation grants has been the fear that an increase may be swallowed up, before any financial benefit is felt by the patient, through the annual increase in doctors' fees. These fees are set by the Guernsey and Alderney Division of the BMA, with increases usually taking effect from 1 January each year, as would any increase in the medical grants.
63. The local representatives of the BMA are conscious of this concern but consider that the grants play an important part of financing affordable healthcare and have a strong wish for their being increased in value. The doctors have explained to the Authority, and to other States members, how they will have to decrease their fee earning hours in order to comply with new clinical governance criteria and how this will result in an increase in fee levels to maintain their incomes.
64. The Authority has recently held constructive discussions with representatives of the local division of the BMA and a positive way forward has been identified. The Authority has offered to recommend to the States an increase in the health benefit grant from £8 to £12 per consultation if the doctors agree to the price of their 2004 consultation fees for all patients, not only those covered

by the States, being fixed by independent review. The Authority is proposing that, if it is willing, the UK Office of Manpower and Economics (OME) should undertake the review. The OME, being responsible among other things for the annual reports of the Doctors and Dentists Review Body, has expert knowledge of issues applying to General Medical Practitioners in the UK, including the implications of clinical governance and other matters relevant to UK doctors, including the European directive on working time. If the OME is unable to undertake the review, it is anticipated that members of the Doctors and Dentists Review Body, having the appropriate expertise, may undertake the review in a private capacity.

65. The Authority has suggested, furthermore, that the review team should also set consultation fees, or set a formula for consultation fees for the years 2005 and 2006.
66. The Authority has received confirmation from the Primary Care Committee, under signature of the Chairmen of the three main group practices, that the profession is willing to co-operate with the Authority and proceed to independent review of fees, on detailed terms of reference to be agreed. For its side of the agreement, the States will be making two very substantial moves. First, by increasing the health benefit grant from £8 to £12, the States will be committing to just over £1.0m of extra annual expenditure from the Health Service Fund. Furthermore, for such period as the consultation fees are fixed by independent review, the Authority will pay at the same level for the patients whose medical costs are covered by the social security schemes, including supplementary benefit, MEAS and industrial medical benefit.
67. The Authority recommends that the health benefit grant of £8 per doctor consultation and £4 per nurse consultation, be increased to £12 and £6 respectively from 1 January 2004, subject to independent review and fixing of the consultation fees as described above.
68. Having set out the preferred approach with the health benefit grant, the Authority is aware of some interest among States members for the grants to be better targeted, which is an issue that the Townsend Centre for International Poverty Research commented on.
69. The Townsend Centre suggested that the medical benefit grants could be reconfigured, moving away from universal coverage to targeted coverage and increased levels of grant. The Townsend Centre made a number of suggestions on how the grants could be targeted, such as:
 - *individuals with identified long-term illness or medical conditions requiring recurrent care;*
 - *individuals making a repeat consultation to follow-up a previous consultation;*
 - *individuals making a consultation solely for a repeat prescription of their previous medication;*
 - *consultations for all pre-school children.'*

70. The Authority does not consider any of these suggestions to be particularly strong as a policy option. There is a fundamental problem in targeting benefits under the Health Service Law, because the benefits are mainly financed by contributions. If consultation subsidies were to be targeted, the proper approach would be to remove the benefit from the Health Benefit Law, with an appropriate adjustment to contribution rates and general revenue grant, which also part-finances the existing scheme. A targeted benefit would then have to be administered under a scheme financed by general revenue.

Pharmaceutical Service

71. Prescription drugs cost a total of £12.43m in 2002, before netting off the prescription charges paid by patients. This was an increase of 6.4% over the previous year, compared with an increase of 4.4% in the Guernsey RPI. In comparison with increases in drug costs in recent years, this year-end outcome was favourable. For the first five months of 2003, drug costs are showing a similar year on year increase of 6.6%.
72. The total cost of drugs to the Health Service Fund in 2002 was reduced by approximately £1,027,000 collected in prescription charges.

White- list of approved drugs

73. The cost of the pharmaceutical service has become of increasing concern to the Authority in recent years. The Authority is very pleased that, at the June 2003 meeting of the States, the Authority's proposals to legislate a white-list of drugs that may be prescribed at the expense of the Health Service Fund were approved (Billet d'Etat XIII of 2003). The white-list will be given effect by an Ordinance of the States, from 1 January 2004.
74. Initially, very little difference will be observed in the pharmaceutical service as the white-list will include all drugs that appeared in the September 2001 British National Formulary, subject to a very small number of local modifications that have occurred since its publication. The effects of the white-list will be incremental as no newly marketed drug will be added to the list without scrutiny of its merits by the Pharmaceutical Benefit Advisory Committee. This is a committee of Guernsey professionals, including doctors and pharmacists.
75. The Authority will keep the States informed of the effects of the white-list through the annual benefit uprating report.

Prescription charge

76. The prescription charge for 2003 is £2.20 per item. For a number of years the States have approved annual increases of 10p in the charge. The Authority recommends the same increase this year, with a charge of £2.30 per item effective from 1 January 2004.

Specialist Health Insurance Scheme

77. The specialist health insurance scheme, comprising contracts for services with the Medical Specialist Group, the Ophthalmic Group, the Guernsey Physiotherapy Group and the Alderney General Practitioners cost £6.99m in 2002. After netting off a recovery of £91,000 from the Board of Health in respect of reciprocal health agreement costs, the cost to the Health Service Fund was £6.90m.
78. The States entered a new contract with the Medical Specialist Group, including ophthalmic services and with the Guernsey Physiotherapy Group, commencing on 1 January 2003. Both contract prices vary relative to the number of practitioners engaged, under defined terms and controls. It is expected that the 2003 cost of the contract with the Medical Specialist Group will be £8.45m and the cost of the contract with the Guernsey Physiotherapy Group will be £1.03m.
79. To date, the Authority and the Board of Health have not concluded a revised contract with the Alderney doctors and this work is continuing. In the meantime, the terms of the contract applying in 2002 are continuing into 2003, with an adjustment in line with the increase in RPI.

Waiting times

80. The new contract with the Medical Specialist Group has maximum waiting times of 8 weeks between a referral from a general practitioner and 8 weeks between being seen by a specialist and admission to hospital in Guernsey, should that be required. These new, much shorter, waiting times have to be met from 1 January 2004. The first year of the new contract, 2003, has been allowed as a transition period for the specialists to rearrange their organisation in order to meet the maximum waiting times.

PART III

LONG-TERM CARE INSURANCE

81. The long-term care insurance scheme started on 1 January 2003, with the collection of contributions to a newly created fund called the Long-term Care Insurance Fund. The first benefits were paid from 7 April 2003.
82. The Authority is pleased with the way in which the scheme is operating. It has been a fundamental system change, which has been implemented very successfully. Officers of the department have recently visited all of the care homes outside States ownership and the feedback received has been very positive. The scheme is currently paying long-term care benefits to 424 people in residential or nursing homes in the private sector in Guernsey and Alderney. Furthermore, some 320 residents and patients of the States-run long-term care homes are having the benefit of a much simplified and reduced charging system. The standard charge in the States-run homes is the same as the co-payment in the private sector homes, £119 per week.

Contribution income

83. It is estimated that contribution income to the Long-term Care Insurance Fund will be £10.8m in 2003.

States Grant from general revenue

84. The States Grant to the Long-term Care Insurance Fund is equal to 12% of contribution receipts. The Authority estimates that the States Grant will be £1.30m in 2003.

Expenditure and operating surplus

85. The Authority estimates that benefit expenditure on long-term care insurance will be £5.07m in 2003, with administrative expenditure of £95,000. The Authority is estimating an operating surplus for 2003 of £6.97m. This high level of operating surplus, which will be invested as it accrues, reflects the fact that contributions have been collected for a full year, but benefits paid for only 9 months. Furthermore, when the scheme was put to the States, the Authority recommended a 1.4% contribution rate that would hold good for at least 15 years, providing that the range of benefits was not changed substantially.

Co-payment by person in care

86. It is a condition of entitlement to benefit under the long-term care insurance scheme that the person in care should make a co-payment. The 2003 co-payment is £119 per week. The Authority recommends a co-payment of £126 in 2004.
87. As referred to above, it should be noted that the co-payment to the long-term care insurance scheme also sets the level of fee to be charged for accommodation in the States-run homes including the Castel and King Edward VII hospitals, the Maison Maritaine and the Longue Rue House as well as the long-stay beds in the Mignot Memorial Hospital, Alderney.

Nursing care benefit

88. Nursing care benefit is currently up to £518 per week. The Authority recommends that it should be increased to up to £539 from 5 January 2004.

Residential care benefit

89. Residential care benefit is currently up to £280 per week. The Authority recommends that it should be increased to up to £290.50 from 5 January 2004.

Respite care benefits

90. Persons needing respite care in private sector residential or nursing homes are not required to pay a co-payment. The long-term care fund pays instead. This is to acknowledge the value of occasional investment in respite care in order to allow the person concerned to remain in their own home as long as practicable. It also acknowledges that persons having respite care also continue to bear the majority of their own household expenditure. The respite care benefits,

therefore, are the sum of the co-payment and the residential care benefit or nursing care benefit, as appropriate. The Authority, therefore, recommends a nursing care respite benefit of up to £665 per week and a residential care respite benefit of up to £416.50 per week.

PART IV

NON-CONTRIBUTORY SERVICES FUNDED FROM GENERAL REVENUE

91. For the non-contributory benefits, which are funded entirely from general revenue, the Authority recommends increases of approximately 5.0%. An increase of around 9.0%, however, is recommended in the supplementary benefit requirement rates for single householders. This will further increase the single householder benefit rate to 67.5% of the married couple rate. This is a continuation of the strategy responding to the findings of the Townsend Centre on poverty in Guernsey. The survey found the highest levels of poverty among single parents and single pensioners. There are approximately 480 single householders over the age of 60, who are currently receiving supplementary benefit and approximately 260 single parent householders. The 740 people in these two groups, and the children of the single parents, should be helped by the special measures recommended by the Authority.

Supplementary benefit rates

92. The Authority recommends increases in short-term and long-term supplementary benefit rates, from 9 January 2004, as shown below.

(2003 figures in brackets)

Long-Term (after payment of short-term) rate for 6 months)		
Married couple	£171.75	(£163.55)
Single householder	£115.95	(£106.30)
Non-householder	£92.00	(£87.60)
Member of a household -		
16 or over	£77.95	(£74.25)
12 - 15	£48.20	(£45.90)
5 - 11	£34.95	(£33.30)
Under 5	£25.80	(£24.55)

Short-Term (claims not exceeding 6 months)		
Married couple	£138.80	(£132.20)
Single householder	£93.70	(£85.95)
Non-householder	£73.60	(£70.10)
Member of a household -		
16 or over	£62.35	(£59.40)
12 - 15	£38.55	(£36.70)
5 – 11	£27.95	(£26.60)
Under 5	£20.65	(£19.65)

A rent allowance, on top of the above short-term or long-term rates, will apply to people living in rented accommodation. The issue of rent allowances for rents at apparently excessive charges is addressed in paragraphs 99 to 102 below.

Benefit limitation- community

93. The benefit limitation, currently £250 per week, is the maximum level allowed for the combination of supplementary benefit and income from other sources, excluding family allowances. The benefit limitation was increased substantially last year, being raised 20% up on the 2002 figure. This year the Authority recommends an increase in line with the general increase in benefits, taking the benefit limitation to £263 per week from 9 January 2004.

Benefit limitation- residential homes

94. Notwithstanding the introduction of the long-term care insurance scheme, there needs to remain a benefit limitation applicable to a person residing in a residential home who does not satisfy the residence requirements for that benefit. The benefit limitation is currently £346.00 per week. The Authority recommends an increase to £363.00 per week.

Benefit limitation- nursing homes and Guernsey Cheshire Home

95. Being necessary for the reason explained above, the Authority recommends that the benefit limitation applicable to a person residing in a nursing home or the Guernsey Cheshire Home be increased from £497.00 per week to £522.00 per week.

Personal Allowance for residents of residential or nursing homes

96. The amount of the personal allowance for supplementary beneficiaries in residential or nursing homes is currently £17.00 per week. It is intended to allow modest purchases of, say, newspapers, confectionery, toiletries, small family presents and so on. The Authority recommends that the personal allowance be increased to £20.00 per week from 9 January 2004.

Supplementary Fuel Allowance

97. A supplementary fuel allowance is paid from general revenue, for 31 weeks between October and May, to supplementary beneficiaries who are householders. The additional fuel allowance was increased from £8.00 per week to £12.00 per week in 2000, after having been kept at £8.00 since 1992. Between December 2000 and March 2003, coal prices have increased by 14%, gas has increased by 24%, electricity has remained unchanged and oil has fallen by 6%. Using the increase in the price of coal as a reasonable benchmark, the Authority recommends an increase of £2 per week in the supplementary fuel allowance. The Authority recommends that from 24 October 2003 to 21 May 2004, a fuel allowance of £14 per week be paid to supplementary beneficiaries who are householders. It is estimated that the fuel supplement will cost £440,000 over the 31 weeks.

Cost of Supplementary Benefit

98. Benefit expenditure on the Supplementary Benefit scheme was £9.53m in 2002. The budget for 2003 is £8.89m, the reduction being the transfer of some care home costs to the long-term care insurance scheme. After taking account of the proposed increases in the contributory benefit rates, which produce a saving on supplementary benefit expenditure, and the proposed increases in supplementary benefit rates, it is estimated that the Authority's proposals would increase the expenditure on supplementary benefit in 2004 by £150,000 to £9.04m.

Amendments to supplementary benefit legislation

Safeguards against excessive rents

99. The rent allowance, referred to in paragraph 92, is a key component of supplementary benefit. The amount of the rent allowance awarded by the Administrator is:

'...the net rent payable, or such lesser amount as may be thought reasonable by the Administrator having regard to the circumstances of that person...'

(Section 6, First Schedule to the Supplementary Benefit (Implementation) Ordinance 1971, as amended).

100. For the great majority of supplementary benefit claims, the calculation of benefit involves straightforward input in the benefit formula of the net rent payable, without further deduction. Contrary to some perceptions, many people receiving supplementary benefit are being charged reasonable rents by their landlords. This is particularly so in the case of some long-term tenancies involving older persons. Occasionally, however, the Administrator has to determine a rent allowance with regard to a charged rent that appears excessive. In such cases, the practice is to award a rent allowance of lesser amount than charged and to advise the claimant of a tenant's right to seek an independent assessment of the rent by the Rent Officer of the Cadastre Committee. The availability of such assessment is conditional on the rateable value of the dwelling being £50 or less and the tenancy having been in effect for at least 3 months.

101. Applications to the Rent Officer from persons receiving supplementary benefit are so few as to be effectively zero. The main barrier appears to be the fear of causing bad relations with the landlord which may lead to eviction, notwithstanding the protection for 12 months following review as provided by the Rent Control Law.
102. In order to overcome the reluctance of tenants in receipt of supplementary benefit to make application to the Rent Officer for their accommodation to be subject to rent assessment, the Cadastre Committee is presently reviewing whether the Administrator, in any case where supplementary benefit is being paid, should have the right, in addition to the right of the tenant, to apply to the Rent Officer for a determination of a fair rent during such period as the recipient of supplementary benefit is the tenant. Pending that review, it would greatly assist the process of providing rent allowances if the Administrator, in determining the amount of rent payable, could not only take into account not only the circumstances of the recipient – the position under Section 6 of the First Schedule to the 1971 Ordinance, see above – but also the nature and extent of the accommodation for which the rent allowance is being provided. This amendment will make it clear that the Administrator can have regard to the actual accommodation for which rent allowance is provided. This simple amendment would put the power of the Administrator in this area beyond doubt.

Resources deliberately abandoned

103. Section 18 of the First Schedule to the Supplementary Benefit (Implementation) Ordinance 1971, as amended, deals with the treatment of resources that have been deliberately divested. In practice this has typically been property sold to family members for a nominal sum and capital given to family members. The section reads:

'Resources deliberately abandoned

18. If a person has deprived himself of any resources for the purpose of securing a supplementary benefit or increasing the amount thereof those resources may be taken into account as if they were still his.'

104. While the above provision may already suffice, the Authority has consulted H.M. Procureur, who recommends that the legislation be amended to make it clear that, for the purposes of Section 18 to the First Schedule to the 1971 Ordinance, a person shall be treated as having deprived himself of a resource if he neglects to claim, or waives or abandons any right or benefit to which he is legally entitled. Accordingly, any failure to apply for assessment of a fair rent by the Rent Officer may be treated as a resource deliberately foregone and that will enable the Administrator to make an appropriate deduction in the amount of supplementary benefit payable.

Attribution of assets not immediately realisable

105. The supplementary benefit legislation specifies how, in the computation of benefit entitlement, assets in sole or joint ownership are to be treated as resources of the claimant. The legislation attributes the assets and, in the absence of provisions to the contrary, treats them as resources immediately available.
106. A practical difficulty arises from time to time where one partner of a couple has left a jointly owned home but is temporarily unable to liquidate their share in the asset. This can be a separated mother with a child or children, who needs assistance from supplementary benefit but is prevented from receiving financial assistance because of resources which are treated as available to her, but which cannot, in practice, immediately be accessed. Experience has also shown that banks are generally unwilling to loan money against the value of the shared asset in these circumstances.
107. The Authority recommends an amendment in the legislation to accommodate more flexibility in situations similar to that described. The Authority recommends that this should be by way of provision to disregard, temporarily, the value of assets which cannot be realised immediately.

Family Allowances

108. Family allowances expenditure amounted to £6.83m in 2002. The allowance is paid at the rate of £11.25 per week per child. The budget for 2003 is £7.12m. The Authority recommends that the allowance be increased to £11.75 per week for 2004. It is estimated that this will increase the expenditure on family allowances in 2004 by £386,000, to £7.51m.

Attendance and Invalid Care Allowances

109. The Authority recommends that attendance allowance and invalid care allowance be increased with effect from 5 January 2004 as shown below:-

(2003 rates are shown in brackets)

Attendance Allowance - weekly rate	£69.00	(£65.75)
Invalid Care Allowance - weekly rate	£55.50	(£52.75)
Annual income limit for both allowances	£63,000	(£60,000)

110. Benefit expenditure on attendance and invalid care allowances in 2002 was £1.73m. The budget for 2003 is £1.83m. It is estimated that the Authority's proposals will increase expenditure in 2004 by £92,000. Increased demand is expected to increase expenditure by a further £66,000, taking the total 2004 estimate to £1.99m.

Free TV licences

111. In accordance with the resolutions of the States on the 2001 budget (Billet d'Etat XXIV of 2000), the Authority administers a scheme to provide free TV licences for Guernsey and Alderney residents aged 75 or over and residents aged 65 or over and in receipt of supplementary benefit. Benefit expenditure under this scheme was £397,000 in 2002. The scheme is expected to cost £400,000 in 2003. The costs in 2004 will depend on the standard charge per TV licence made by the UK Department of Culture, Media and Sport.

**PART V
RECOMMENDATIONS**

112. The Authority recommends:

- (i) that the standard rates of social insurance benefits shall be increased to the rates set out in paragraph 23 of this report;
- (ii) that the standard rate of survivor's grant/ bereavement payment shall be £1,220;
(paragraph 25)
- (iii) that maternity grant shall be increased to £248.00 in respect of confinements which take place on or after 5 January 2004;
(paragraph 26)
- (iv) that the full rate amount of death grant payable in respect of the death of a person on or after 5 January 2004 shall be £385.00.
(paragraph 27)
- (v) that for employed and self-employed persons the upper weekly earnings limit, the upper monthly earnings limit and the annual upper earnings limit shall be £621, £2,691 and £32,292 respectively;
(paragraphs 31 to 35)
- (vi) that for non-employed persons the upper and lower annual income limits shall be £32,292 and £11,310 respectively;
(paragraphs 39 to 42)
- (vii) that the minimum (special rate) Class 3 contribution and the voluntary non-employed contribution should be aligned at £12.40 per week from 1 January 2004;
(paragraphs 44 to 46)
- (viii) that the States Grant to the Guernsey Insurance Fund shall be reduced from 57% to 50% of contributions income to that Fund;
(paragraph 52)
- (ix) That the Social Insurance (Guernsey) Law, 1978, as amended, be further amended to enable the Fund to assist those people in receipt of social insurance benefits to embark upon work rehabilitation programmes;
(paragraph 56)

- (x) that the medical benefits provided under the Health Service (Benefit) Guernsey Law, 1991, in respect a medical consultation with an approved doctor or approved nurse, shall be increased to £12 and £6 respectively, subject to an independent review of consultation fees in Guernsey and Alderney being undertaken;
(paragraphs 64 to 67)
- (xi) that the prescription charge per item of pharmaceutical benefit shall be £2.30;
(paragraph 76)
- (xii) that the contribution (co-payment) required to be made by the claimant of care benefit, under the long-term care insurance scheme, shall be £126 per week;
(paragraph 86)
- (xiii) that 'care benefit' shall be a maximum of £539 per week for persons resident in a nursing home or the Guernsey Cheshire Home and a maximum of £290.50 per week for persons resident in a residential home;
(paragraphs 88 and 89)
- (xiv) that 'respite care benefit' shall be a maximum of £665 per week for persons receiving respite care in a nursing home or the Guernsey Cheshire Home and a maximum of £416.50 per week for persons receiving respite care in a residential home;
(paragraph 90)
- (xv) that the normal requirements of a person for the purposes of paragraph 5 of Part II of the First Schedule to the Supplementary Benefit (Implementation) Ordinance, 1971, shall be the appropriate amount set out in paragraph 92 of this report;
- (xvi) that the limit of the weekly income for the purposes of paragraph 3 of Part 1 of the First Schedule to the Supplementary Benefit (Implementation) Ordinance 1971 shall be:
 - (a) £263 for a person whose requirements are in accordance with paragraph 5 of the Schedule;
 - (b) £363 for a person who is residing in a residential home and whose requirements are in accordance with paragraph 7 of the Schedule;

- (c) £522 for a person who is residing as a patient in a hospital, nursing home or the Guernsey Cheshire Home, whose requirements are in accordance with paragraph 7 of the Schedule;

(paragraphs 93 to 95)

- (xvii) that the amount of the personal allowance payable to persons in residential or nursing homes who are in receipt of supplementary benefit shall be £20 per week;

(paragraph 96)

- (xviii) that a supplementary fuel allowance, for supplementary beneficiaries who are householders, of £14 per week be paid, for 31 weeks, from 24 October 2003;

(paragraph 97)

- (xix) that the Supplementary Benefit (Implementation) Ordinance, 1971, as amended, be further amended:

- (a) to enable the Administrator, when determining a rent allowance, to have regard, in addition to the circumstances of the claimant, to the nature and extent of the accommodation;

(paragraph 102)

- (b) to make it clear that for the purposes of Section 18 to the First Schedule to the 1971 Ordinance, a person shall be treated as having deprived himself of a resource if he neglects to claim, or waives or abandons any right or benefit to which he is legally entitled;

(paragraph 104)

- (c) to enable the value of assets which cannot be realised immediately to be disregarded temporarily;

(paragraph 107)

- (xx) (a) that the allowance payable under the Family Allowances (Guernsey) Law, 1950, as amended, shall be increased from £11.25 to £11.75 per week; and

- (b) that the cost of providing for a child (for the purposes of determining in whose family a child not living with his parents is to be included under the Law), shall be increased from £11.25 to £11.75;

(paragraph 108)

- (xxi) that the rates of attendance allowance and invalid care allowance and the annual income limits shall be as set out in paragraph 109;

(xxii) that the recommendations listed below shall have effect from the following dates:

Recommendations (i) to (iv), (xii) to (xiv) and (xxi)	-	5 January 2004
Recommendations (v) to (viii), (x) and (xi)	-	1 January 2004
Recommendation (xv) to (xvii)	-	9 January 2004
Recommendations (xx)	-	6 January 2004

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

Yours faithfully

O. D. LE TISSIER

President, Guernsey Social Security Authority

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

19th August 2003

Dear Sir

Guernsey Social Security Authority – Benefit and Contribution Rates for 2004

I refer to the letter dated 20 August 2003 from the President of the Guernsey Social Security Authority concerning proposals for the uprating of benefits for 2004.

The Advisory and Finance Committee is supportive of the Authority's proposals to increase the rates of contributory benefits by 5% with a higher increase of 7.4% being applied to the single pensioner old age pension rate.

This is the second successive year that the Authority has proposed an additional increase to the single pensioner rate and it represents a continuing proactive response to the findings of the Survey of Guernsey Living Standards on the extent of hardship experienced by a significant proportion of single pensioners.

The Committee is also supportive of the proposals for an increase in non-contributory benefits by 5% apart from single householders in receipt of supplementary benefit for whom an increase of 9% is recommended. The additional support for single householders, like the proposal to award a larger increase to the single rate of old age pension, is another significant commitment to responding to the findings of the Survey of Guernsey Living Standards which reported that almost two thirds of lone parents were, by Guernsey standards, suffering from a poor standard of living.

The Advisory and Finance Committee, at the time of preparing this letter, is in the latter stages of devising proposals for a Corporate Anti-Poverty Programme. The Committee believes that the Social Security Authority's 2004 uprating proposals will continue to form an integral part of that Programme.

With regard to health service benefits, the Committee notes that it is proposed to increase the grants for a consultation with a nurse or a doctor for the first time since their introduction in 1991. This proposal is, however, contingent upon agreement being reached with the local division of the British Medical Association for an independent review of consultation fees for all patients. The Committee acknowledges

the significance of the review which would result in the private consultation fee being independently set for what is believed to be the first time ever. On this basis, the Committee supports an increase in the consultation grants as proposed.

Finally, the Guernsey Social Security Authority proposes to reduce from 01 January 2004 the amount of the States Grant that is paid into the Guernsey Insurance Fund from a value equal to 57% of contribution receipts to 50%. The purpose of the grant is to supplement the contributions of persons who pay at less than the maximum (support) rate. Given the continuing high level of employment in the Island and that an increasing number of people are earning at a rate equal to or approaching the support rate, the Authority, after consultation with the UK Government Actuary's Department, feels able to recommend this reduction. As stated in the 2003 Policy and Resource Plan, the Committee is grateful to the Authority for taking a lead in this important matter.

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

Yours faithfully

L. C. MORGAN

President
States Advisory and Finance Committee

The States are asked to decide:-

XVI.- Whether, after consideration of the Report dated the 20th August, 2003, of the Guernsey Social Security Authority, they are of opinion:-

1. That, with effect from the 5th January, 2004, the standard rates of social insurance benefits shall be increased to the rates set out in paragraph 23 of that Report.
2. That, with effect from the 5th January, 2004, the standard rate of survivor's grant/ bereavement payment shall be £1,220.
3. That maternity grant shall be increased to £248.00 in respect of confinements which take place on or after 5th January, 2004;
4. That the full rate amount of death grant payable in respect of the death of a person on or after 5th January 2004 shall be £385.00.
5. That, with effect from the 1st January, 2004, for employed and self-employed persons the upper weekly earnings limit, the upper monthly earnings limit and the annual upper earnings limit shall be £621, £2,691 and £32,292 respectively.
6. That, with effect from the 1st January, 2004, for non-employed persons the upper and lower annual income limits shall be £32,292 and £11,310 respectively.
7. That the minimum (special rate) Class 3 contribution and the voluntary non - employed contribution shall be aligned at £12.40 per week from 1 January 2004.
8. That, with effect from the 1st January, 2004, the States Grant to the Guernsey Insurance Fund shall be reduced from 57% to 50% of contributions income to that Fund.
9. That the Social Insurance (Guernsey) Law, 1978, as amended, be further amended to enable the Fund to assist those people in receipt of social insurance benefits to embark upon work rehabilitation programmes.
10. That, with effect from the 1st January, 2004, the medical benefits provided under the Health Service (Benefit) Guernsey Law, 1991, in respect a medical consultation with an approved doctor or approved nurse, shall be increased to £12 and £6 respectively, subject to an independent review of consultation fees in Guernsey and Alderney being undertaken.
11. That, with effect from the 1st January, 2004, the prescription charge per item of pharmaceutical benefit shall be £2.30.

12. That, with effect from the 5th January, 2004, the contribution (co-payment) required to be made by the claimant of care benefit, under the long-term care insurance scheme, shall be £126 per week.
13. That, with effect from the 5th January, 2004, 'care benefit' shall be a maximum of £539 per week for persons resident in a nursing home or the Guernsey Cheshire Home and a maximum of £290.50 per week for persons resident in a residential home.
14. That, with effect from the 5th January, 2004, 'respite care benefit' shall be a maximum of £665 per week for persons receiving respite care in a nursing home or the Guernsey Cheshire Home and a maximum of £416.50 per week for persons receiving respite care in a residential home.
15. That, with effect from the 9th January, 2004, the normal requirements of a person for the purposes of paragraph 5 of Part II of the First Schedule to the Supplementary Benefit (Implementation) Ordinance, 1971, shall be the appropriate amount set out in paragraph 92 of that Report.
16. That, with effect from the 9th January, 2004, the limit of the weekly income for the purposes of paragraph 3 of Part 1 of the First Schedule to the Supplementary Benefit (Implementation) Ordinance 1971 shall be:
 - (a) £263 for a person whose requirements are in accordance with paragraph 5 of the Schedule;
 - (b) £363 for a person who is residing in a residential home and whose requirements are in accordance with paragraph 7 of the Schedule;
 - (c) £522 for a person who is residing as a patient in a hospital, nursing home or the Guernsey Cheshire Home, whose requirements are in accordance with paragraph 7 of the Schedule.
17. That, with effect from the 9th January, 2004, the amount of the personal allowance payable to persons in residential or nursing homes who are in receipt of supplementary benefit shall be £20 per week.
18. That a supplementary fuel allowance, for supplementary beneficiaries who are householders, of £14 per week be paid, for 31 weeks, from 24th October 2003.
19. That the Supplementary Benefit (Implementation) Ordinance, 1971, as amended, be further amended:
 - (a) to enable the Administrator, when determining a rent allowance, to have regard, in addition to the circumstances of the claimant, to the nature and extent of the accommodation;

- (b) to make it clear that for the purposes of Section 18 to the First Schedule to the 1971 Ordinance, a person shall be treated as having deprived himself of a resource if he neglects to claim, or waives or abandons any right or benefit to which he is legally entitled;
 - (c) to enable the value of assets which cannot be realised immediately to be disregarded temporarily.
20. (a) That, with effect from the 6th January, 2004, the allowance payable under the Family Allowances (Guernsey) Law, 1950, as amended, shall be increased from £11.25 to £11.75 per week; and
- (b) that, with effect from the 6th January, 2004, the cost of providing for a child (for the purposes of determining in whose family a child not living with his parents is to be included under the Law), shall be increased from £11.25 to £11.75.
21. That, with effect from the 5th January, 2004, the rates of attendance allowance and invalid care allowance and the annual income limits shall be as set out in paragraph 109 of that Report.
22. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

STATES PUBLIC ASSISTANCE AUTHORITY

PUBLIC ASSISTANCE BENEFIT RATES FOR 2004

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

19 August 2003

Dear Sir

Public assistance benefit rates for 2004

1. Under the provisions of the Public Assistance Law, 1937, the States may set, by Ordinance, the ordinary maximum rates of public assistance (benefit); the limit of weekly income an applicant may have; and vary other regulations making provision for the administration of public assistance.
2. From 8 January 1999 the rates of public assistance and short-term supplementary benefit have been identical. In proposing benefit rates for 2004 the Authority has again liaised with the Guernsey Social Security Authority. Both committees see great value in maintaining parity between public assistance rates and short-term supplementary benefit rates. The Authority will therefore recommend a general increase in public assistance rates of 5%, and an increase of around 9% for single householders.
3. The Authority recommends increases in public assistance rates, from 9 January 2004, as shown below (2003 figures in brackets).

Married couple	£138.80	(£132.20)
Single householder	£93.70	(£85.95)
Non-householder	£73.60	(£70.10)
Member of a household:-		
16 or over	£62.35	(£59.40)
12 to 15	£38.55	(£36.70)
5 to 11	£27.95	(£26.60)
Under 5	£20.65	(£19.65)

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

Limitation on amount of public assistance payable

4. The benefit limitation, currently £250.00, is the maximum amount of income an applicant may receive in any week, including any benefit to which they may be entitled, but exclusive of family allowance. The Authority recommends an increase to £263.00 per week from 9 January 2004. This increase is in line with that proposed by the Guernsey Social Security Authority.

Winter fuel allowance

5. During the winter months of November to March, dependent on the prevailing weather conditions and with the approval of the Authority, Relieving Officials may award a fuel allowance of £12.00. The Authority recommends an increase to £14.00 in the period November 2003 to March 2004. This increase is in line with that proposed by the Guernsey Social Security Authority.
6. It is estimated that the fuel supplement will cost £4800 in the period November 2003 to March 2004.

Estimated costs to General Revenue

7. Public Assistance expenditure was £263,865 in 2002. The budget for 2003 is £359,500. Taking account of the proposed increases in public assistance rates, it is estimated that the Authority's proposals will increase expenditure in 2004 by £17,975 to £377,475.

Recommendations

8. The Authority recommends:-
 - (i) that the ordinary maximum rates of public assistance for the purposes of paragraph 10 of the Schedule to the Central Outdoor Assistance Board Regulations, as amended, shall be those set out in paragraph 3 of this report;
 - (ii) that the limitation of weekly income in paragraph 2(2) of the Schedule to the Regulations shall be £263.00 (paragraph 4);
 - (iii) that recommendations (i) and (ii) shall have effect from 9 January 2004;
 - (iv) that a winter fuel allowance at a maximum of £14.00 per week shall be payable at the discretion of the Relieving Official to a person in receipt of public assistance in the period 7 November 2003 to 26 March 2004, inclusive (paragraph 5);

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

Yours faithfully

D. P. LE CHEMINANT

Vice President
Public Assistance Authority

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

The States are asked to decide:-

XVII.- Whether, after consideration of the Report dated the 19th August, 2003, of the States Public Assistance Authority, they are of opinion:-

1. That the ordinary maximum rates of public assistance for the purposes of paragraph 10 of the Schedule to the Central Outdoor Assistance Board Regulations, as amended, shall be those set out in paragraph 3 of that Report.
2. That the limitation of weekly income in paragraph 2(2) of the Schedule to the Regulations shall be £263.00.
3. That propositions 1. and 2. above shall have effect from 9 January 2004.
4. That a winter fuel allowance at a maximum of £14.00 per week shall be payable at the discretion of the Relieving Official to a person in receipt of public assistance in the period 7 November 2003 to 26 March 2004, inclusive.
5. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

STATES COMMITTEE FOR HOME AFFAIRS
THE USE OF MOBILE TELEPHONES BY DRIVERS

23 July 2003

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

Dear Sir

THE USE OF MOBILE TELEPHONES BY DRIVERS

Introduction

In December 1999 a Requête was presented to the States concerning the use of hand held mobile phones by drivers. The Requête did not have the support of the Committee for Home Affairs as it was thought at the time that drivers using hand held mobile phones could be prosecuted for driving without due care and attention. After a debate the Requête was lost.

In September of last year a further Requête on the same subject was presented to the States. It asked that the States direct that my Committee reported measures that could be taken to control the use by drivers of mobile phones while their vehicles were in motion. My Committee fully supported the Requête which was passed on the 26 September 2002.

Research

In 1997 Redelmeier and Tibshinik published a Canadian research paper that suggested that mobile phone use by drivers quadruples the risk of collision during the period of the call and that in addition there was a greater risk of the driver being the cause of an accident for several minutes after the termination of the call.

The Royal Society for the Prevention of Accidents published a report on this subject in 2002 ('The Risk of Using a Mobile Phone Whilst Driving'). According to the report between 1988 and 2001 there were 19 fatal accidents in the United Kingdom that after investigation could be attributed to a driver using a mobile phone whilst driving.

....contd.

The President
States of Guernsey

23 July 2003

Department of Transport Surveys in the UK have established that the use of mobile phones by drivers whilst in motion has risen from 1.5% in 2000 to 2.2% in 2002.

The Guernsey situation

No formal surveys have been conducted in Guernsey with regard to the use of mobile phones by drivers. However, there have been numerous complaints in recent years to the Guernsey Police about the use of mobile telephones by drivers. In addition, Police Officers on many occasions over recent years have observed drivers using mobile telephones and taken action ranging from an informal warning to reporting the driver for prosecution for driving without due care and attention.

The offence of driving without due care and attention

The courts in Guernsey and England have declared that before a person can be convicted for driving without due care and attention whilst using mobile telephones the prosecution must prove that there was an actual loss of control of the vehicle as opposed to a potential loss of control. Given the research that I have referred to indicates that there is a substantial increase in the risk of an accident whilst using a mobile telephone whilst driving it is in the Committee's opinion essential that a specific offence be introduced to deal with such conduct.

Legislation in other jurisdictions

Both Jersey and the Isle of Man have introduced legislation on this topic. The Jersey legislation which is attached to this letter as Appendix 1 was introduced in 1998 and provides for a maximum fine on conviction of £500. The Isle of Man legislation which is attached as Appendix 2 came into force in 2000 with a maximum fine of £1,000. The Chief Officer of Police has been advised by his colleagues in the Isle of Man and Jersey that the introduction of a specific offence and the publicity surrounding their introduction has had significant deterrent value and that in each Island the use of mobile phones whilst in motion by drivers has decreased.

Proposed offence

The Committee recommends that the States direct that legislation be drafted to create an offence of driving a motor vehicle on a road whilst holding a telephone in any way whilst the vehicle is in motion. The phrase 'holding a telephone in any way' will cover behaviour such as the trapping of a handset between the driver's face and his shoulder.

The Committee recommends that those convicted of the offence should be liable on conviction to a fine not exceeding level 2 on the Uniform Scale which is currently £500.

.... contd

The President
States of Guernsey

23 July 2003

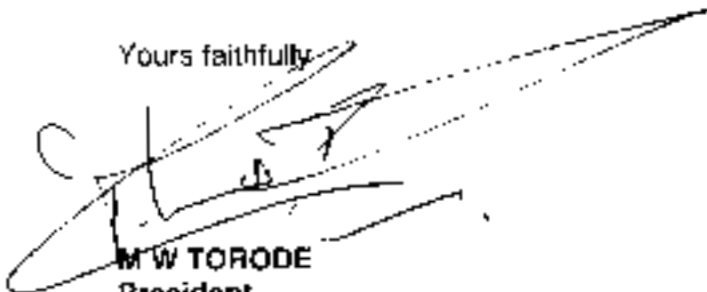
"Hands free" equipment

During its consideration the Committee did examine the safety aspects of the use of "hands free" equipment. Research indicates that drivers are distracted whilst holding a conversation using "hands free" equipment. However, the distraction was found to be much less than when drivers spoke on their mobile telephone whilst holding them in their hands. In view of this, the Committee has concluded that there is currently no justification to seek a prohibition on the use by drivers of "hands free" equipment".

Conclusion

The Committee therefore recommends that the States direct that legislation be drafted as outlined above.

Yours faithfully,



M W TORODE
President
Committee for Home Affairs

APPENDIX I

ROAD TRAFFIC (JERSEY) LAW 1956

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

(Promulgated on the 18th day of February 1998)

STATES OF JERSEY

The 17th day of February 1998

The States, in pursuance of the powers conferred on them by the Order in Council of the twenty-sixth day of December 1851¹ and Article 49 of the Road Traffic (Jersey) Law, 1956, as amended² (hereinafter referred to as “the Law”), have made the following Regulations –

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

“Article 25A

Restrictions on holding telephones

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

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

¹ Recueil des Lois, tomes I-III, page 196

² Recueil des Lois, Tome VIII, page 636

APPENDIX II

THE ROAD TRAFFIC ACT 1985

The Road Vehicles (Maintenance and Use) (Amendment) Regulations 2000

Approved by Tynwald: 16 May 2000

Coming into operation: 1 July 2000

In exercise of the powers conferred on the Department of Transport by paragraphs 1 of Part I of Schedule 2 to the Road Traffic Act 1985¹, and of all other enabling powers, the following Regulations are hereby made:-

Citation and commencement

1. These Regulations may be cited as the Road Vehicles (Maintenance and Use) (Amendment) Regulations 2000 and, subject to section 74(3) of the Road Traffic Act 1985, shall come into operation on 1 July 2000.

Amendment of the Road Vehicles (Maintenance and Use) Regulations 1998

2. (1) The Road Vehicles (Maintenance and Use) Regulations 1998² shall be further amended as follows.

(2) After regulation 63, insert:

“Mobile telephones

63A. (1) No person shall drive a motor vehicle on a road while he is using a mobile telephone which is held in a hand.

(2) In this regulation-

“mobile telephone” means wireless telegraphy apparatus which is designed or adapted to be capable -


¹ 1985 c. 23

² SD 345/98

- (a) of connection only to a cellular telecommunication system; and
- (b) of use while in motion

“wireless telegraphy apparatus” has the same meaning as in the Wireless Telegraphy Act 1949³ (an Act of Parliament).”.

Made 30th March 2000



Minister for Transport

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend further the Road Vehicles (Maintenance and Use) Regulations 1998 (SD 345/98) by inserting a new regulation prohibiting persons from using hand-held mobile cellular phones while driving motor vehicles.

³ 1949 c. 54

(The States Advisory and Finance Committee supports the proposals)

The States are asked to decide:-

XVIII.- Whether, after consideration of the Report dated the 23rd July, 2003, of the States Committee for Home Affairs, they are of opinion:-

1. That legislation shall be enacted, as set out in that Report, to create an offence of driving a motor vehicle on a road whilst holding a telephone in any way whilst the vehicle is in motion.
2. To direct the preparation of such legislation as may be necessary to give effect to their above decision.

STATES BOARD OF HEALTH

SITE DEVELOPMENT PLAN UPDATE

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

21st August 2003

Dear Sir

SITE DEVELOPMENT PLAN UPDATE

1. Introduction

- 1.1 It is four years since the States approved the Board of Health's revised site development plan. The Board, therefore, wishes to advise the States of progress on implementation of the plan and to give an indication of the capital requirements and approximate timescale for the remainder of the plan. In addition, whilst the principles of the plan have not changed, developments in healthcare during the past four years have led to a need to change some of the detail of the plan. These have been discussed fully with the Advisory and Finance Committee's Estates Sub Committee and further modifications have been made as a result of suggestions for improvement made by that Sub Committee. The changes are highlighted in this report.
- 1.2 The Board has also reached the point at which capital funds are required for the costs of professional services which need to be retained for the site development plan as a whole. In addition, capital funding is now required for redevelopment of the Mignot Memorial Hospital.

2. Background

In July 1999 (Billet d'Etat XV), the States approved in principle the Board's revised site development plan. Since then, a considerable number of the individual projects have either been completed or are in progress, namely:

Completed

- Home for people with a learning disability (Les Alouettes)

- Purchase, conversion and extension of property for staff accommodation (Arlington Court)
- Boiler decentralisation, King Edward VII Hospital
- Adolescent Unit, Princess Elizabeth Hospital
- Day Room, Mignot Memorial Hospital
- Alterations to homes for people with a learning disability (Sunnybrook, 3 Les Vieux Chênes, Chateau Reve and The Croft)
- Day Hospital, King Edward VII Hospital
- Occupational Therapy and Physiotherapy Department alterations, King Edward VII Hospital
- Pharmacy upgrade, Princess Elizabeth Hospital
- Sterile Services Department upgrade, Princess Elizabeth Hospital
- Incinerator replacement, Princess Elizabeth Hospital
- Institute of Health Services temporary re-location, Duchess of Kent House

In progress

- Long-stay wards for confused older people at La Corbinerie (under construction); due for completion at the end of 2003, with the first residents occupying the new wards in February 2004 (see Billet d'Etat VI 2002).
- Child Development Centre, to be accommodated in Forest Special Needs Centre (see Billet d'Etat III 2003).
- States Analyst's Laboratory and Environmental Health Department (to be accommodated in new premises on Raymond Falla House site), due for completion by the end of 2004 (see Billet d'Etat XIII 2003).
- Services for people with a learning disability - replacement headquarters and day centre; to be accommodated in St Martin's Community Centre (see Billet d'Etat XIX 2003).
- 4th operating theatre and critical care unit. Not part of the site development plan but required as part of the revised specialist health insurance scheme (see Billet d'Etat II 2002); policy letter for this capital project to be submitted for the October 2003 States meeting.

3. **Progressing the Next Phase of the Site Development Plan**

- 3.1 Although a considerable amount of progress has been made, there are still a number of major elements of the site development plan that remain to be completed. Schemes like relocation of the Environmental Health Department and the relocation of services to the St Martin's Community Centre are, in part, enabling schemes. They allow for the remaining mental health services to be transferred to the Princess Elizabeth Hospital site from the Castel Hospital and for the re-provision of medical services and services for older people, which are presently provided in sub standard and outdated accommodation.

3.2 Attached, as appendices, are A4 drawings showing the position on site of the proposed developments and detailed layouts of the individual departments, as follows:

- Princess Elizabeth Hospital site plan
- Phase 6B; acute psychiatric ward, day hospital, respite and assessment ward, day centre, consulting rooms and associated facilities.
- John Henry Court; staff accommodation.
- Phase 5; clinical block, levels 1 to 3, including medical wards, assessment and rehabilitation services, medical investigation unit, renal dialysis unit, oncology centre and Institute of Health Studies
- St Martin's Community Centre
- Les Cotils; development to replace the Russels and provide a day centre for people with dementia
- Mignot Memorial Hospital

Larger scale versions of the plans have been lodged at the Greffe and will be on display in the vestibule.

Adult Mental Health Services (Phase 6B)

3.3 It is still the Board's intention to vacate the Castel Hospital site. The continuing care wards, currently under construction at La Corbinerie (known as phase 6A), will allow the transfer of the majority of confused older patients early next year. Plans for the next phase of development at La Corbinerie (known as Phase 6B) will ultimately allow the transfer of the other mental health services from the Castel Hospital. Phase 6B will comprise a 24-bed adult acute mental health ward, a 12-bed assessment and respite ward for confused older people, a psychiatric day hospital, a social and therapeutic day centre, plus clinic and office space.

3.4 The main benefits of the new wards and day facilities, compared to the existing premises at the Castel Hospital, can be summarised as follows:

- segregation of sleeping and day areas to allow for separation, as necessary, of male and female patients and of people with different types of mental health problem;
- all single bedrooms with en-suite facilities;
- improved 'extra care' facilities, including well located control and observation bases;
- provision of domestic skills and complementary therapies areas;
- improved staff and patient security.

3.5 To comply with Island Development Committee advice, development has been restricted to the north-west of La Corbinerie site. It will be a mixture

of new buildings and re-use of the existing Mignot Centre and stable block. This complex of buildings is of historical and architectural significance and the Board would not wish to see them demolished. They can be re-used for the supporting facilities, patient areas being in the new buildings.

- 3.6 The Board will need to undertake various enabling works to clear the site before Phase 6B can proceed. Replacement facilities for the following will be needed:
- Mignot Centre and the headquarters for services for people with a learning disability - as mentioned above, it is planned to transfer these services to the Community Centre in St Martin's.
 - Oberlands House – the Board is actively pursuing through the Board of Administration, the purchase of suitable properties to re-house the residents in separate groups.
 - a flat used as accommodation for a client with a learning disability– a replacement flat is being sought.
 - Civil Defence Building – the Board's officers have had discussions with the Civil Defence Officer over the provision of an extension to the main Civil Defence building at the Oberlands to replace 2 small buildings that need to be demolished.
 - Gateway Club premises – the Board's officers are in discussion with the Gateway Club regarding the future provision of the club's facilities.

The Phase 6B brief and layouts are being developed and will be finalised by the end of September 2003. The provisional programme is indicated in section 5 below.

Les Cotils Site – Day Service Developments

- 3.7 The proposed development on Les Cotils site was first mooted during discussions between the Board of Health and Les Cotils Trust about the future of the Russels building, which is in urgent need of replacement. The idea developed of replacing the Russels with a building which would not only accommodate the social day care facility for older people, currently provided there by the Women's Royal Voluntary Service, but also incorporate a day centre for people with dementia. This accords with the Board's long-standing policy of promoting community, as opposed to institutional care. The dementia day centre will replace facilities at the Castel Hospital, in accordance with the Board's plans to vacate that site. There will also be a small number of rooms provided as a base for the healthcare professionals involved with this client group. In addition, the premises will be available for out of hours use by voluntary organisations, such as the Alzheimer's Society.

- 3.8 Les Cotils Trust will construct the facility, which will then be leased by the Board of Health, along similar lines to the lease being negotiated in respect of the St Martin's Community Centre development. In accordance with the principle adopted for that project, the lease is likely to be on full repairing and insuring terms, incorporating an initial lump sum payment of say £1million in lieu of part of the rental. The Board anticipates that a policy letter will be put before the States on this matter by the end of 2003.

Princess Elizabeth Hospital

- 3.9 The main thrust of the Board's site development plan is to centralise acute healthcare resources on the Princess Elizabeth Hospital site and relocate those services which do not benefit from being there. In 2001, the Board embarked on a comprehensive review of site-wide planning issues, culminating in the production of a Princess Elizabeth Hospital Site Strategy, which follows all the principles of the site development plan and complements it by improving on the detailed use of the site.

The Board felt there was a need to carry out such a review, for the following reasons:

- the relationship of a planned major new addition to the hospital complex (i.e. 2 medical wards and an assessment and rehabilitation facility) to existing buildings and infrastructure;
 - the congestion of the site, due to its piecemeal growth and development over the years;
 - the expense of refurbishing the original 1930's building stock, which does not lend itself to being adapted to good, modern health care facilities;
 - the need to have new buildings, which are sufficiently flexible and capable of adaptation to meet rapidly changing health service standards and requirements.
- 3.10 In response to these concerns, the review set out to deal with a number of strategic issues, namely:
- minimising travel distances between wards and departments;
 - making the main internal routes through the hospital buildings as short and straight forward as possible;
 - convenient access and parking;
 - adaptability for long term planning requirements;
 - flexibility to accommodate future change;
 - minimising disruption to services, which have to continue on site during the alterations;
 - taking due account of site density and quality of environment.

3.11 Features of the plans, which have resulted from this review, include:

- a clinical block based on a template which allows flexibility in the location of departments and internal planning:
 - giving a high site density while retaining a high quality of external environment, thus making best use of available space;
 - allowing phased construction and being capable of extension;
- a location for clinical accommodation, which minimises travel distances to the rest of the hospital;
- primary circulation (main internal corridors) which is clear, direct and meets current fire escape requirements for progressive evacuation;
- improved car parking provision in locations which relate to the hospital's main entrances and therefore underpin site security;
- a new location for staff residences, which allows demolition and replacement of the existing Nurses' Home to enable construction of the new clinical block;
- new residences for staff having a measure of separate identity, helping to distance staff from their work whilst still remaining convenient by being on the same site.

3.12 Clinical Block (known as Phase 5)

The Board's original proposals were for a 2-storey clinical block. Following a suggestion from the Advisory and Finance Committee's Estates Sub Committee, it was agreed to pursue a 3-storey development to maximise use of the site. Facilities will include:

Ground Floor

- An Assessment and Rehabilitation Ward, primarily for older people.
- Occupational and Physiotherapy Departments, including an expanded Hydrotherapy facility.
- A Day Hospital for Older People.
- A replacement Renal Dialysis Unit.

First Floor

- Two medical wards as replacements for Arnold and Brock Wards.
- An integral Coronary Care/Medical High Dependency Unit.
- An expanded Medical Investigation Unit.
- Relatives' overnight accommodation.
- A cancer centre to replace Bulstrode House.

Second Floor

- A replacement facility for the Institute of Health Studies, with integrated multi-disciplinary library.

- Medical staff facilities.

The new building will be linked via internal corridors to the existing hospital complex and will have its own entrance, which will include waiting areas, shop and catering facility, public toilets, lift and stairs.

The 'in principle' proposed footprint of the departmental layouts has been confirmed. At the time of writing, the brief for this scheme is due to be completed at the end of August 2003 and issued to the external consultant design team. The provisional programme is indicated in section 5 below.

- 3.13 Before work can start on Phase 5, the Board will need to undertake a package of enabling works to re-house services currently accommodated in the 1930's buildings, which need to be demolished. Most of these moves will be temporary, until the clinical block has been built.

The main services affected are:

<u>Service</u>	<u>Temporary Location</u>	<u>Final Location</u>
Arnold Ward	N/A	New Clinical Block
Brock Ward	De Sausmarez Ward	New Clinical Block
Renal Dialysis Unit	Nurses' Home	New Clinical Block
Library	Nurses' Home	New Clinical Block
Medical Investigation Unit	Nurses' Home	New Clinical Block
Dietetics	Nurses' Home	Future development
Staff changing rooms	Nurses' Home	Future development
Domestic Services Department	Nurses' Home	Future development
Radio Jubilee	Nurses' Home	Future development

- 3.14 The majority of the initial planning for the enabling works has been completed. At the time of writing, the brief is due to be completed at the end of August 2003 and issued to the external consultant design team. The provisional programme is indicated in section 5 below.

Princess Elizabeth Hospital Site Infrastructure

- 3.15 The Princess Elizabeth Hospital is a complex site and the infrastructure issues will be dealt with under the following main headings:

Car Parking
Site wide services
Information Technology

3.16 Car parking

Maintaining a safe means of access and egress for vehicle movements around the site will be essential throughout the course of the development. Access routes and allocated car parking zones throughout the site will change as the development progresses, resulting in unfamiliar layouts and circulation routes. Consequently, it is vital to develop, agree and implement a coherent, workable car parking strategy at the outset, so that congestion and health and safety risks are minimised or, where possible, eliminated. Due account will also be taken of the need to provide adequate parking for disabled drivers.

Discussions with the Island Development Committee are in progress to agree an acceptable temporary parking strategy for the duration of the development and a final car parking layout which will provide sufficient spaces for the whole site.

3.17 Site Wide Services

A hospital site, such as the Princess Elizabeth Hospital, comprises a series of interlinked and interdependent buildings, all of which need to be provided with a variety of increasingly sophisticated engineering and mechanical services, including medical gases, communications systems and 24 hour a day guaranteed electricity supply. These buildings also need to be easily accessible to patients, visitors and staff, so it is necessary to ensure the adequacy of public access to the site as well as internal distribution and service roads.

The complexity of the development will require major site wide service work to be undertaken. Until detailed design work is complete, exact costs will not be known but, based on the preliminary design work already completed, it is estimated that a total of £2,284,700 will be required, of which £1,152,700 is part of the initial planning costs, with £200,000 being needed in 2004 and a further £932,000 in 2006.

3.18 Information Technology

In May 2003, the States approved the Board's proposal to introduce a fully filmless, computerised system to provide enhanced imaging and clinical access for radiology (see Billet d'Etat X 2003).

The new system is part of the first stage of the Board's information and management technology strategy, which will significantly enhance its information management services. The next stage of the strategy will be to introduce an electronic patient record and replacement of the patient

administration system and to consider electronic prescribing. These projects will be subject to individual approval by the States or the Advisory and Finance Committee, as appropriate.

To ensure that the appropriate information technology infrastructure is in place to underpin such developments, all new and refurbished buildings within the site development plan will be designed to support development in information management for the foreseeable future. These infrastructure costs are contained within the overall scheme costs for each project.

Staff Accommodation

- 3.19 The main factors that have influenced the Board in the development of its proposals for staff accommodation are essentially threefold:
- bed-sits with communal living space are acceptable to certain groups of staff;
 - others want to be able to live independently, having their own cooking, sitting, laundry and bathroom facilities;
 - it is hard to predict how many of the Board's staff will, in the future, be single or couples and units should, therefore, be provided which will accommodate both to give the greatest flexibility.
- 3.20 The Board is planning to provide a total of 81 high quality units in two buildings on the Princess Elizabeth Hospital site as a replacement for the existing Nurses' Home, which is too institutionalised and does not meet current standards. The provision of high quality, affordable residential accommodation on the Princess Elizabeth Site will, it is hoped, encourage staff to come to the Island and remain for a substantial period. It will also cater for staff without personal transport.
- 3.21 One building will be 36 flats, each comprising a living room, a bedroom, a bathroom and a kitchen. These will be suitable for either individuals or couples. The other building will be 45 bed-sits, suitable for individuals, comprising a combined bed and sitting room, a kitchenette and a shower room. There will also be communal living rooms provided for each group of 4 bedsits. The Board believes that this proposal achieves high density residential development whilst retaining a good aspect and pleasant surroundings for each building.
- 3.22 Refurbishment of the Nurses' Home was discarded as an option due to the small size of the rooms, the difficulties of refurbishing a building of this type and the unacceptable number of units which would have been lost. Retention of the Nurses' Home would also have adversely affected the siting of the new clinical block, creating longer distances to other wards and departments.

- 3.23 It is the Board's intention to look at ways in which the overall costs of this project can be reduced by innovative use of off-site construction techniques. At the time of writing, the brief for this development is due to be completed at the end of August 2003 and issued to the external consultant design team whose first task will be to undertake a value engineering exercise. The provisional programme is indicated in section 5 below.
- 3.24 Two existing buildings (John Henry House and a staff bungalow) will need to be demolished to make way for the new staff residences. John Henry House is the Board's corporate headquarters and enabling works are underway to temporarily re-house these staff, together with the Personnel Department from within the Princess Elizabeth Hospital, at the Duchess of Kent House in areas no longer required or suitable for the care of older people. It is intended that the new staff residences to be built on the site of John Henry House will be named John Henry Court, in order to continue recognition of the work of the late John Henry, who was a much respected former President of the Board of Health.
- 3.25 The replacement of the Nurses' Home is only the first stage of the Board's plans to upgrade all of its staff accommodation to the same standard as that identified above. The Board recognises, however, that the provision and management of accommodation for its staff is not part of its core business and would welcome working with either a housing association or key worker housing developer to undertake the upgrading and ongoing management at no capital cost to the States. The same would apply to any new accommodation purchased by the Board. This option is being pursued as a joint project with the States Housing Authority.

Alderney

- 3.26 Older people are currently accommodated in the Aurigny Wing of the Mignot Memorial Hospital. This was originally intended as a temporary structure but has now been in use for over 25 years. It is cramped, unsuitable in layout, expensive to run because of high energy costs and needs to be demolished. Refurbishment is not an acceptable option. In addition, the Board is keen to ensure that facilities for older people in Alderney do not fall short of what is being provided in the new continuing care wards in Guernsey.
- 3.27 There is also an issue regarding the scope of acute in-patient and general out-patient facilities that it is reasonable to expect for the size of the population in Alderney. The very least that has to be provided is some form of 'first aid' facility. However, such a limited facility would result in high transport costs for transfer of patients to Guernsey and gross inconvenience for Alderney residents, many of whom are older people. It must also be

borne in mind that this would result in little or no reduction in staff, as they cover both continuing care and acute services. A delivery room and associated facilities for Alderney births would also be needed.

- 3.28 Bearing in mind all of the above, it is essential to proceed with the scheme as proposed in 1999. This is a development based on current acceptable standards, which will meet the basic requirements for healthcare provision in Alderney. The development consists of two main elements;- the replacement of the Aurigny Wing and the refurbishment of the acute hospital areas.
- 3.29 The Board recognises the need to keep construction costs to a minimum. A feasibility study on procurement options was commissioned and, as a result, the Board is confident that costs can be contained by the use of some off-site construction elements and direct importation of materials into Alderney from the UK.
- 3.30 The brief for this project has been completed and detailed design commenced in August 2003. The provisional programme is indicated in section 5 below, which shows an anticipated start on site in April 2004. In order to achieve this, the Board needs the following capital funding, which would need to be transferred from the capital reserve:

Construction costs	£3,000,000
Furniture and Equipment	£350,000
Information technology	<u>£100,000</u>
Total	£3,450,000

4. **Project Management, Design and Procurement**

Project Management

- 4.1 In view of the size, scope and complexity of the site development plan and in line with the recommendation of the Estates Sub Committee, the Board has appointed a project manager to take a lead role in the implementation of its plans. Gleeds Management Services were appointed in May 2003 to undertake this role.
- 4.2 The project manager will act as the Board's representative with responsibility for the overall co-ordination of the relationship between the Board as client, the design team, the contractors and others engaged in the project development process, such that clear instructions from a single source can be provided.

Design Team

- 4.3 Guernsey Technical Services, acting through its Health Design and Development Group, will continue to develop the concept design strategy for both the Princess Elizabeth Hospital and the Mignot Memorial Hospital developments. This will entail developing the initial brief to provide an indicative briefing document for the design teams who will confirm this initial brief and fully develop the detailed design and tender documentation.
- 4.4 In respect of any Design & Build projects, the Health Design and Development Group will perform a 'Shadow Team' role to monitor and review the contractor's design and development proposals.
- 4.5 Following a tendering exercise, the Board, in conjunction with the Estates Sub Committee, has appointed Architects, Quantity Surveyors, Structural and Civil Engineers and Electrical and Mechanical Consultants to undertake the detailed design and tender documentation referred to above. However, the off site construction option for the Mignot Memorial Hospital project will also require the services of a specialist procurement facilitator to manage the interface between the design team, the contractor, the specialist unit supplier and shipping and transport operatives.

Procurement Strategy

- 4.6 The project manager has produced a procurement strategy that sets out the main alternative options available to the Board in procuring the following projects:
- 4.7 *Staff Residences*

The project will involve a large degree of repetition in construction detailing and the current programme is based on the use of off site construction techniques.

A two stage procurement strategy is recommended, with early input from the contractor in respect of buildability and assessment on the use of off site construction techniques. By utilising the develop and construct variation of the design & build procurement option, improvements to the overall programme can be achieved with minimum risks to quality.

- 4.8 *Phase 5, Clinical Block & Phase 6B, Acute Mental Health*

A two stage procurement strategy is recommended, as the contractor's input into key design decisions will be required, especially in respect of materials availability and buildability

The Board will maintain strong ownership of the design/quality issues and retain the ability to instruct that changes be made, if necessary, throughout the construction period. For these more specialist projects, the traditional procurement option is recommended, subject to agreement with the design team.

4.9 *Mignot Memorial Hospital, Alderney*

Fundamental issues associated with the location will create an uncompetitive market for the traditional procurement route. Shortages of materials, labour and plant on the island could inflate the cost, extend the construction programme and compromise quality standards. Off site construction techniques should be able to resolve these issues but will require specialist technical design and management services and a front ended payment structure.

The preferred contract procurement route is a traditional contract, with a main contractor undertaking the substructure works and refurbishment elements, whilst the off site construction element is undertaken by a named or nominated supplier. This would be subject to interest being shown by major contractors, otherwise a construction management option may be required, with individual packages of works being let separately.

4.10 *Temporary accommodation in the Nurses' Home for displaced departments*

Procurement of the works to provide temporary accommodation for the Medical Investigation Unit, Staff Changing, Dietetics, Domestic Services, Renal Dialysis, Radio Jubilee and the Library will be through the Phase 5 Clinical Block contract, as an enabling works package to be undertaken ahead of the new build element.

5. **Provisional Programme**

The following table shows the provisional programme dates for each of the main remaining elements of the site development plan.

<u>Project</u>	<u>Earliest start date</u>	<u>Earliest completion date</u>
Staff accommodation	August 2004	August 2005
Mignot Memorial Hospital	April 2004	June 2005
Phase 6B, acute mental	March 2005	October 2006

health

Phase 5, clinical block December 2005 July 2008
(including enabling works)

6. **Estimated Capital Costs**

It must be emphasised that full costings for the individual projects can only be finalised when all the design work has been undertaken and there is a contract to let. However, the Board wishes to ensure that the likely capital requirements of the site development plan are known to the States, although, at this stage, capital allocations are only being sought for the Stage 1 - Planning Costs and Stage 2 - Mignot Memorial Hospital. The current estimates of the likely costs are listed below.

	£'s	£'s
<u>Stage 1 - Planning costs</u>		
Design Fees	2,670,000	
Surveys and Ancillary costs	890,000	
Site wide engineering costs	1,152,700	
Design and development contingency	530,000	
		5,242,700
<u>Stage 2 - Construction</u>		
Mignot Memorial Hospital works		3,450,000
<u>Stage 3 - Construction</u>		
Design Fees	1,450,000	
Surveys and Ancillary costs	820,000	
Site wide engineering costs	200,000	
Design and development contingency	592,500	
Staff Accommodation	6,600,000	
Adult Mental Health (Phase 6B) (including all enabling works)	14,364,500	
		24,027,000
<u>Stage 4 – Construction</u>		
Design Fees	732,300	
Surveys and Ancillary costs	560,000	
Site wide engineering costs	932,000	
Design and development contingency	592,500	

Clinical Block (Phase 5) (including all enabling works)	21,817,500	24,634,300
	Total	57,354,000

Stage 1 - Planning Costs

These costs relate to the development of the outline and detailed scheme designs, site investigations/measured surveys and works necessary to progress and maintain the site development plan in accordance with the current programme. They are essential to the effective management and co-ordination of the development project and are required in advance of funding for the actual construction works and equipment costs associated with each separate project.

Stage 2 – Construction Mignot Memorial Hospital

The above construction budget costs relate to the elements of the plan as detailed in paragraph 3.30 above. The current estimates are based on the concept and design layout drawings, which have been approved by the Board.

Stage 3 – Construction Staff Accommodation and Acute Mental Health

The budget costs include the additional surveys/ancillary costs and associated site infrastructure works required to facilitate the development. They also include the cost of relocating the residential facilities for people with a learning disability, which are currently at La Corbinerie. The estimated construction costs are based on the concept and scheme design layout drawings, which have been accepted and approved by the relevant departmental project teams.

Stage 4 – Construction Clinical Block

The above budget costs include all remaining surveys/ancillary costs and associated site infrastructure/services works, together with the intricate decant and demolition strategy at the heart of the Princess Elizabeth Hospital to provide a clear site for the reprovision of the clinical services. The estimated construction costs are again based on the concept and scheme design layout drawings, which have been accepted and approved by the relevant departmental project teams.

In addition to the capital requirements of the site development plan, the Board wishes the States to know that there will be other schemes needing to

be funded from the Capital Reserve ie PEH fourth theatre/critical care facility, Les Cotils day centre developments, staff accommodation properties and residential units for clients with learning disabilities.

7. **Economic model**

- 7.1 The Board is aware of the work being undertaken by the Board of Industry on modelling the impact of States' capital expenditure on the local construction industry. The Board will work in consultation with the Advisory and Finance Committee and the Board of Industry to minimise the impact of its site development plan on this sector of the economy over the next 2 to 3 years.
- 7.2 Nevertheless, the Board is conscious of the risks associated with not pursuing the site development plan as expeditiously as possible. These include the effects of continuing to provide sub-standard medical and mental health facilities, which militate against the best efforts of the staff to provide a high standard of care and treatment. There is also the risk of not being able to recruit and retain staff if the Board cannot offer a good standard of residential accommodation and a good working environment. In addition, there is the economic issue; it is costly in revenue and staffing to provide mental health services on two sites but the Castel Hospital cannot be completely closed until Phases 5 and 6b are built and in use. Any delay in the site development plan would, of course, also delay the release of the valuable capital asset of the Castel Hospital site.

8. **Revenue and Establishment**

As would be anticipated with major schemes of this type, there will be some associated revenue and staffing establishment implications. The Board will endeavour to keep these to an absolute minimum. As detailed planning on the projects progresses, these implications will be identified and included within the Board's future policy and resource planning submissions, as well as being included in future policy letters on individual projects.

9. **Longer term development proposals**

- 9.1 The main thrust of this report is in respect of the next phase of the site development plan. There are, however, longer term planning issues which the Board wishes to take the opportunity to raise. Ideally, these projects will follow on after Phases 5 and 6B have been completed. The Board is, however, aware that prevailing economic circumstances, other financial

demands on States funding and the ability of the construction industry to undertake the works may affect the timing of these projects.

9.2 The Board intends to provide a further report to the States in 2006, giving an update on progress with the site development plan. The other major projects that the Board intends to undertake, following completion of these elements of the site development plan, are:

- redevelopment of the King Edward VII Hospital site;
- upgrading and refurbishment of surgical wards at the Princess Elizabeth Hospital site;
- replacement of the remaining 1930's building stock at the Princess Elizabeth Hospital;
- relocation of the services provided at both Lukis House and Bell House to the Princess Elizabeth Hospital site.

More detailed proposals for these projects will be included in the report to be submitted to the States in 2006.

10. **Recommendations**

The Board of Health, therefore, recommends the States:

1. to note the progress made by the Board in implementing its site development plan since its last report on this matter in 1999;
2. to note the intention of the Board to provide a further report to the States in 2006, updating on progress with the site development plan;
3.
 - i. to approve the Board of Health's proposals for progressing the next stage of its site development plan as set out in section 3 above;
 - ii. to vote the Board of Health a credit of £5,242,700 to cover the planning costs of the above (including consultants' fees), such sum to be charged to the capital allocation of the Board of Health;
 - iii. to authorise the Advisory and Finance Committee to approve the acceptance of all appointments and tenders in connection with the planning costs;
 - iv. to authorise the Advisory and Finance Committee to transfer an appropriate sum from the Capital Reserve to the capital allocation of the Board of Health in respect of the planning costs;

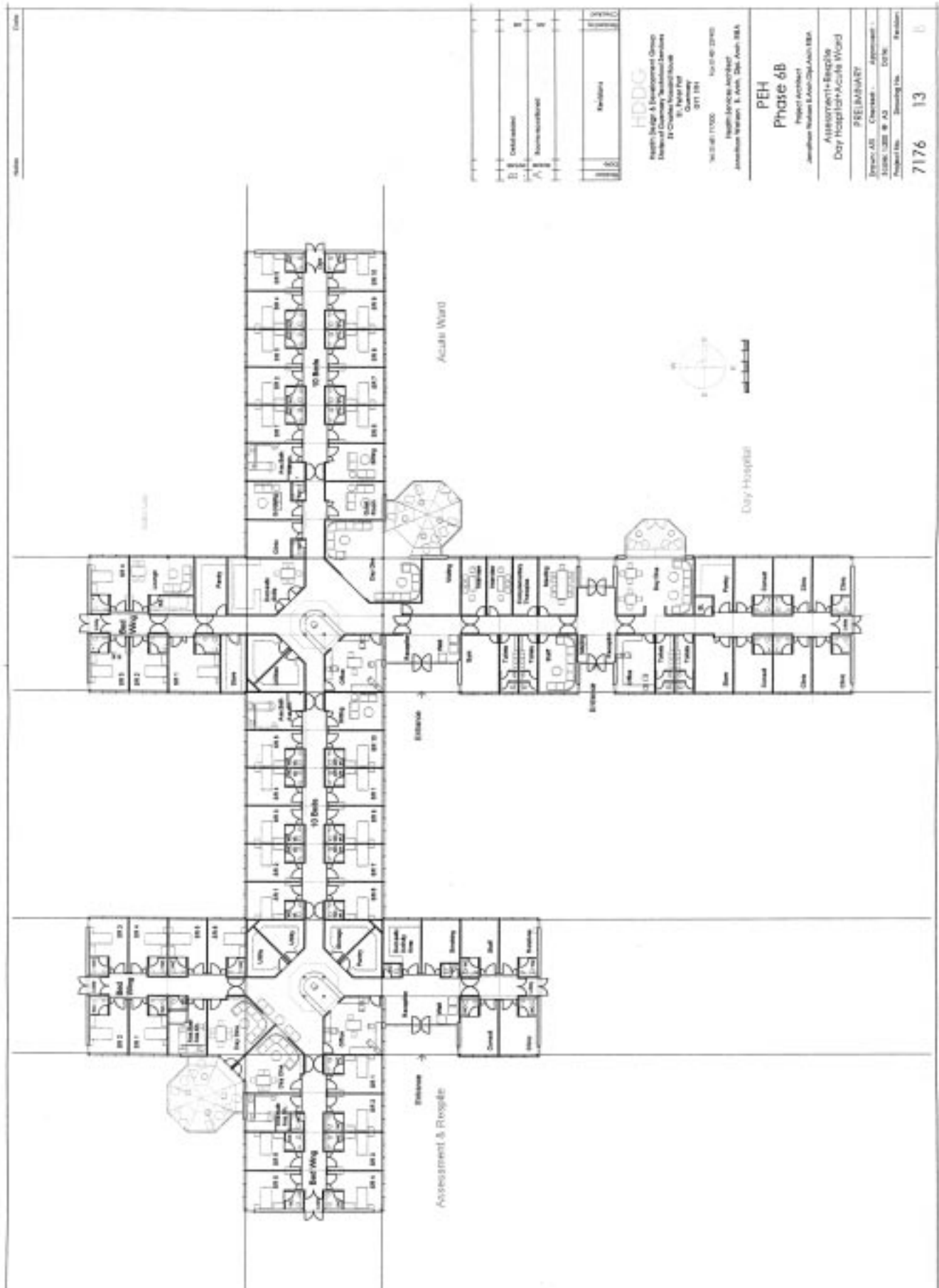
- v. to authorise the Advisory and Finance Committee to transfer appropriate sums from the Capital Reserve in respect of the property purchases referred to in paragraphs 3.6 and 3.25 of this report.
- 4.
 - i. to approve the extension and redevelopment of the Mignot Memorial Hospital, as set out in paragraphs 3.26 to 3.30 of this report at a total cost not exceeding £3,450,000;
 - ii. to authorise the Advisory and Finance Committee to approve the acceptance of all tenders in connection with this project and to approve a capital vote, not exceeding £3,450,000, such sum to be charged to the capital allocation of the Board of Health;
 - iii. to authorise the Advisory and Finance Committee to transfer an appropriate sum from the Capital Reserve to the capital allocation of the Board of Health in respect of this project;
 - 5.
 - i. to note that the Board of Health, in conjunction with the Advisory and Finance Committee and for planning purposes only, will work on the basis of £24,027,000 being made available in 2004, for the next stage of the site development plan, comprising the schemes for staff accommodation and acute mental health services;
 - ii. to note that the Board of Health, in conjunction with the Advisory and Finance Committee and for planning purposes only, will work on the basis of £24,634,300 being made available in 2006, for the following stage of the site development plan, comprising the schemes relating to a new clinical block;
 - 6. to note the Board of Health's intention, on completion of these elements of the site development plan, to replace the remaining 1930's buildings and refurbish surgical facilities on the Princess Elizabeth Hospital site and to redevelop the King Edward VII Hospital.

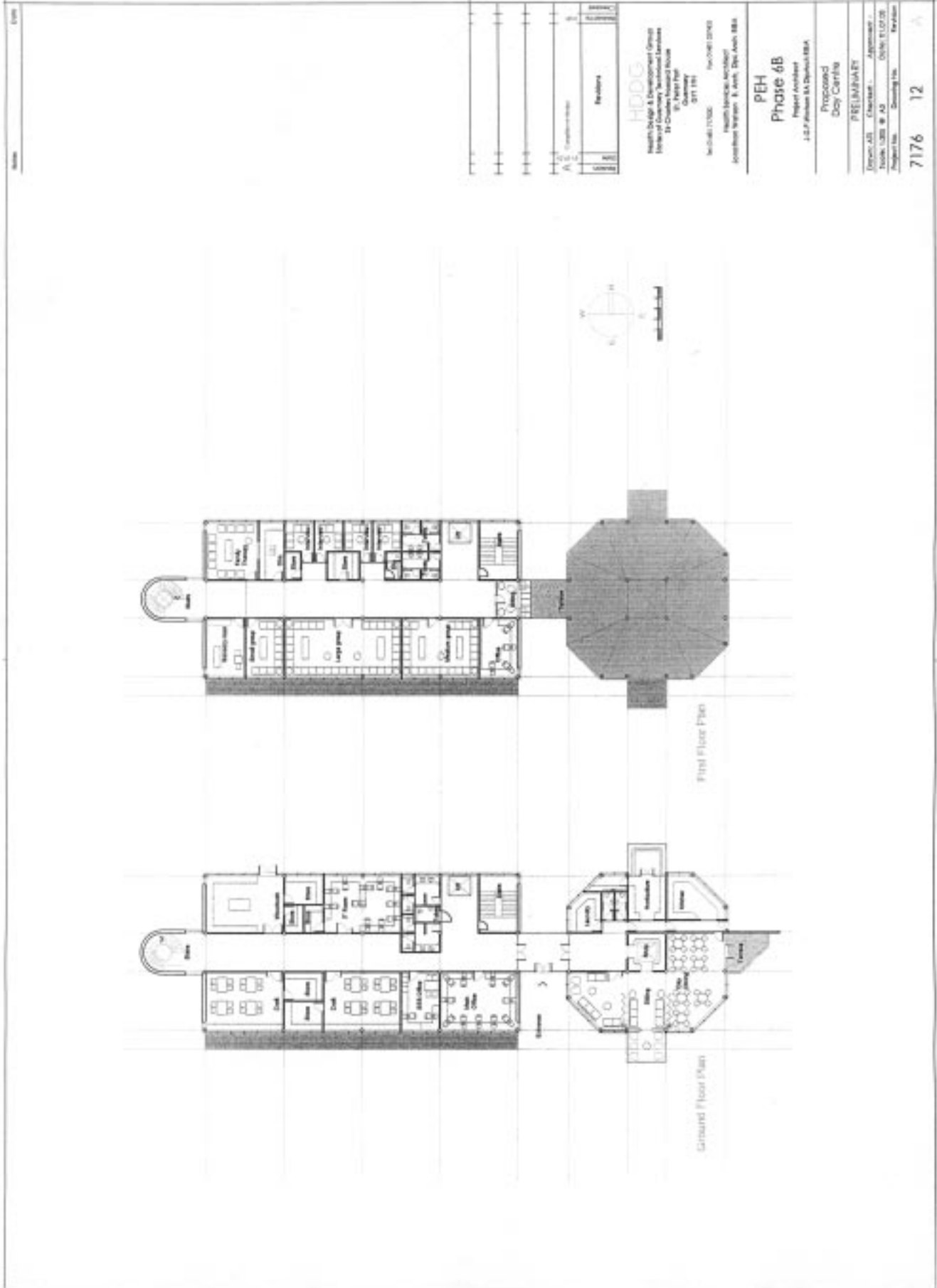
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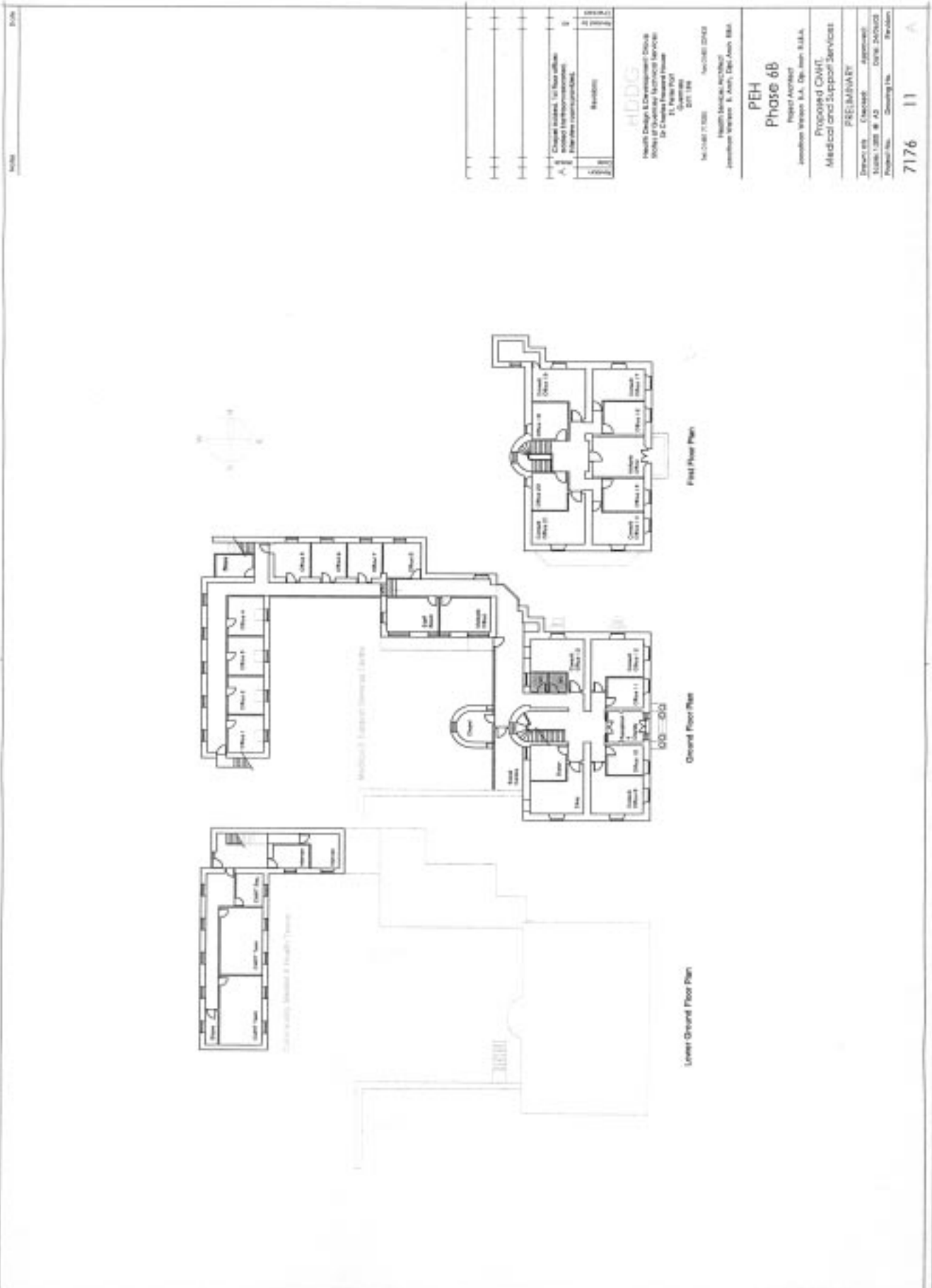
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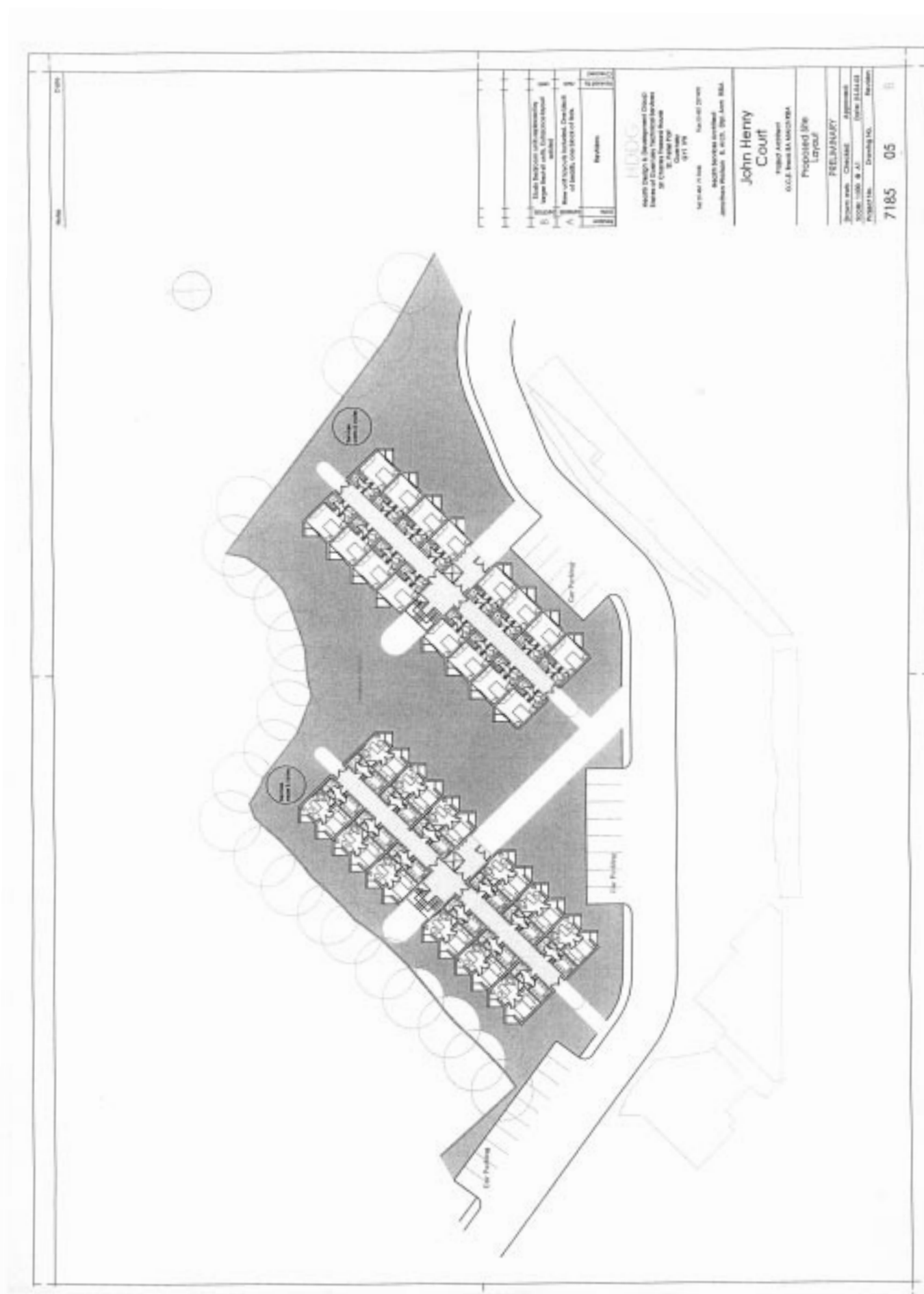
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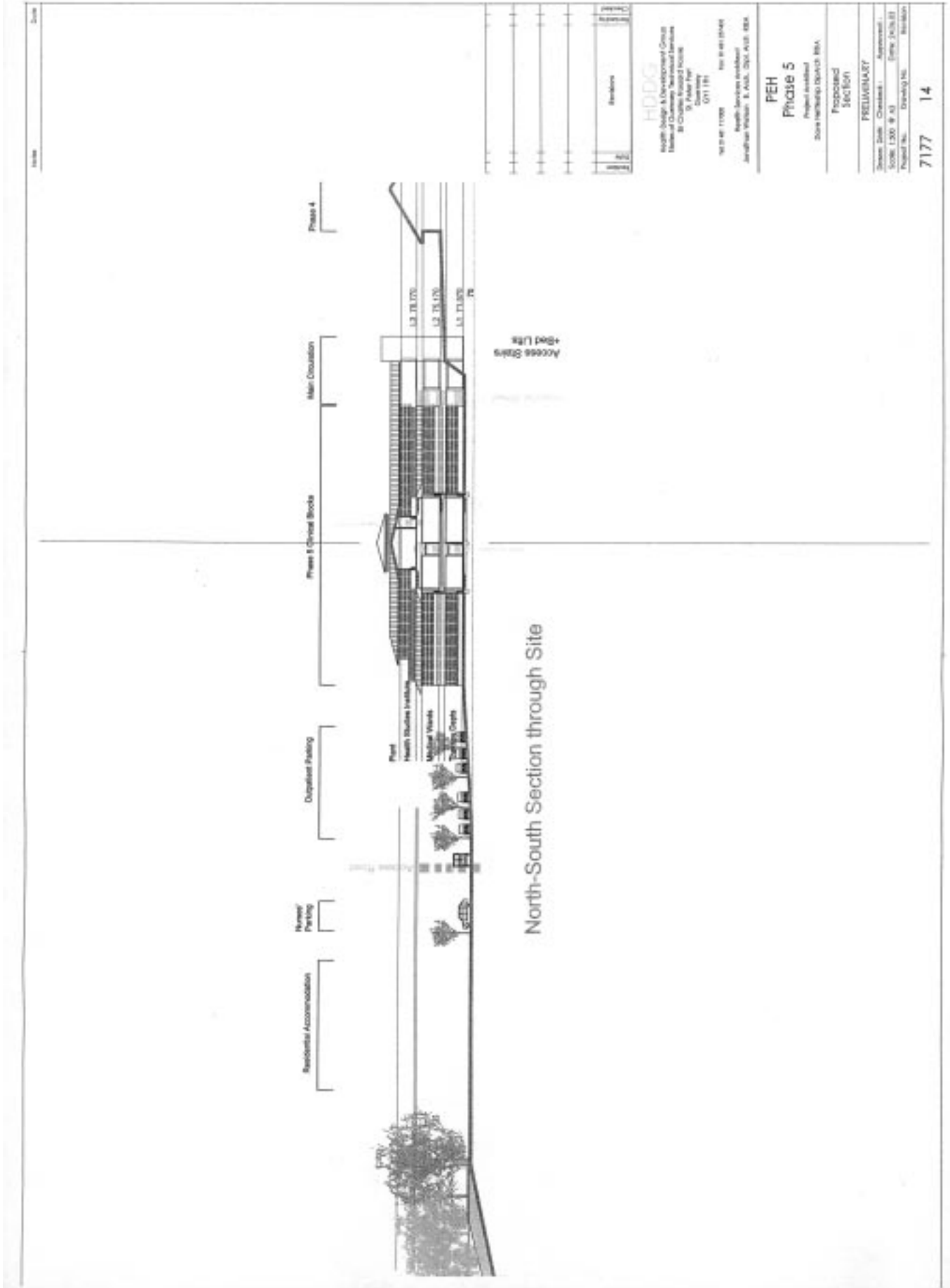


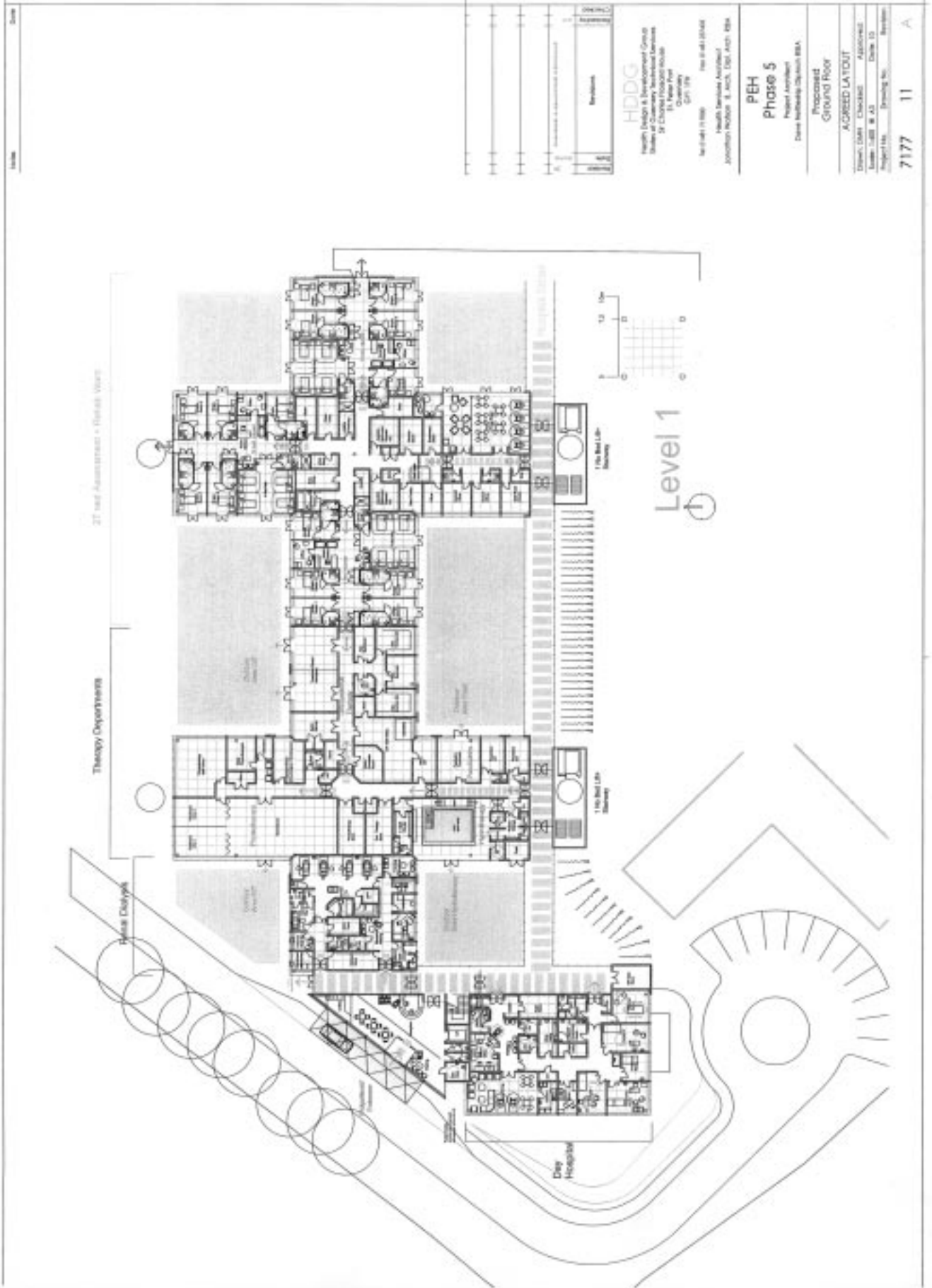












Scale

27 and 28th Street - Release Views

Therapy Departments

Release Delays

Therapy Departments

Therapy Departments

27 and 28th Street - Release Views

Scale

Level 1

7177

11

PH

Phase 5

Proposed

GROUND FLOOR

AGREED LAYOUT

Checked

Approved

Project No.

Drawing No.

Revision

Date

7177

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Phase 5

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Revision

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Phase 5

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GROUND FLOOR

AGREED LAYOUT

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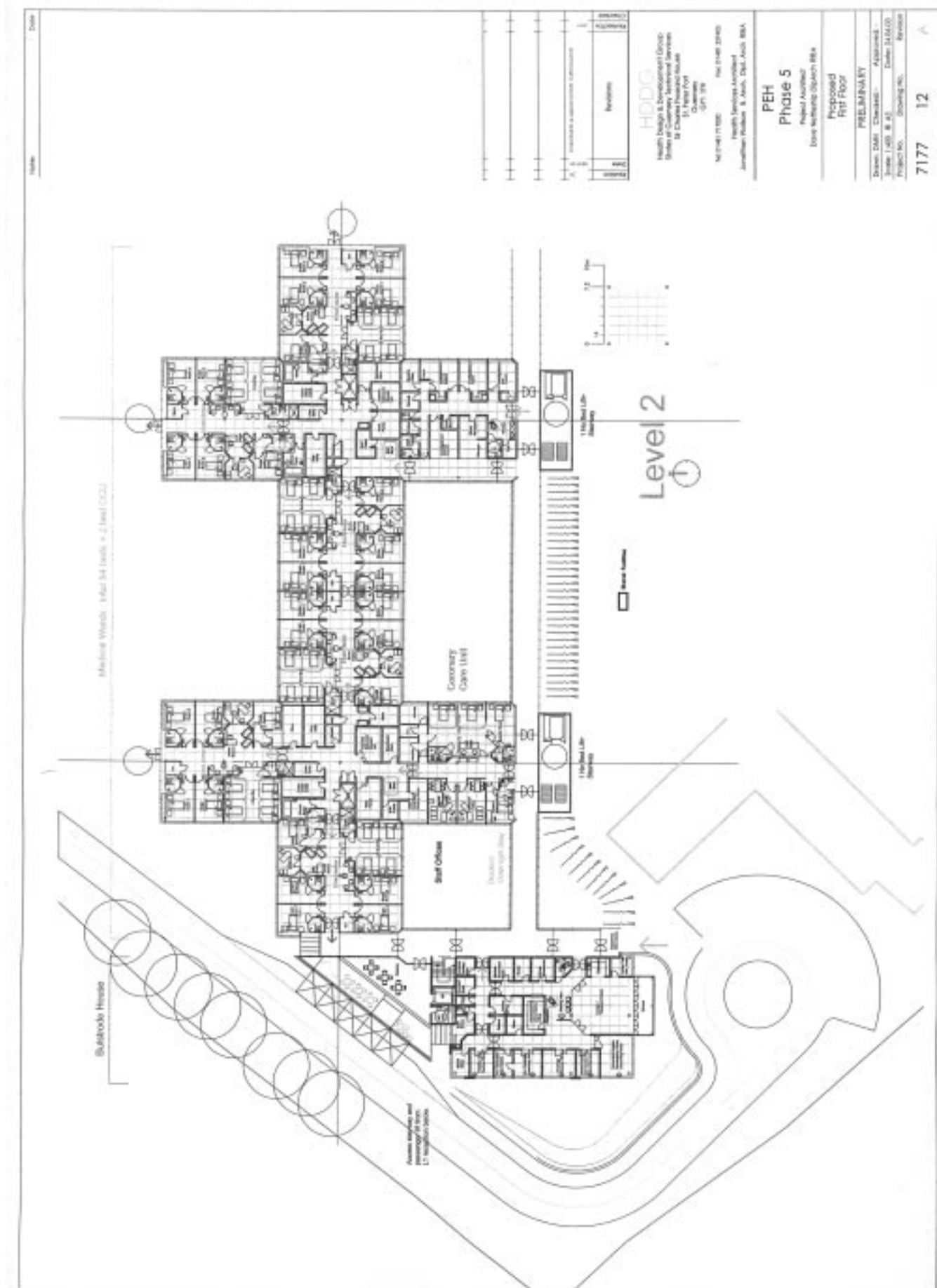
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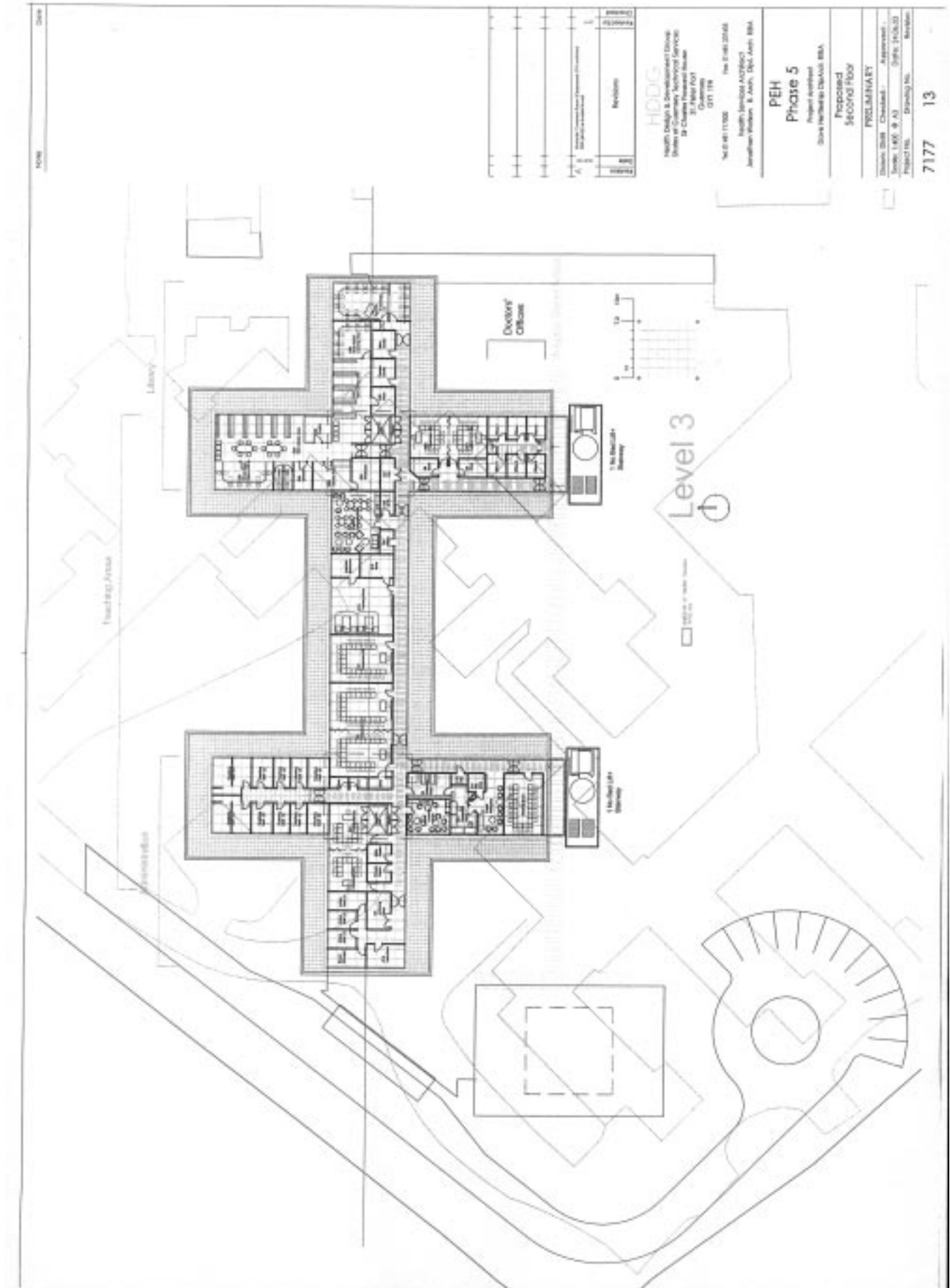
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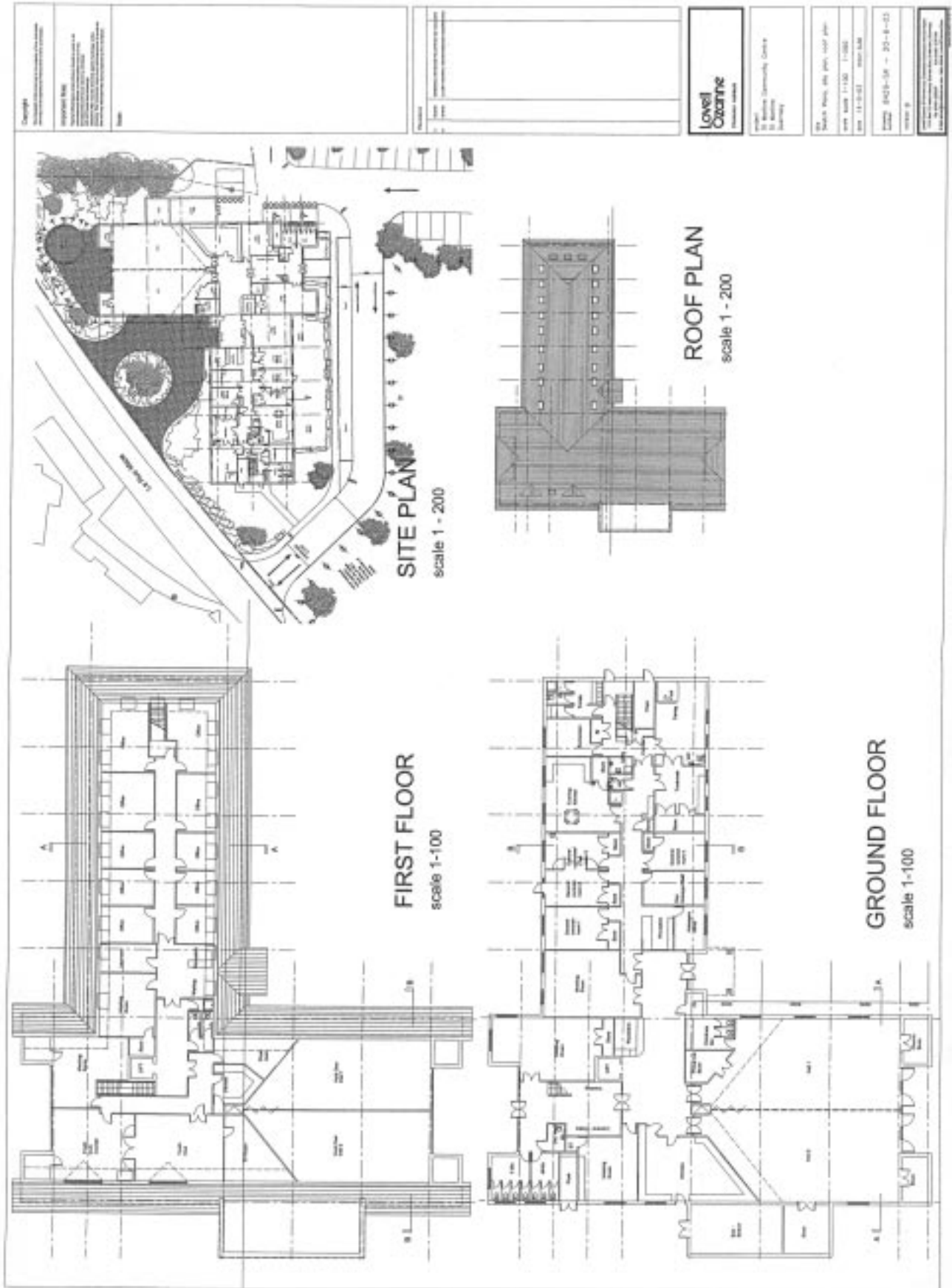
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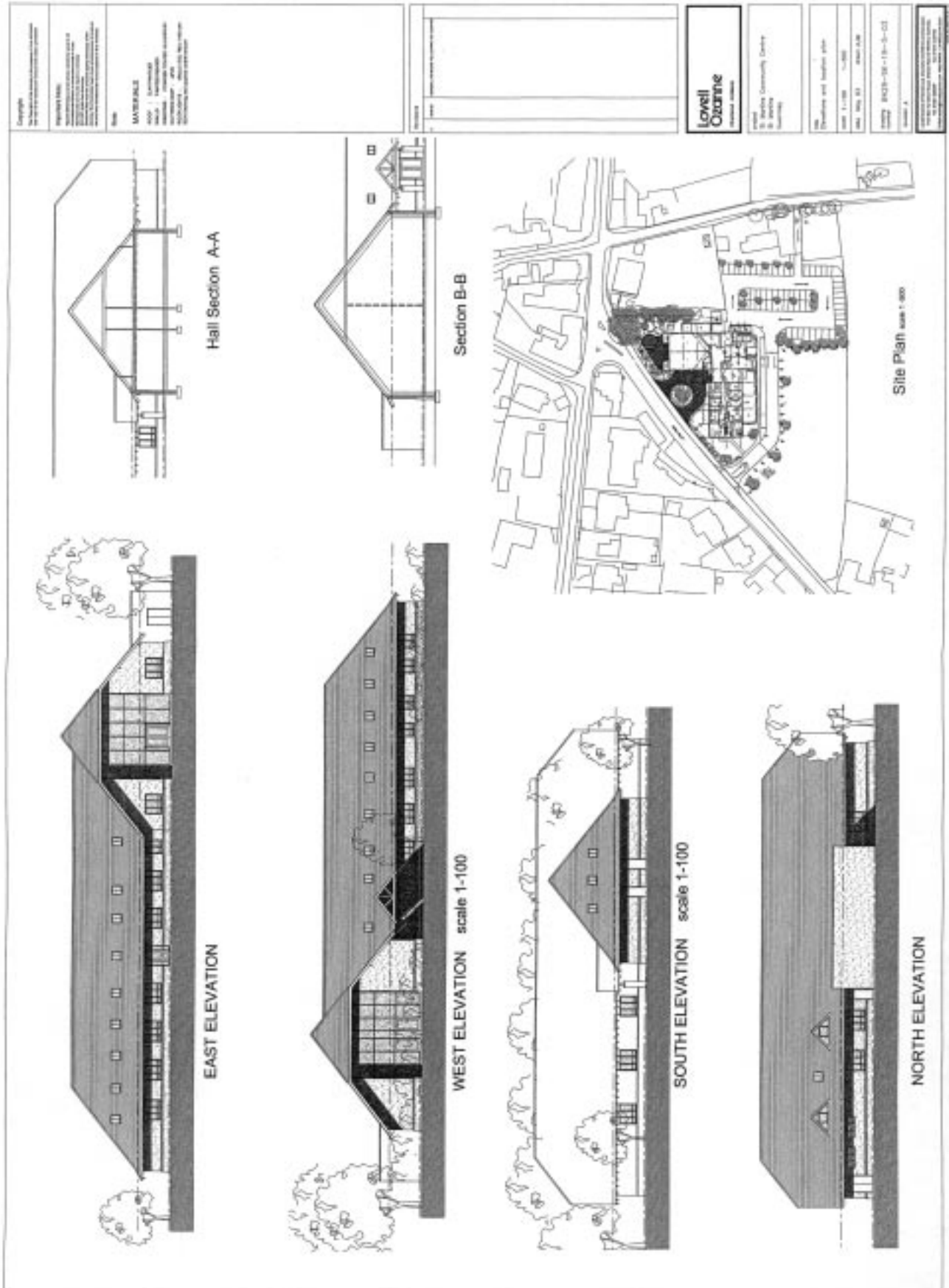
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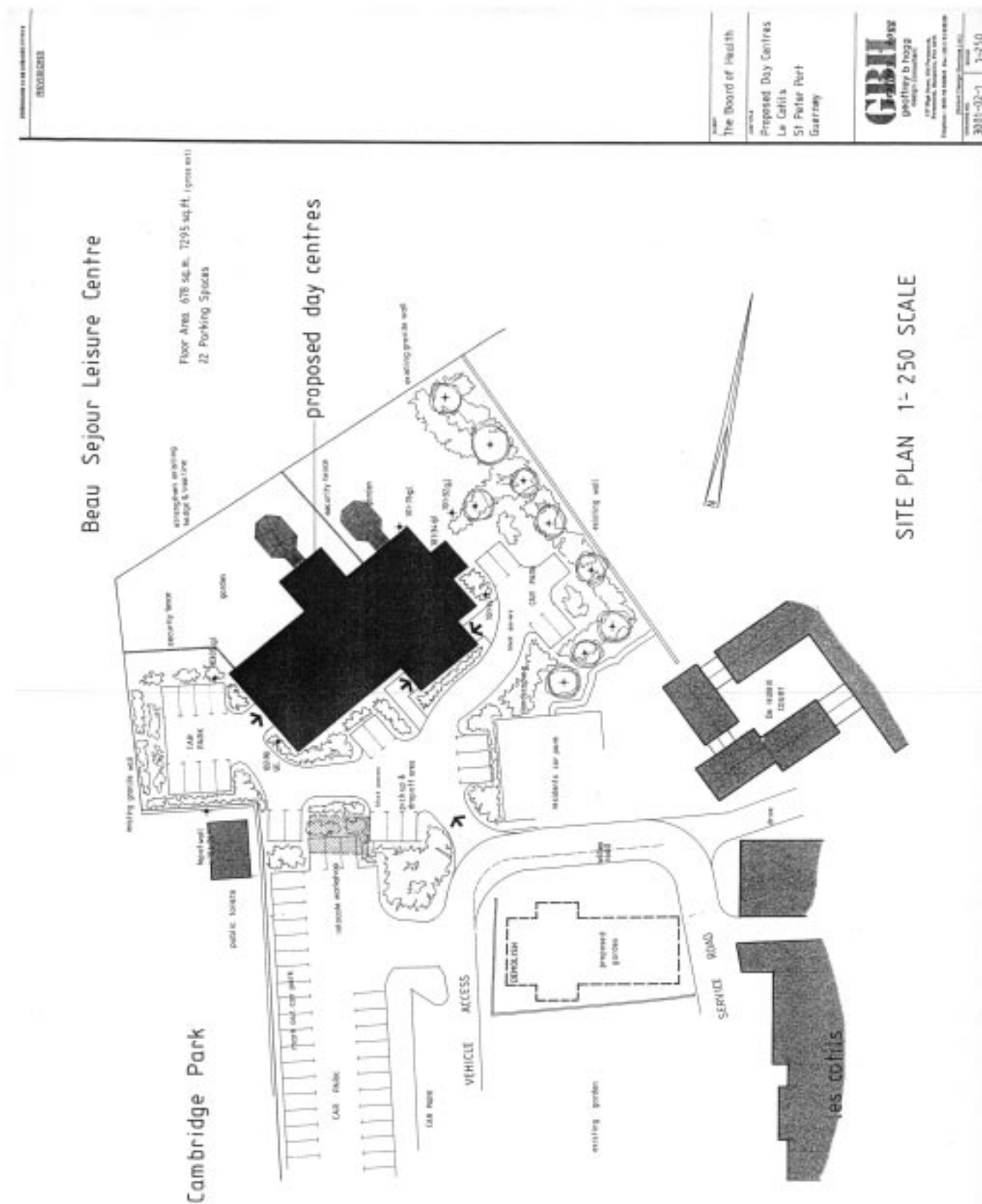
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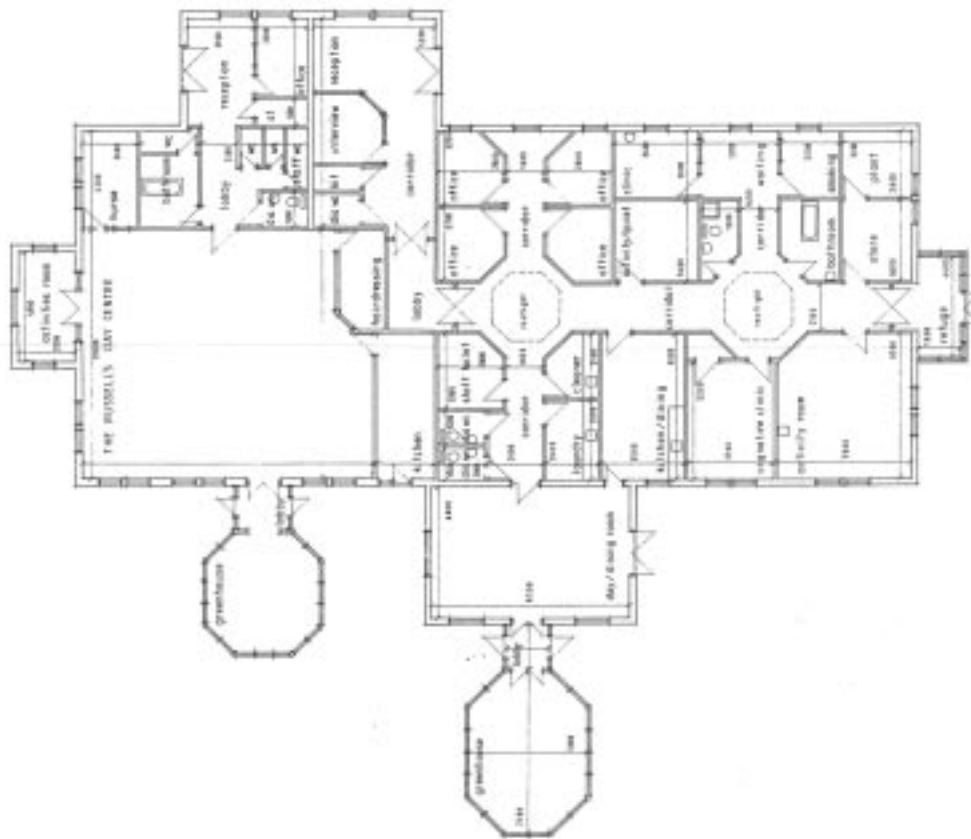










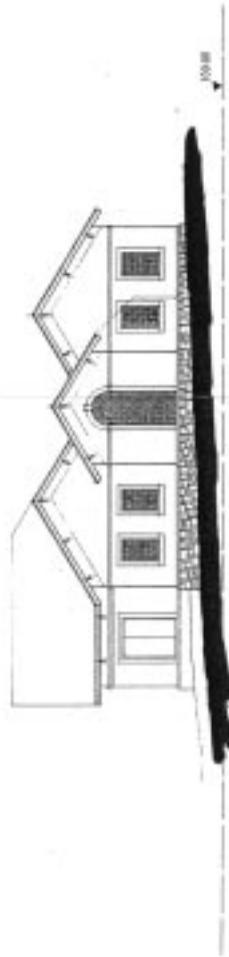


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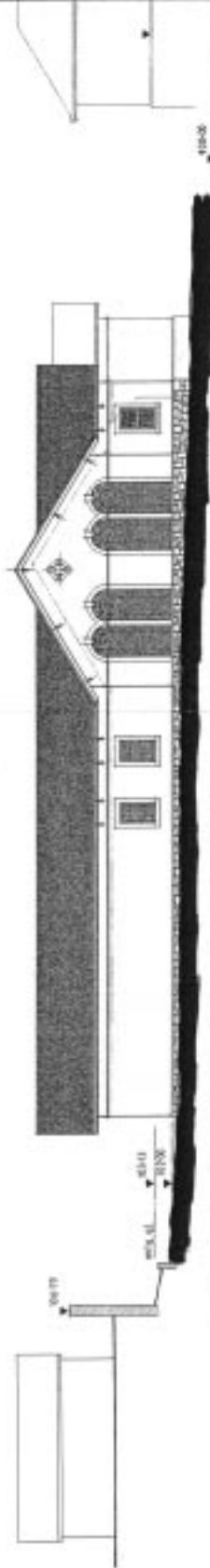
Client: The Board of Health
 Project: Proposed Day Centres
 Location: Lees Colville
 Site: St Peter Port
 Surveyor: G. Murray

GPR
 geoffrey b hogg
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17 Old Street, London EC1A 9DF
 Telephone: 020 7463 1000 Fax: 020 7463 1001
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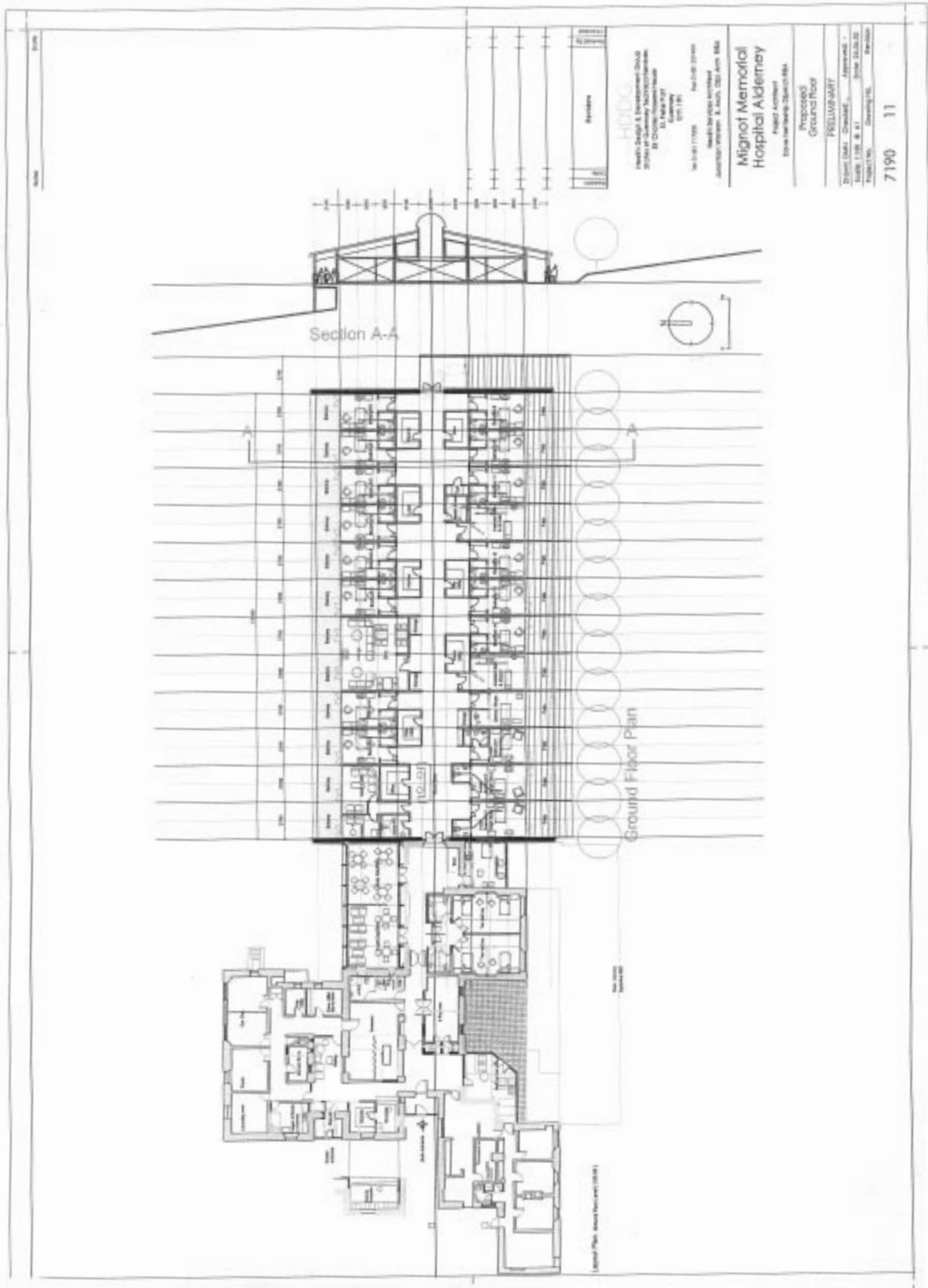


SIDE ELEVATION



FRONT ELEVATION

<p>Client: The Board of Health</p> <p>Project: Proposed Day Centres</p> <p>Location: Les Cottis, St Peter Port, Guernsey</p>		<p>GBH <small>Design</small></p> <p>Geoffrey & Hogg</p> <p>Architects</p> <p>101 St Peter Port, St Peter Port, Guernsey</p> <p>Telephone: 0044 (0) 1481 740000 Fax: 0044 (0) 1481 740001</p>	
<p>Drawn by: 3001-22-2</p> <p>Scale: 1:100</p> <p>Notes: A</p>	<p>Oct 2012</p>		



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

28th August 2003

Dear Sir,

I refer to the letter dated 21 August 2003 addressed to you by the President of the Board of Health on the subject of the Site Development Plan Update.

The Board of Health led the way for other States Committees in producing its Site Development Plan in 1999 with a projected total cost of £30.2 million. The Committee commends the Board for reviewing its proposals and reporting back to the States with a revised Site Development Plan. The Committee has noted the various elements of the Plan. It supports the proposed £3.45 million extension and refurbishment of the Mignot Memorial Hospital and the carrying out of planning works for progressing the next stage of the Site Development Plan. The Committee also welcomes the continuing commitment to vacate the Castel Hospital Site, which it believes should be released at the earliest possible date to access much needed capital funds. However, the Committee is concerned about the significant increases in the cost of various elements of the Plan and the implications of the construction programme for the wider economy.

The Committee has been advised that analysis of the Plan within the economic model of the local construction industry concludes *"In the period to 2007 the Site Development Plan represents an extra 32,846 construction units with significant construction activity in the years of 2004/2005 when the construction industry is expected to experience a peak in demand. The Board of Health programme would increase the overheating inflationary pressures during this period."*

The analysis also concludes that while the capital spending and construction industry benefits have to be weighed against corporate priorities *"There are benefits to the States Capital Spending Programme of only proceeding with the most immediate and essential elements of the Board of Health Site Development Plans while phasing and spreading the remaining programme from the years 2006 onwards."*

The key priority areas for the States are Health, Education, Housing and Infrastructure. With the Board's revised Site Development Plan, the Education Council's Development Programme 1 and the embryonic Development Programmes 2 and 3, the Housing Authority's Corporate Housing proposals and various infrastructure projects such as the sewer network extension plan a reasonably complete picture of the capital property spending plans and priorities for the individual committees is now available.

These Capital Spending Plans currently total over £500 million for the next ten years excluding capital expenditure on items such as information technology, equipment replacement programmes, minor works etc. Additionally these very large spending plans make no allowance for the consequential, and often substantial, increases in revenue expenditure to service these new projects.

Each Capital Spending Area has escalated dramatically since it was first assessed and in the view of the Advisory and Finance Committee cannot be delivered either financially or physically by the construction industry without inflicting considerable damage on the Island's economic and social infrastructure. **The reality that must be faced is that although individual committees Capital Spending Plans may separately be well founded, implementation in the timescale envisaged is not attainable.**

It is important to recognise that in the last few years the States have already completed or commissioned an unprecedented number of important capital projects including the Beau Sejour Leisure Centre Refurbishment, Continuing Care Wards at Princess Elizabeth Hospital, the new Airport Terminal, various Foul Water Network Extension Projects, the Schools ICT Programme, Forest Special Needs School, the Royal Court Extension, the Prison Extension, St Barnabas Church and various Social Housing initiatives. While there is undoubtedly a further need for new and replacement facilities the Committee does not believe that the Island's schools, hospitals, infrastructure etc are so inadequate as to justify such massive and concentrated expenditure over the next ten years. There is no alternative therefore other than to accept that expenditure must be spread over a longer period of time.

The available Capital Reserve currently stands at £66 million. It is sobering to reflect that if the Reserve was apportioned equally between the stated priority areas i.e. with virtually no allocation for areas such as heritage, recreation, home affairs, tourism or traffic, then only one major project could be funded for each area. It will therefore be necessary for individual committees, particularly the Education Council and the Board of Health, to carry out a conscientious and comprehensive review of their policies and spending plans with a view to rescheduling those projects that are not time critical.

The Advisory and Finance Committee is not asking committees to abandon projects, rather to spread them over a longer period and plan accordingly. In this way committees will ensure that their highest priority schemes will not be unduly delayed or put at risk.

For its part, when considering future projects, the Advisory and Finance Committee will take into account not only funding implications but also construction capacity and the implications for the Island's economy. It will not support any project unless it can be demonstrated that the consequences of delaying the project would be so significant as to irretrievably damage the Island's infrastructure or the provision of essential services. In addition the Committee intends to submit a report to the States in the near future setting out the issues in more detail.

In recommending the States to approve the recommendations as set out in the report it does so on the clear understanding that the Board of Health, and all States committees, including the Education Council and the Housing Authority, review their current policies and spending plans with a view to deferring projects, and that when putting forward individual proposals all committees set out a

strong case why the project should not to be delayed and identify other proposals that have been delayed in order for the project to proceed.

As has been set out in various Budget and Policy and Resource Planning reports the **Advisory and Finance Committee** firmly believes that if States Members are unable to exercise sufficient restraint not only will the Capital Reserve be rapidly exhausted but construction prices will continue to rise and the economic and social wellbeing of the Island will be put at risk.

Yours faithfully,

L. C. MORGAN

President
Advisory and Finance Committee

Footnote:

Construction Units are a measure of the constituent parts of construction activity required to complete a project e.g. labour, material, plant, management and consultancy

The States are asked to decide:-

XIX.- Whether, after consideration of the Report dated the 21st August, 2003, of the States Board of Health, they are of opinion:-

1. To note the progress made by the States Board of Health in implementing its site development plan since its last report on that matter in 1999.
2. To note the intention of the States Board of Health to provide a further report to the States in 2006, updating on progress with the site development plan.
3.
 - (1) To approve the States Board of Health's proposals for progressing the next stage of its site development plan as set out in section 3 of that Report;
 - (2) to vote the States Board of Health a credit of £5,242,700 to cover the planning costs of the above (including consultants' fees), such sum to be charged to the capital allocation of that Board;
 - (3) to authorise the States Advisory and Finance Committee to approve the acceptance of all appointments and tenders in connection with the planning costs;
 - (4) to authorise the States Advisory and Finance Committee to transfer an appropriate sum from the Capital Reserve to the capital allocation of the States Board of Health in respect of the planning costs;
 - (5) to authorise the States Advisory and Finance Committee to transfer appropriate sums from the Capital Reserve in respect of the property purchases referred to in paragraphs 3.6 and 3.25 of that Report.
4.
 - (1) to approve the extension and redevelopment of the Mignot Memorial Hospital, as set out in paragraphs 3.26 to 3.30 of that Report at a total cost not exceeding £3,450,000;

- (2) to authorise the States Advisory and Finance Committee to approve the acceptance of all tenders in connection with that project and to approve a capital vote, not exceeding £3,450,000, such sum to be charged to the capital allocation of the States Board of Health;
 - (3) to authorise the States Advisory and Finance Committee to transfer an appropriate sum from the Capital Reserve to the capital allocation of the States Board of Health in respect of that project.
- 5. (1) To note that the States Board of Health, in conjunction with the States Advisory and Finance Committee and for planning purposes only, will work on the basis of £24,027,000 being made available in 2004, for the next stage of the site development plan, comprising the schemes for staff accommodation and acute mental health services;
- (2) to note that the States Board of Health, in conjunction with the States Advisory and Finance Committee and for planning purposes only, will work on the basis of £24,634,300 being made available in 2006, for the following stage of the site development plan, comprising the schemes relating to a new clinical block.
- 6. To note the States Board of Health's intention, on completion of these elements of the site development plan, to replace the remaining 1930's buildings and refurbish surgical facilities on the Princess Elizabeth Hospital site and to redevelop the King Edward VII Hospital.

STATES BOARD OF HEALTH

**BAILIWICK OF GUERNSEY
DRUG STRATEGY
2004 - 2006**



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

7th August 2003

Dear Sir,

Executive Summary

Following acceptance by the States of Deliberation on 5th April 2000 (Billet d'Etat X 2000), the three-year Bailiwick Drug Strategy has achieved most of the key objectives proposed. (See Progress Report Appendix 1).

- 1.1 The Drug Strategy consists of three tiers, comprising the Presidents' Drug Policy Group –providing policy direction and public accountability; the Chief Officers' Drug Strategy Group, providing strategic direction, implementation and executive responsibility; and the Drug Strategy Action Group, to deliver the strategy and provide operational direction. These are co-ordinated by the Drug Strategy Co-ordinator. For membership see Appendix 2. The approach of working together with shared ownership of the Drug Strategy has proved to be very successful. The Rules of Procedure of the States stipulate that all reports for inclusion in a Billet D'Etat need to be submitted by a States Committee or by Requete. This report is therefore submitted by the President of the Board of Health who is the current Chairman of the Presidents' Drug Policy Group.
- 1.2 Consultation for this policy letter has taken place with all the above groups; the Social Policy Working Group and other relevant stakeholders. Consultation and liaison has also taken place with the Law Officers of the Crown with particular reference to proposals relating to supply reduction
- 1.3 The 2000 strategy was largely an initial research and assessment strategy. This next proposed phase will address the results of that research and take forward proposals to provide necessary services to respond to the marked changes in patterns of drug use in the Bailiwick since the strategy was launched. Progress has already been demonstrated in the initial Drug Strategy, but long term planning with measurable and meaningful progress is now required. It is proposed that the future Drug Strategy be for three years – from 2003 to 2006.
- 1.4 There has been a marked change in the patterns of drug use in the Bailiwick since 2000. Reports from the Drug Misuse Database (see Appendix 3) and seizures by Customs (see Appendix 4) show an increase in the availability and use of heroin locally. This change demands a swift response by all agencies involved.
- 1.5 In responding to this change, it is vital to maintain the cohesive approach of reducing supply, reducing demand and treating those who become dependent. It is

equally important to retain the principles of harm reduction¹ in developing responses to drug misuse that are evidence based. The Presidents' Drug Policy Group believes that it is also important that a clear and consistent message about drugs is given to the public—especially the vulnerable young.

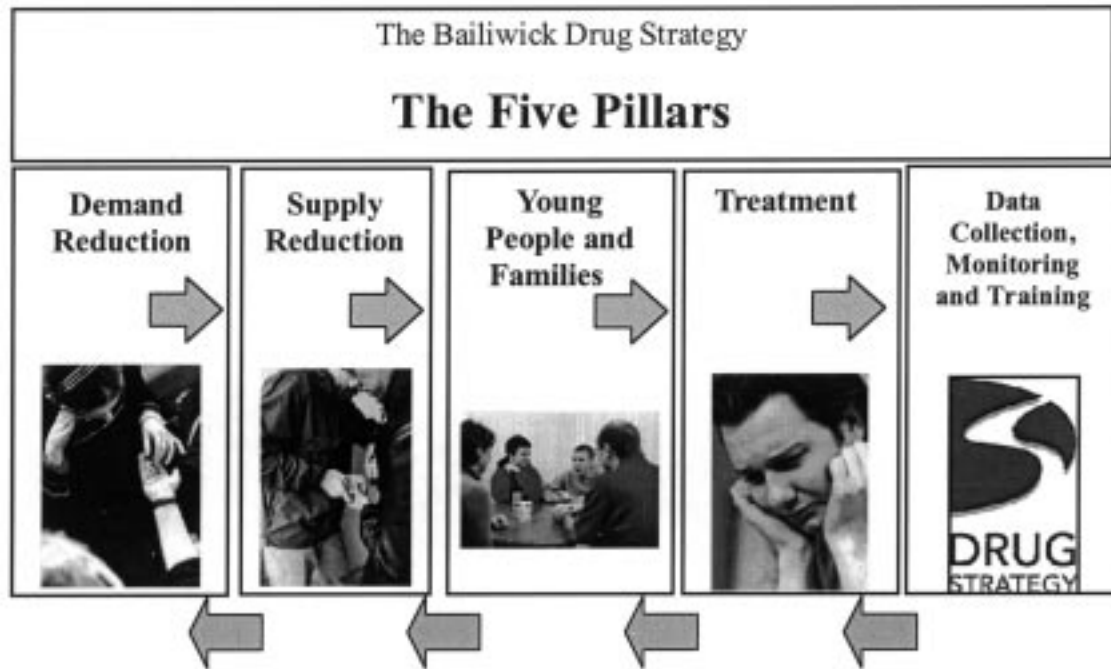
- 1.6 In reducing the demand for drugs, formal education initiatives remain a cornerstone of the Drug Strategy. It is also vital to target those most vulnerable to drug use – some of these young people are disenfranchised from school – frequently by removing themselves rather than through exclusion. The development of out of school informal education is a proven² way of reaching this group of people. Carers and the wider community also play a role in reducing the demand, and awareness raising events and initiatives should continue to inform and update about the developing drug situation locally.
- 1.7 Linking with supply reduction, the continuing success of Customs in targeting top-end suppliers and traffickers has resulted in increasing numbers of commercial seizures of drugs being made, particularly of Class A drugs. (See Appendix 4 "Seizures"). There has consequently been an increase in the number of convictions through the Royal Court (see Appendix 5 "Royal Court Convictions"). The recruitment of couriers in the UK is an issue for concern, and initiatives are in place to deter couriers from being recruited. (See 3.2 & 3.3)
- 1.8 In recognition of the statistical information from the Drug Misuse Database that the vast majority of people who present to agencies reporting to the database begin their drug use under the age of 15 years – some as young as 10 – 12 years – it is proposed to increase attention and resources on young people and families. It is important to recognise that this does not imply that drug use is typical amongst Islanders under 15 years, simply that most drug users attending services commence their drug use at this age.
- 1.9 The increase in the use of heroin also requires improved treatment facilities for those who become dependent, to enable them to become drug-free and to reintegrate into society by improving familial relationships and employment and/or education opportunities.
- 1.10 There are strong links emerging between this proposed future drug strategy and other work strands currently taking place. The report by the Townsend Centre for International Poverty Research on Guernsey Living Standards, the proposed Alcohol Strategy and the Children Board's review of child care legislation give clear examples of the need to improve, develop and link in with these new strategies.
- 1.11 Inter-agency, multidisciplinary models offer a versatility and cohesiveness that cannot be matched by insular, single committee working. Many of the initiatives in this policy letter draw on the expertise from a range of professional disciplines working together to respond to increasing drug use. Drug use cannot be viewed in isolation, and it is vital to address all aspects that contribute to that drug use. Nor

¹ Harm reduction aims to reduce the harm from drugs on individual and societal levels

² UK Drugs Prevention Initiative has evaluated a range of out of school activities

can a "one size fits all" approach be adopted, as each individual has separate needs and circumstances, which should be addressed in a holistic manner.

- 1.12 The proposed updated and improved Drug Strategy will place emphasis on targeting specific groups with specific needs and developing multi-agency responses
- 1.13 The ongoing work of all agencies – both statutory and non-statutory – is recognised and applauded by the Chief Officers' Drug Strategy Group and Presidents' Drug Policy Group. The members of the Drug Strategy Action Group (see Appendix 2) have proved to be enthusiastic and committed in formulating and advising on ways of approaching the developing drug situation.
- 1.14 In order to progress the Bailiwick Drug Strategy for the next three years, it is proposed that there will be five major pillars that support and underpin the Bailiwick's response to the changing and developing drug situation.
 - Demand Reduction – reduce the demand for and the acceptability of drugs, whilst increasing knowledge and offering alternatives to drug use
 - Supply Reduction – employ strategies that deter the importation of drugs and maintain rigorous enforcement procedures to target and apprehend those importers, suppliers and traffickers responsible
 - Young People and Families – work to prevent experimentation with drugs and to prevent experimental use from developing into problem drug use whilst supporting vulnerable families. This will be a new pillar to the existing Drug Strategy in order to deal specifically with this identified problem area
 - Treatment – ensure that people with drug dependency problems have access to a range of treatment regimes that are appropriate to their needs, in line with best practice and designed to enable reintegration back into society
 - Data Collection, Monitoring and Training – collect and disseminate statistical information about patterns, trends and prevalence of drug use locally; ensure that all drug related services are delivered using a quality assurance approach and are relevant to the needs of the client group; and provide a rolling programme of training to ensure that local staff are trained to the highest standard and kept up to date with current practice and issues.



A full list of the key objectives is shown in Appendix 6

2. Demand Reduction

Reduce the demand for and the acceptability of drugs, whilst increasing knowledge and offering alternatives to drug use

Demand reduction must remain a vital component of the Bailiwick Drug Strategy. Any effort to reduce the demand for and the acceptability of drugs must cover the whole population, but with vulnerable groups³ being specifically targeted.

Statistics from the Drug Misuse Database (Appendix 3) show that most people who present to agencies reporting to the database begin using drugs between the ages of 13 and 15 years, with a small but significant number starting use between the ages of 10 and 12 years. Therefore, drugs education needs to aim at these age groups.

2.1 Drugs Education

2.1.1. *Out of School and targeted*

Drugs education should not be limited to sessions in schools – often those most vulnerable to drug use are not attending school, and these people need to have their drug education needs met in other ways. Work currently being carried out by agencies such as the Youth Service and Dee Caf targets this group of young people and aims to work with them in informal settings. The Presidents' Drug Policy Group supports this work, and it is proposed that this work will continue in the next phase.

2.1.2 In 2003, the Drug Strategy has funded a part time Detached Youth Worker through the Youth Service specifically to assist in deterring young people from

³ Vulnerable groups defined as: the homeless, those in care or leaving care, non or poor attenders at school, people excluded from school, abused children, those in contact with the criminal justice or mental health services, offspring of parents with drug and/or alcohol problems, young people with conduct attention deficit or depressive disorders (source: UK Home Office Drug Prevention Initiative)

experimenting with drugs or to help prevent experimental drug use from developing into more regular use. It is proposed in 2004 to extend the funding to provide for a full time post to enable the service to be developed to include other activities and informal targeted education sessions with small groups of young people. This is an outsourced post. Referrals will be made to other relevant agencies where needed, and liaison with other key workers will continue and develop.

- 2.1.3 This initiative fully accords with the recommendations from the Townsend Centre for International Poverty Research

2.2 *In school*

The Drugs Education Partnership began in 2002 and covers up to date drugs education sessions prepared and delivered in a joint approach by Customs and Drug Concern. This is currently available for year groups 8-12⁴. All secondary schools in the Island are using this service as part of their PSHE⁵ programmes.

- 2.2.1 The Education Council approves the partnership agreement (delivered through a service level agreement), and the lesson content and partnership will be reviewed annually by the Education Council to ensure that the information and the service is relevant, professional and up to date.

- 2.2.2 Due to demand, and in view of the younger age groups using and/or coming into contact with drugs, it is proposed to extend this service to cover year groups 6 & 7 in 2004, with a view to extending this to earlier year groups if the situation demands. It is also proposed to increase the funding provision for this work to cover the additional work carried out by the Drugs Education Partnership

- 2.2.3 The Education Council and the Presidents' Drug Policy Group strongly endorse this approach, including the introduction of appropriate sessions with younger pupils.

2.3 *For Teachers*

It is important that teachers remain informed about developing drugs issues. It is therefore proposed to make funding available for supply cover and educational resources to enable teachers to attend training courses on drugs awareness. Under the proposed strategy, this training would be extended to School Nurses, who play a valuable role in their work with children and young people, both in school and the wider community

2.4 **Informing the Public**

- 2.4.1 Following on from a successful Drugs Awareness Week in 2002, it is proposed to have this as an annual event from 2004. The Drugs Awareness Week will focus on specific issues of relevance to the Bailiwick, and will continue to be funded by the Drug Strategy. The outcomes from the week will be evaluated and the information used for continual development.

The Drug Strategy Action Group with the support of the Chief Officers' Drug Strategy Group will provide the direction, and each agency will be encouraged to

⁴ Year Groups 8-12 years covers ages 13-18

⁵ PSHE - Personal and Social Health Education

participate in the event. The Presidents' Drug Policy Group notes that the Health Promotion Unit plays a key role in the Action Group and is a useful source of resource material for teachers, health workers, other key professionals and the general public.

2.4.2 *Parents and Carers*

It is important that parents and carers are kept informed and up to date with drugs information and the developing drugs situation. It is proposed that sessions be organised for parents and carers using networks already in existence through the Children Board, Education Council and other organisations and agencies

2.4.3 *Literature*

Most drugs literature is based on UK statistics, information and patterns of drug use. It is proposed to produce up to date leaflets that are more relevant to the Bailiwick situation. These leaflets will be widely available from various local agencies including the Health Promotion Unit, Probation Service, Dee Caf, Drug Concern, Youth Service, NCH Youth Housing Project and GP Surgeries.

2.4.4 *Website*

The Drug Strategy website at www.drugstrategyonline.com is regularly accessed by a wide range of individuals and provides updates, statistics and information relevant to the Bailiwick. It is proposed to continue with the website.

2.5 **Prison**

2.5.1 *Targeting Vulnerable Individuals and Groups*

For people serving custodial sentences, release from custody can be fraught with difficulty, and it is often too easy to slip back into old patterns and ways of life.

Drug Concern has been developing its work in the prison to include group work sessions and drugs education sessions. The broad aim of such sessions is to ensure that individuals have enough personal resources to cope in the time following release, and to endeavour not to continue using drugs. Increasing motivation to change is an important part of this work. The Presidents' Drug Policy Group fully supports this work.

It is proposed to fully fund this work via the Drug Strategy in accordance with a Service Level Agreement with Drug Concern.

2.5.2 The work of the NCH Youth Housing Project with young prisoners in assisting them find accommodation on release from prison is acknowledged and recognised as valuable in helping to maintain a drug and crime free life.

2.6 **Targeted, Proactive Initiatives (see Appendix 6 "Key points for work with young people")**

Local agencies that come in contact with drug users or potential drug users will be encouraged to devise initiatives to reduce the demand for drugs. It is proposed to make financial support available through the Drug Strategy for such initiatives. It is recognised that those working in the community need to be able to respond quickly to changing trends.

2.7 **Working with Business**

Employers should be encouraged and assisted in developing policies on drugs in the workplace to ensure that appropriate responses can be made to drug-using

employees, and that the number of working hours lost through drug use and impaired performance are minimised

The predicted expenditure for demand reduction initiatives for 2004 –2006 is:

2004	2005	2006
£98000	£100000	£100000

NB For full costing breakdown see Appendix 14 "Resource Requirements"

3. Supply Reduction

Employing strategies that deter the importation of drugs and maintain rigorous enforcement procedures to target and apprehend those importers, suppliers and traffickers responsible

- 3.1 It is proposed to make modest amounts of funding available to local law enforcement agencies for one-off projects that deter drug trafficking to support ongoing initiatives. This could include local advertisements for the drugs free phone and other Public Relations initiatives.
- 3.2 The strategy funded partnership agreement between Customs and a local Public Relations company ensures that media releases are sent to local UK media in the area which convicted drug couriers hail from. The aim is to target specific localities where potential drug couriers are recruited. Informing such people of the risks and penalties of importing drugs into the Bailiwick should help to deter some people from taking the risk. It is proposed to continue with this initiative during the next phase of the strategy
- 3.3 The Strategy funded poster campaign ensures that posters giving a warning to potential drug couriers of the strong stance taken in the Bailiwick are displayed at UK and French points of departure. It is proposed to continue with this initiative during the next phase of the strategy.
- 3.4 The Customs and Excise Department continues to act as the Bailiwick's first line of defence in reducing the supply of controlled drugs into the Island. Statistics in relation to seizures made by Customs for the period 1999 to 2002 are at Appendix 4.
- 3.5 Customs work very closely with other law enforcement agencies including, of course, the Guernsey Police with whom there is an excellent working relationship backed up in recent years by a Memorandum of Understanding.
- 3.6 Recent seizures recorded by Customs indicate a definite trend towards heroin dealing and trafficking becoming a major issue in Guernsey. Customs and Police are very concerned at this development and have taken steps to ensure that heroin dealing and trafficking is given top priority.
- 3.7 Customs and Excise continue to adopt a policy of targeting 'top end' criminals involved in drug trafficking and have achieved considerable success with a good number of syndicates, both locally and in the UK, being dismantled or substantially disrupted. Customs intend to continue with intelligence-led strategies in the efforts to combat the smuggling threat including through means of covert

and intrusive surveillance. When carrying out such duties Customs adhere rigidly to strict codes of practice which will soon be incorporated into the Regulation of Investigatory Powers Law. Through this law, actions by Customs Officers will be monitored internally by a Compliance and Professional Standards team and also be reviewed by an independent commissioner, appointed under the law.

The Presidents' Group continues to support the efforts of Customs and Police and recommends that appropriate and adequate levels of resources continue to be maintained.

- 3.8 The Bailiwick's courts have maintained a firm sentencing policy in respect of serious drug trafficking offences. Statistics indicating the number of drug offenders who have appeared before the Royal Court in 1999 – 2002 are attached at Appendix 5.

The Presidents' Drug Policy Group supports the efforts of the courts to strive to reduce the supply of drugs on to the streets of Guernsey. The Presidents' Drug Policy Group believes that a firm sentencing policy combined with robust law enforcement creates an environment where there is a strong likelihood that those involved will get caught and that this acts as a real deterrent. The Presidents' Drug Policy Group acknowledges that it is important to the local community to confiscate assets at the earliest opportunity, to stop both fledgling criminals or the principals behind such trafficking, from reinvesting their illegal profits. The Presidents' Drug Policy Group supports existing and proposed arrangements to enable the confiscation of the proceeds of drug trafficking and is aware that the Law Officers are actively reviewing Proceeds of Crime legislation in order that the process can become more effective and will include civil forfeiture.

- 3.9 In April 2001, a new joint Police and Customs organisation, the Financial Intelligence Service (FIS) was formed. This followed the review of the activities of the Joint Police and Customs Financial Investigation Unit and took on board the findings of the Edwards Report⁶ and the Financial Action Task Force Review of 2000. The FIS is responsible for the gathering, collating, evaluation and dissemination of financial crime intelligence including that relating to money laundering derived from the proceeds of the drugs trade.

- 3.10 The Police and Customs also operate a joint intelligence unit where information concerning drug syndicates operating in the Island is gathered, evaluated and disseminated.

- 3.11 Customs have a close working relationship with their counterparts in the UK, Jersey and France and also with their European colleagues and worldwide, including the United States. These close links are considered essential if the global drug strategies are to be successfully enacted and Guernsey's reputation as a financial centre is to be properly protected.

- 3.12 Guernsey Drugs Seized Assets Fund

Currently the local seized assets fund receives monies only from those jurisdictions with whom Guernsey has an agreement to receive a share of seized assets. It is

⁶ Commissioned by the UK Home Secretary in 1998 to review in conjunction with Jersey, Guernsey and the Isle of Man the regulation of international finance centres, the combating of financial crime and co-operation with other jurisdictions. Outcome presented to UK Parliament in November 1998.

recommended that money confiscated which has derived from the proceeds of drug crime, whether or not those funds have been confiscated as part of a local case or by an overseas jurisdiction, are placed in the existing drugs seized assets fund. It is further recommended that the Chief Officers' Drug Strategy Group may, from time to time, apply for limited funding from the fund for specific "one off" projects which will support the five pillars of the strategy.

3.13 Guernsey Police

Arrest Referral

Offenders when captured, detained and about to face charge and prosecution are often at a particularly low point in their life. Regardless of the nature of the offending, it is likely to be an opportune time to intervene and make the offer of support.

3.13.1 Referral post arrest is a well established procedure nationally but attempts at setting up a reliable local initiative have not met with success. There are a number of reasons for this, not least the low volume of offenders passing through the Police Custody Suite. The permanent presence of an Arrest Referral Worker cannot be justified, the challenge being in creating a reliable and cost effective solution which will see any requested interviews take place in a timely fashion. The gap centres on those that would benefit from assistance but will be released from police custody and will not be caught by the current provisions.

3.13.2 The Guernsey Police are committed to establishing a voluntary arrest referral initiative and will continue to work with the relevant agencies in an effort to implement a bespoke local scheme.

3.14 The Guernsey Police will work towards establishing a protocol on police attendance at suspected drug overdoses with the appropriate services that places the emphasis on early treatment whilst balancing the need to secure and preserve evidence.

The predicted expenditure for supply reduction initiatives for the period 2004 – 2006 is:

2004	2005	2006
£17000	£20000	£20000

NB For full costing breakdown see Appendix 14 "Resource Requirements"

4. Young People and Families

Work to prevent experimentation with drugs and to prevent experimental use from developing into problem drug use whilst supporting vulnerable families

4.1 Young People

Research material shows that young people who may be vulnerable to problem drug use also have a range of problems. These problems should be addressed in a setting that is easily accessible, credible and flexible. Drug use can often be seen as a response to troubles in other areas of a young person's life. Some young people find adjustment to change difficult, or they may not have the coping mechanisms to help with the problems that can come with adolescence. It is important that young people are helped with these problems in order to deter them from drug use,

or to prevent experimental drug use from developing into recreational or problem drug use. It is also important to acknowledge that many young people experience problems and difficulties sporadically, and may require short interventions to help them through a difficult time. Providing a supportive, nurturing help service can in many instances prevent the onset of more serious problems developing for a young person who would otherwise experience feelings of disconnection.

- 4.1.2 It is proposed to set up a Young People's Advice Service that is aimed specifically at young people who would not readily engage with statutory services, or for whom there is no statutory service. The service would be based with a local non-statutory service or group working with young people, and would offer advice, counselling and support for young people. It is vital that the service addresses all aspects of young people's concerns, but with a particular focus on drugs, alcohol and sexual health. Referrals would be made to statutory and non-statutory services where appropriate. Other agencies and services would be encouraged to provide sessional work in their particular area of expertise. (see Appendix 7 "Key principles for work with young people")
- 4.1.3 The proposed service would go to sites where young people meet (e.g. youth clubs, NCH Housing Project, Dee Caf), rather than waiting for young people to come to the service, and would offer initial advice, information and support. If further action was required, the young person would be given information about when a relevant professional will be visiting the site who can give further support. It is important that other professionals go to the young people rather than making appointments for young people to attend formal services – as young people frequently "vote with their feet" and do not attend.
- 4.1.4 This service will act as a first response for young people and will not replace or duplicate work already being carried out by the Children Board and Child and Adolescent Mental Health Service. These statutory services carry out specialist in-depth work with those young people who have mental health and social problems. The proposed service would work with a different group of young people – a group whose problems do not require such specialist input. A suggested local model can be adopted which uses the "Tier system" (see Appendix 8 "Recommended local infrastructure for young people"). This system clearly defines agency involvement at different levels according to the needs of the young person concerned.
- 4.1.5 This initiative accords with the recommendations made by the Townsend Centre for International Poverty Research.⁷
- 4.1.6 The Drug Strategy Action Group, with the support of the Chief Officers' Drug Strategy Group, recommends that a text messaging advice line for young people be set up along the lines of a similar service run from GASP (Guernsey Adolescent Smokefree Project). This is viewed as being a successful model, and one that is attractive to young people. It is proposed to enter into partnership via a service level agreement with a non-statutory agency to deliver this service, which will

⁷ From "Anti-poverty policies – a range of possible options for Guernsey" – Townsend Centre for International Poverty Research

"... in order to support these young people, and prevent them from "falling through the gaps" in statutory provision, the possibility of establishing a strategic partnership organisation with a focus upon youth issues and disadvantage be explored.

enable young people to ask questions and get information about drugs using the very popular text messaging service from mobile phones.

4.2 Families

Those families who are most vulnerable to drug use are readily identified and are often already working with statutory services. It is important that efforts be targeted to engaging with these families at the earliest opportunity to address the familial problems that can lead to drug use in later years.

4.2.1 The Children Board Family Centres provide the ideal locations for multi-agency approaches that aim to prevent the development of drug use⁸. It is vital that while families should be targeted, this targeting should not marginalise them any more than it is thought they already are. Engaging with families will complement the work already carried out at the Family Centres, and will involve input from other agencies with expertise in drug-related issues as they affect the family.

4.2.2 It is proposed that work with drug-using parents should be developed in these settings, which would aim to offer assistance to ensure that parents have the skills and support they need, and that the needs of their children are met. (see Appendix 9 "Risk and Protective Factors")

4.2.3 Both the Children Board and the Youth Service are developing initiatives aimed at 8-13 year olds and their families. This age group is a key target for experimental drug use, and the Presidents' Drug Policy Group fully supports any such initiative.

4.2.4 All agencies coming into contact with drug users and their families are and will continue to be encouraged to develop initiatives that support the family through the difficulties and dilemmas associated with problem drug use. Where the Chief Officers' Drug Strategy Group feels that such initiatives should be developed and supported, funding would be made available. Any new initiatives would be developed in collaboration with the Drug Strategy Co-ordinator to ensure co-ordination and avoid duplication.

The predicted expenditure for young people and families initiatives for the period 2004–2006 is:

2004	2005	2006
£60000	£45000	£45000

NB For full costing breakdown see Appendix 14 "Resource Requirements"

5. Treatment

Ensure that people with drug dependency problems have access to treatment regimes that are appropriate to their needs, in line with best practice and designed to enable reintegration back into society

5.1 Tier System for Drug Treatment

⁸ "... Services provided at the Family Centres are likely to help increase the knowledge and skills levels of parents, promote their self-confidence and self-esteem."

A wide range of local agencies will come into contact with drug users, and it is important that a series of options is available for responding to drug misuse. Adopting a tier system for drug treatment services (see Appendix 10 "Drug Misuse Treatment Tiers for Adults") gives a clear view of service provision required for different levels of intervention with drug users. It is proposed to adopt the tier system for drug treatment services

5.2 Support for Families and Recovering Drug Users

It is important that support services are available to help the families of drug users who may be deeply affected by familial drug use. Drug Concern plays a vital role in delivering open access services (Tier 2) for drug users and their families, and the Presidents' Drug Policy Group supports the continuance of this service.

5.2.1 The Presidents' Drug Policy Group acknowledges and supports the need for the development of drug user support groups.

5.3 Community-based treatment service for substance misuse

An area that has been identified as requiring a more co-ordinated approach is in delivering treatment for substance misuse.

5.3.1 Currently, the medical aspect is dealt with generally by the Board of Health's Adult Mental Health Department – although some GPs continue to prescribe for their patients. Drug Concern and GADAC see some problem substance users for counselling and support, but to date there is no real cohesion in treatment delivery, either for the drug user or the professionals involved. Key outcomes for a cohesive integrated care approach are shown in Appendix 11

5.3.2 It is proposed to set up a community based treatment service, managed by the Board of Health, which comprises a core staff of 1 Clinical Nurse Specialist in Addictions (existing post), a Substance Misuse Worker (provided by Drug Concern – an additional outsourced post to be funded by the strategy) and an Administration Assistant (an increase to the States Board of Health's establishment). A Consultant Psychiatrist, Clinical Psychologist, Probation Officer, Psychiatric Social Worker and other professionals would carry out sessional work under the multi-agency co-ordinated approach. This would constitute a tier 3 service as shown in Appendix 10. It should be noted that this treatment service proposal is the immediate requirement, and that an additional Substance Misuse Worker may be required during the term of this five-year strategy. In order to ensure the service is of an appropriate standard, it is proposed that an annual audit by the South West Drug Services Audit Project⁴ would take place

5.3.3 It is vital that professionals within this treatment service work together with a care planned approach ensuring that problem substance users have appropriate medical treatment supported by suitable psychological and social interventions to help reintegrate them back into society. In-depth assessment would match treatment to the needs of the client. Other needs such as housing, employment and educational would also be addressed by this team. There is a range of factors which promote effective treatment – these can be seen in Appendix 12 "Factors Promoting Effective Treatment"

⁴ A UK-based, independent team which monitors and evaluates drug services against quality standards

5.3.4 It is recognised that drug users may often have other, wider health issues that need to be addressed. These will be outside the scope of the community treatment service, and should be dealt with by primary care (General Practitioners). There is often reluctance on the part of GP's to work with drug users, as there are often issues about GP's or other patients feeling intimidated by the presence of drug users. However, some GP's have worked very successfully with their drug using patients, developing a good working relationship. The Royal College of General Practitioners in the UK runs courses for GP's on working with drug users, and one GP from each practice would be encouraged to attend this training. One of the roles of the clinical nurse specialist in the treatment service would be to act as support for both GP's and their drug using patients in gaining medical care for general health problems

5.3.5 In-patient care would remain at the Castel Hospital, and in time will have improved facilities at the new site at La Corbinerie as it is developed.

5.3.6 It is proposed to base the core team at the Orchard Centre, which currently houses the Sexual Health Clinic, Drug Concern and Quitline – thus providing an easily accessible fully integrated service.

5.3.7 The difficulties of people with drug addiction problems sharing space with people who have mental health problems have been a cause of concern for some time. This approach would alleviate many of those difficulties, and using a building that already houses other relevant agencies would be an effective overall solution.

5.4 Prison Detox Programme.

All prisoners are assessed for substance abuse on entry. Each prisoner is interviewed and a urine sample taken to enable the healthcare staff to identify and give the correct treatment to individual prisoners. Prompt action is required, along with the appropriate clinical intervention. The level of treatment is dependent on the results of both procedures. Should a prisoner require to be facilitated on the detox regime, appropriate medication will be administered and the prisoner observed on the observation wing for a period of time. When the prisoner is deemed fit by the prison medical officer the prisoner will be placed in normal location. Continued support and monitoring by prison staff, Drug Concern and the community psychiatric nurse is paramount to the well being of the prisoner.

5.5 The Criminal Justice Drugs Service

This began in October 2002 and is a strategy funded partnership between the Probation Service and Drug Concern.

5.5.1 This service is in the early stages of development and requires improved treatment services in order to function fully.

5.5.2 Under this partnership, the Probation Service identifies drug-using offenders who are suitable for the programme and refers them to the Criminal Justice Drug Service at Drug Concern for assessment. A care plan is drawn up between all concerned which aims to treat drug use, address offending behaviour and other issues, and to assist the individual in leading a drug-free life without re-offending.

5.5.3 The partnership is slowly developing, and the service level agreement specifies the number of individuals to be referred per year. At present, it is too early to evaluate the success of the service, but in future years it will be possible to see how rates of re-offending and continuing drug use are affected. There is no reason to suppose that this service will not be successful, judging from experience elsewhere. It is proposed to continue with this initiative in the next phase of the strategy

5.6 Post –Custodial Care

Release from prison is a vulnerable time, when individuals find their resolve not to use drugs seriously tested. Historically, it has been difficult to maintain this client group's contact with services. However, efforts should be made to provide a seamless service that supports drug users through release from prison. It is proposed to support multi-agency initiatives that develop services to maintain contact with drug users on release from prison

5.7 Service User Consultation

In delivering services to drug users, it is important that their views are sought and considered. The Presidents' Drug Policy Group supports setting up mechanisms within all drug related services for young people and adults that seek to elicit the views of service users and respond to needs where appropriate.

5.8 Drug Concern

In July 1993, the States supported the Board of Health's policy letter *Substance Misuse in Guernsey: Reducing Dependency upon Drugs, Tobacco, Alcohol and other Substances* (Billet XIV, 1993) and resolved to "authorise the Board of Health to make annual grants to the Drug Concern Group of such amount and on such terms and conditions as that Board may deem appropriate to fund the employment of a full time drugs counsellor for young people". This funding has continued to date.

However, with the development of the Bailiwick Drug Strategy, the Presidents' Drug Policy Group considers that it is more appropriate that this grant is used to fund core services, administered by service level agreement through the Drug Strategy.

5.8.1 Syringe Exchange

The provision of sterile injecting equipment coupled with advice and information is vital in preventing the spread of blood-borne viruses such as HIV and Hepatitis B and C. Service to date has been provided by Drug Concern via a payment from the Board of Health and the generous support in providing injecting equipment from the Medical Specialist Group. It is time to put this service on a more formal footing and to include syringe exchange as part of the Drug Strategy as one of the core services of Drug Concern

5.9 It is proposed to transfer the responsibility for the administration of the annual grant to Drug Concern and payment for the syringe exchange from the Board of Health to the Bailiwick Drug Strategy, and to enter into a service level agreement with Drug Concern for the provision of core services.

The predicted expenditure for treatment initiatives for the period 2004 – 2006 is:

2004	2005	2006
£195538	£188423	£191367

NB For full costing breakdown see Appendix 14 "Resource Requirements"

6. Data Collection, Monitoring and Training

Collect and disseminate statistical information about patterns, trends and prevalence of drug use locally;

Ensure that all drug related services are delivered using a quality assurance approach and are relevant to the needs of the client group;

Provide a rolling programme of training to ensure that local staff are trained to the highest standard and kept up to date with current practice and issues

6.1 Data Collection

Accurate statistics are vital in planning local services and in providing the ability to react quickly to changing trends and patterns of drug use. The Bailiwick Drug Misuse Database commenced in April 2002 and, coupled with seizure statistics from Customs, is showing very clearly that the use and availability of heroin is rising locally.

6.1.2 It is therefore important that all agencies coming in to contact with drug users provide information to the database. It is impossible to identify an individual from the forms submitted, thus ensuring the confidentiality of that person. The database is in full compliance with data protection legislation.

6.1.3 Statistics for the twelve-month period from April 2002 – 31st March 2003 are shown in Appendix 3.

6.1.4 It is proposed to continue to collect and disseminate information from the database during the next phase of the strategy.

6.1.5 Recreational drug use by individuals who do not come into contact with agencies reporting to the database is an issue that requires further research in order to ascertain the extent of the situation. It is proposed that the Co-ordinator will develop this research.

6.2 Monitoring

It is vital that our drug services are of an appropriate standard for a community this size. In 2003, the South West Drug Service Audit Project began this process with an audit of Drug Concern. It is proposed to continue with this initiative in the next phase of the Strategy.

6.2.1 It is proposed that all new and existing drug services adhere to an appropriate standards framework – such as QuADS (Quality in Alcohol and Drug Services) – which is viewed as the benchmark in quality service delivery.

6.3 Training for Professionals

In 2002, a rolling programme of training began. UK providers supplied the training which included issues such as raising low self esteem, motivational interviewing, and working with troubled adolescents. The courses were well attended by a wide range of local professionals including youth and community groups, who found the training to be stimulating, thought provoking and extremely beneficial.

6.3.1 General drugs awareness training sessions have also taken place for teaching staff and other professionals.

6.3.2 It is proposed in the next phase of the strategy to continue to bring this high calibre training to the Island and through strategy funding, enable as many local professionals as possible to attend.

6.4 Counselling Services

It is proposed to make funding available to non-statutory drug-related agencies in order that they may become professionally qualified to an approved standard in counselling/psychotherapy. This will ensure that drug users would receive the most professional and appropriate interventions for their needs, and that staff feel confident in working with such groups and receive the appropriate supervision and support. Training to this level is a requirement of QuADS.

6.5 Drug Strategy

It is proposed to retain the post of Drug Strategy Co-ordinator to ensure implementation of the aims and objectives of the Drug Strategy.

6.5.1 It is proposed to retain the Presidents' Drug Policy Group and The Chief Officers' Drug Strategy Group, the chairmanships of these groups to continue on a rotating basis (as defined in the Drug Strategy 2000) to reinforce the sense of equal partnerships and ensure ownership by all concerned. Membership of these groups may develop in line with changing needs and requirements to implement the strategy successfully. It is further proposed that to properly reflect the work of the Chief Officers' Drug Strategy Group, it's title should change to "Chief Officers' Drug Strategy Implementation Group"

6.5.2 It is proposed to retain the Drug Strategy Action Group to provide information sharing, strategic and operational direction and ownership of the Drug Strategy. It is further proposed that to properly reflect the work of the Drug Strategy Action Group, it's title should change to "Drug Strategy Action and Advisory Group"

6.6 Commissioning Officer

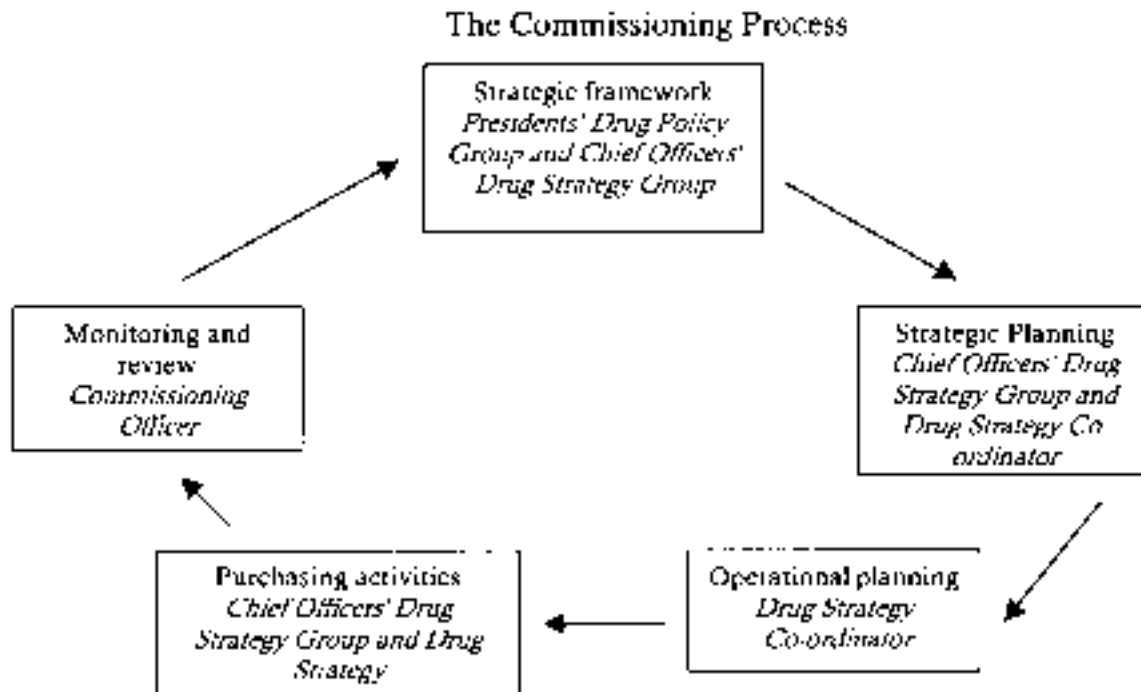
As partnership working with a variety of statutory and non-statutory agencies develops, it is increasingly important to ensure that the services purchased by the drug strategy are monitored and evaluated, and that these services are assisted in their development. A Commissioning Officer would undertake this role.

Role of the Commissioning Officer:

To work with the Drug Strategy Co-ordinator to ensure that all agencies in receipt of contracted funding from the drug strategy are working to best practice guidelines and professional and operational quality standards

Key tasks:

- Collect performance information
- Review provider performance against objectives or standards
- Review/reneegotiate contracts
- Feed information back to Drug Strategy Co-ordinator
- Facilitate each agency to develop operational plans that are aligned to the drug strategy
- Develop relationships with agencies that provide support and advice on delivering a quality service
- Identify training requirements for staff
- Involve service users in the evaluation process



- 6.6.1 It is therefore proposed to create a part time post of Commissioning Officer to ensure that the additional work required to deliver the strategy as identified can be undertaken.
- 6.6.2 If the Commissioning Officer post is not established, the Drug Strategy will not develop to its full potential and the ability to monitor, evaluate and support service providers will be severely hampered or not possible to achieve.

The predicted expenditure for data collection, monitoring and training initiatives for the period 2004 –2006 is:

2004	2005	2006
150535	105421	146774

NB For full costing breakdown see Appendix 14 "Resource Requirements"

7. Alderney and Sark

The appropriate authorities in Alderney and Sark have been consulted and have expressed their support for the development of the Bailiwick Drug Strategy, recognising the potential impact on, and costs to, their communities of a growth in the prevalence of drug misuse and its associated problems.

8. Policy Implications

The 2000 strategy was largely an initial research and assessment strategy. This next proposed phase will address the results of that research and take forward proposals to provide necessary services to respond to the marked changes in patterns of drug use in the Bailiwick since the strategy was launched.

The recommendations in this policy letter seek to address the issue of drug misuse in a variety of ways. It is important to acknowledge that human beings have used psychoactive substances since the beginning of time, and attempts to create a drug-free society are unrealistic. However, drug use can be approached with a range of initiatives designed to have the long-term effect of minimising the number of people who experiment with drugs and those who develop drug problems.

- Drug education with young people will deter some from experimentation.
- Robust enforcement strategies that target top-end suppliers and traffickers do send a clear message and reduce the amount of drugs available on the local illicit market.
- Targeting and working with young people to address problem areas of their lives, can reduce the likelihood of experimentation with drugs, and promote positive life choices, which prevent the onset of problem drug use.
- Providing holistic treatment services that enable an individual to become drug free and reintegrate into society reduces the damage to the individual and also to society in the reduction of drug related crime.
- These efforts must be underpinned by access to relevant data, quality staff training, research and monitoring.

- 8.1 If the enhanced Drug Strategy is not implemented, the way in which the Bailiwick is able to respond to increasing levels of drug use will be impaired. No single States committee is able to make the issue of drugs a sufficiently high priority. However, committees working together can achieve this aim through the groups which have been established. They are ideally placed to provide funding for initiatives and services that cannot be offered by other committees – particularly in the use of non-States agencies to deliver the services

9. Policy Options

In responding to local drug use, there are two possible options for consideration
Retain the status quo

Although much progress has been made with the Drug Strategy, there is still a great deal more work to be done. When the States agreed the 2000 Drug Strategy, heroin and crack cocaine use and availability were very low and sporadic – and the policy reflected this. If the status quo is maintained, specific areas which will not be

able to be developed or commenced include the community based treatment service, development of the drugs education partnership, implementation of the young peoples' service, provision of approved counselling training, which are key requirements in delivering a sound response to local drug use. With the recent increase in the trend, treatment services to address the needs of those who develop serious dependency problems with these drugs, and enhanced drugs education for younger children to deter them from experimentation are now vital

Adopt the enhanced Drug Strategy

If the States agree that a cross committee approach to minimising drug use and drug related harm locally is appropriate, the enhanced Drug Strategy provides a wide range of initiatives and services designed to tackle the issue from a variety of approaches. The costs of drug use are measured in more ways than purely financial, and investments in services and initiatives now will pay dividends in future years.

10. Staffing Implications

Each committee has carefully reviewed its current staff allocation and has been unable to identify any appropriate vacant posts that could be utilised for either of the two new established posts, namely the post of Commissioning Officer (ref. 6.6) and of Administration Assistant (ref. 5.3.2) for the Treatment Service.

11. Resource Implications

The proposed additional resources will cover a wide range of new initiatives and improve current ongoing initiatives, as shown in Appendix 14b. Proposed new initiatives include:

- Resources for teachers
- Annual Drugs Awareness Week
- Group and individual work in the prison
- Grants for targeted supply reduction initiatives
- Advice and information service for young people
- Text messaging service for young people
- Community based treatment service
- Training for General Practitioners
- Counselling training for non-statutory staff

Estimate of Revenue Expenditure 2004 – 2006

The current provision for the Bailiwick Drug Strategy from 2004 to 2006 in the Board of Administration's revenue budget is:

2004	2005	2006
200,000	200,000	200,000

The predicted overall annual expenditure for the period 2004 – 2006 is:

2004	2005	2006
520,000	460,000	505,000

The additional revenue requirement for the Bailiwick Drug Strategy is thus:

2004	2005	2006
320,000	260,000	305,000

All costs are given at 2004 levels and do not include RPI for 2005 and onwards. A more detailed analysis of the costs of the Strategy is contained in Appendix 14.

12. Recommendations

The Presidents' Drug Policy Group and their individual committees have considered the report from the Chief Officers' Drug Strategy Group. Taking into account the finance and staffing restrictions, the States are recommended.

- 12.1 To reaffirm the commitment of the States of Guernsey to tackling the issue of drug misuse in a cohesive, multi-agency approach, through the adoption of the five pillars and the objectives contained in the Bailiwick Drug Strategy;
- 12.2 To endorse the aims of the Bailiwick Drug Strategy which are to:
 - reduce the demand for drugs
 - reduce the supply of drugs
 - provide initiatives for young people and families
 - provide a range of treatment services appropriate for drug users
 - provide a system of data collection, monitoring and staff training
- 12.3 To approve the objectives outlined in Appendix 13, recognising that full consultation must take place with the Civil Service Board to secure the staff resources necessary to implement the Strategy, and to direct the States Civil Service Board to have due regard to the staffing implications of the States' decision on the propositions in paragraphs 5.3.2 and 6.6, when administering the Staff Number Limitation Policy;
- 12.4 To delegate responsibility for the implementation of the Bailiwick Drug Strategy to the Presidents' Drug Policy Group and the Chief Officers' Drug Strategy Group;
- 12.5 To authorise the Board of Administration to submit a revenue budget for 2004 at a sum of £320,000 in excess of the approved cash limit and to direct the States Advisory and Finance Committee to take account of these costs when recommending to the States revenue allocations for 2005 and 2006

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

Yours faithfully

P. J. ROFFEY

President, Board of Health
Chairman of President's Drug Policy Group

Appendix 1

The Bailiwick Drug Strategy 2000 Progress Report

In the 2000 Drug Strategy there are a series of objectives -- both ongoing and developmental. What follows is a list of the developmental objectives and the progress made in each category

To reduce the supply of drugs, the incidence of drug-related crime and re-offending by drug users

Objective	Progress
Develop a collaborative approach to target drug users within the criminal justice system and enable them to live drug and crime-free lives	<i>The Criminal Justice Drugs Service in partnership with the Probation Service and Island Police.</i> This has been an important and lengthy procedure. In the Strategy it is stated that "It is now proposed to make an annual grant to an appropriate voluntary agency of such amount and on such terms and conditions as the Presidents' Group may deem appropriate to fund the employment of a criminal justice drug worker to work with criminal justice agencies to identify, assess the needs of, and offer treatment to, drug using offenders, and to develop the local pilot arrest referral scheme."
Develop a philosophy of shared responsibility to intervene and offer treatment opportunities for drug using offenders through the criminal justice system and to be continued on release from custody	Local expressions of interest were sought and resulted in one agency being interested in the contract. Enquiries were also made of UK agencies at the behest of members of Presidents' Drug Policy Group one agency responded with a bid that far exceeded the strategy budget. UK consultants were brought over to advise and assist with the service level agreement and planning of the service. The Chief Probation Officer and the Drug Strategy Co-ordinator worked together to make it relevant to Guernsey; the contracted agency was also involved in the discussions. The service is fully supported by the Judiciary.
Develop a single assessment for criminal justice interventions with emphasis on both substance abuse and offending behaviour	The grant was awarded to Drug Concern who are working in close partnership with the Probation Service. The service commenced on 1 st October 2002.
Publicise the Bailiwick courts' firm sentencing policy for drug traffickers and the proactive approach of Guernsey Customs -- particularly around UK points of departure	Posters are placed at UK and French departure points. Also, in October 2002, a new initiative was launched in which a media release is sent to the local UK media of sentenced drug traffickers. This aims to specifically target areas in the UK where drug couriers are recruited. This is funded by the Drug Strategy and is delivered by Customs and a local PR company.

To Improve the health of the community

Develop specialist treatment and rehabilitation services that address all of a drug users' health needs and provide assessments, treatment and prescribing services for both adult and young drug users	New Consultant Psychiatrist in post. Plans to develop community based treatment programme are in progress. There have been delays in obtaining the establishment for the community psychiatric nurse, but this has been resolved. Adverts have been placed locally and it is hoped to appoint shortly.
Provide integrated and targeted interventions to reduce an individual's	Various agencies working in both the prison and community are currently delivering programmes that are delivered in groups and on an individual basis. These include the Probation Service, Drug Concern and the Reasoning and Rehabilitation Course run in the states Prison.

drug misuse, minimise the associated risks and enable drug users to stop and live healthy drug free lives	The Criminal Justice Drugs service will also develop programmes to address these issues
Develop a philosophy of shared responsibility to intervene and offer treatment opportunities for all drug users who make contact with health related services	The Criminal Justice Drugs Service in conjunction with the Probation Service will act as a referral to treatment services. Plans are also in development to employ a Community Psychiatric Nurse (CPN) via the Drug Strategy to work with the current CPN to deliver treatment services for drug users
Develop a confidentiality protocol for the sharing of information between agencies and a cohesive approach to treatment services	In development
Monitor and evaluate existing drug related services and ensure that data is uniformly recorded so that comparisons can be made	The Bailwick Drugs Misuse Database is a new development for the Island. For the first time, all agencies coming into contact with drug users will report to a central database designed and monitored by the Co-ordinator, who will produce statistics on a quarterly basis. All information held is anonymous, but safeguards are in place to remove double counting. These statistics will enable us to plot prevalence and patterns of drug misuse locally and will also be used for planning future services
Establish protocols between the Social Security Authority and the Board of Health and doctors to minimise the misuse of prescribed drugs	Prescribing protocol drawn up by the Prescribing Support Unit at GISSA with support from the Co-ordinator and agreed – awaiting appropriate service from Adult Mental Health Service to be put in place
Provide support and training for those working with drug users and their families	Full programme of drugs related training, which is free to all agencies. These courses have been very well attended and received. It has proved to be a cost effective method of ensuring that local staff have high calibre and up to date training. 200 training places have been taken up in 2002 at a cost of £20,000 – which is considerably cheaper than sending each person away to the UK. It also ensures a cohesiveness of local services.
To reduce the demand for, and acceptability of drug misuse and increase understanding about drug misuse	

Provide adequate funding for drug education programmes within the Bailiwick's schools and colleges to remain relevant, credible and informative	In conjunction with the Co-ordinator, Customs and Drug Concern have developed programmes for years 8 – 12, which will be delivered by both agencies working in partnership in local schools. This ensures that there is a consistency to the education received by young people locally. Currently all schools in the Island are requesting to use this service. The service level agreement was approved by the Education Council in January 2003
Develop drug education programmes that promote life skills and ensure links with areas of PSHE syllabus, (particularly in respect of alcohol, tobacco and solvents) are made when appropriate	Drug Concern is funded for this through the Drug Strategy
Develop drug education programmes that target the problems faced by Bailiwick students entering higher education	
Support the Island Youth Service to develop its contribution to drug prevention, particularly targeted at those at greatest risk from drug misuse but among the hardest to reach	In 2001 and 2002, the grant was used to fund training for staff, refurbishing the outreach bus, producing leaflets and drugs information. In 2003, a grant has been awarded for a part time detached youth drugs worker, with a view to extending this to a full time post in 2004.
Include the community in drug education programmes, by developing, coordinating and evaluating initiatives to ensure the objectives of the strategy are presented to as wide an audience as possible and that opinion is sought as to future development	A Drug Strategy brochure is widely available. This gives information about the strategy, local agencies, drugs information and advice for parents and carers. A website has also been developed which will include information from the Bailiwick Drug Misuse Database, on-line polls and discussions as well as Drugs Information, strategy aims and objectives and anti-smuggling information Drugs Awareness Week – which is intended to be an annual event from 2004 – will focus on a specific issue identified by the Action Group
To build on current drug related partnerships, develop a drug database and monitor and evaluate the implementation of the strategy	
Establish a web site to publicise the Strategy's aims and an anti-smuggling message	See the previous entry about the website

<p>Develop and extend existing working partnerships between those agencies working in drug related area</p>	<p>Drug Strategy Action Group meets on a monthly basis and carries out specific joint work (Drug Awareness Week), consultation (database, planning day) and sharing of non-confidential information. The group highlights areas of work and develops joint working protocols. This is chaired by the Co-ordinator and includes senior representatives from the following services:</p> <ul style="list-style-type: none"> • Child & Adolescent Mental Health • Children Board • Children's' Nursing Service • Customs • Drug Concern • Education Council • GADAC • Prescribing Support Unit • Health Promotion • Health Visitors • Prison • Police • Probation Service • Psychiatric Social Work • Youth Concern (Dee Caf) • NCH Youth Housing Project • Youth Service
<p>Develop and extend a collaborative approach to tackling drug misuse and its associated problems through the shared ownership of agreed objectives</p>	
<p>Establish a Badliwick database to collect and collate drug-related data</p>	<p>Commenced April 2002 following extensive consultation</p>

Appendix 2

THE BAILIWICK DRUG STRATEGY

The Presidents' Drug Policy Group, comprising the Presidents of:

Board of Administration
 (Customs & Excise)
 Board of Health
 Children Board
 Committee for Home Affairs
 (Police and Prison)
 States Education Council
 Probation Committee

Chief Officers' Drug Strategy Group, comprising the Chief Officers of:

Board of Health
 Children Board
 Customs and Excise
 Director of Public Health
 Education Department
 Guernsey Police
 Probation Service
 States Prison
 Drug Strategy Co-ordinator

Drug Strategy Action Group, comprising staff representatives from:

Board of Health
 Children Board
 Customs & Excise
 Dee Caf
 Drug Concern
 Education Council
 GADAC
 Guernsey Police
 NCH Youth Housing Project
 Prescribing Support Unit
 Probation Service
 States Prison
 Youth Service

Appendix 3

Bailiwick Drug Misuse Database

These statistics reflect the numbers of people being seen by various agencies. There is no way of knowing how many other drug users there are who have not yet come to the attention of services. In responding to drug use it is important to note that there will be a number of "hidden" users.

There is information about 179 individuals contained in the database. Some of whom are being seen by more than one agency.

Fig 1

This graph shows the number of individuals attending each agency

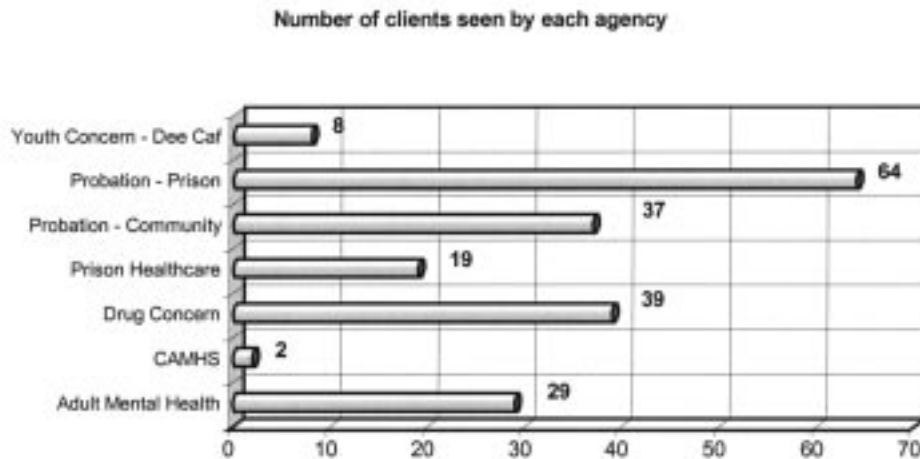


Fig. 1

The information on subsequent pages refers to the number of individuals—no double counting

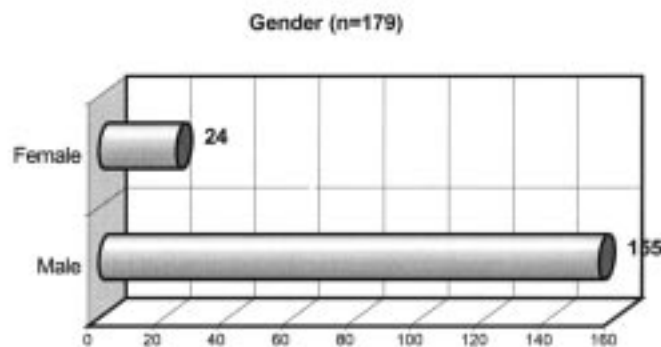
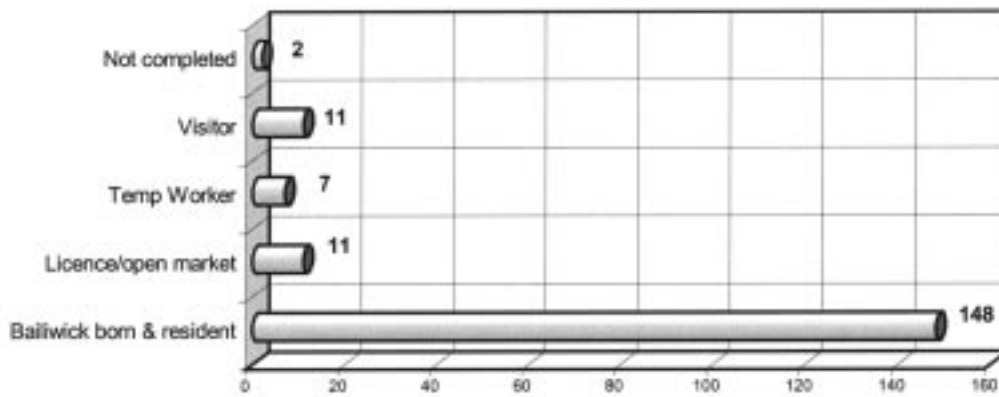


Fig. 2

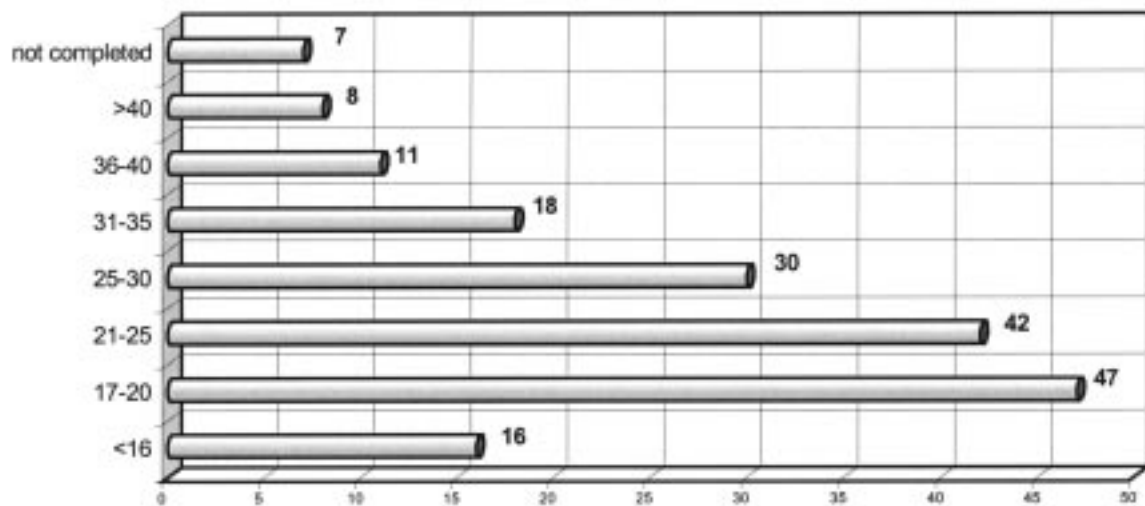
Residential Status (n=179)

Fig. 3



Current Age (n=179)

Fig. 4



It can be seen from fig. 4 that just under one-third of the people represented are under 20 years of age – with a peak age group of 17-20 years.

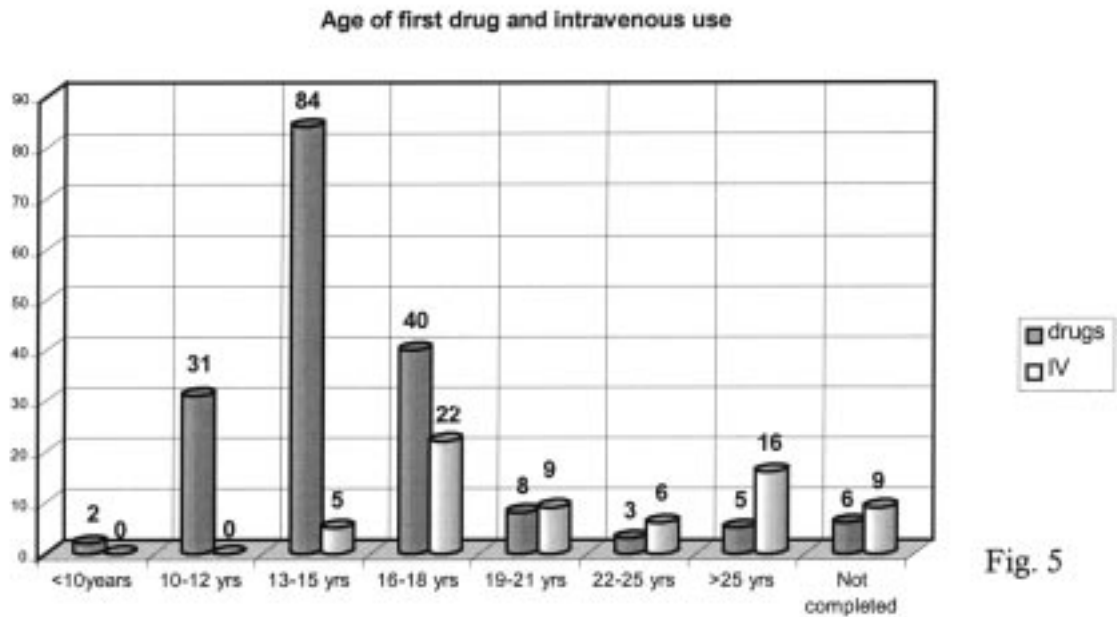


Fig. 5

Identifying the age at which a person starts to use drugs assists in targeting prevention work. Fig. 5 shows that 48% began using drugs (shown in dark blocks) between the ages of 13 and 15, and 17% beginning use between the ages of 10 and 12 years. Not all people who take drugs start to inject drugs. The light blocks show the ages at which those who inject drugs start injecting – usually several years after first using drugs



Fig. 6

Fig. 6
54% of people represented are unemployed – although 64 of these people were in prison at the time of counting

Weekly Spending on Drugs (n=179)

Fig. 7

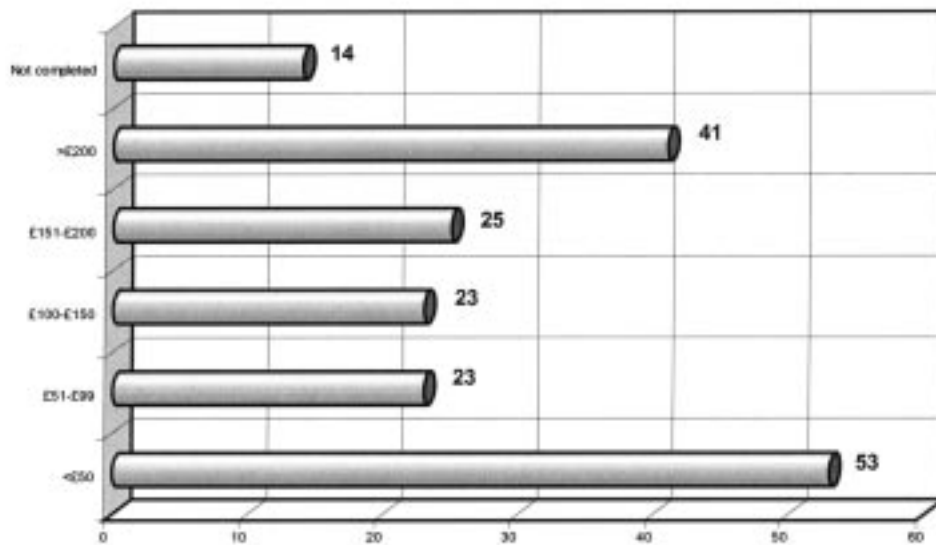
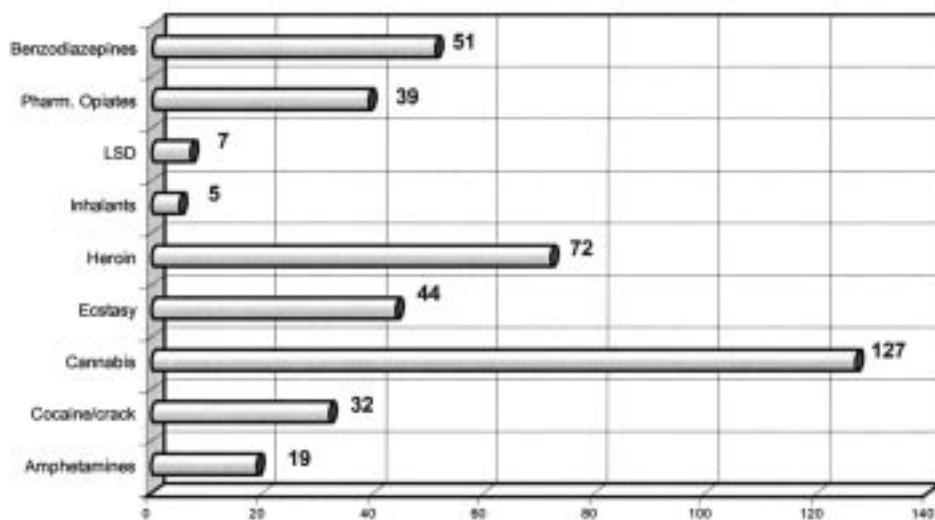


Fig. 7 shows approx 54% spending over £100 per week on drugs, with 23% spending over £200 a week. Reports from agencies say this figure can in many cases be £400+

Drug use in the last three months (n=179)

Fig. 8

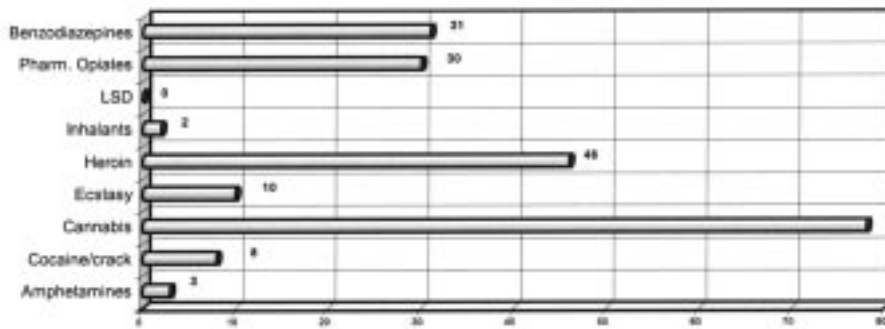


Whilst some people report using only one drug, most people use a variety of drugs as well as their primary drug of choice. Of the 85 people who reported cannabis as their primary drug:

- 26 also used ecstasy
- 16 also used Benzodiazepines (tranquillisers and sleeping tablets)
- 10 also used amphetamines
- 9 also used heroin
- 7 also used cocaine/crack
- 6 also used pharmaceutical opiates (strong prescription painkillers)
- 4 also used LSD
- 1 also used glue, gas and other inhalants

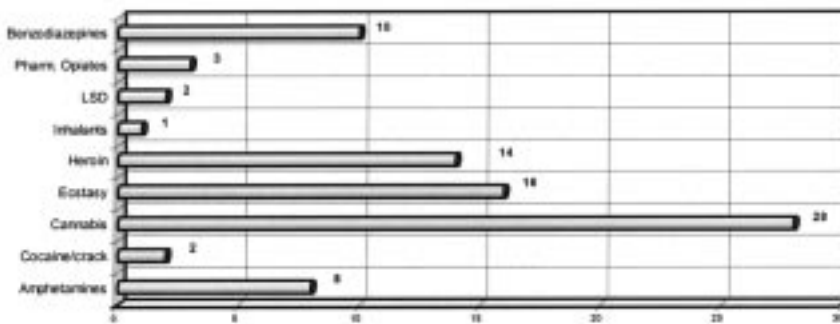
People reporting daily use of drugs

Fig. 9



People reporting using drugs 1-5 times a week

Fig. 10



People reporting using drugs less than once a week

Fig. 11

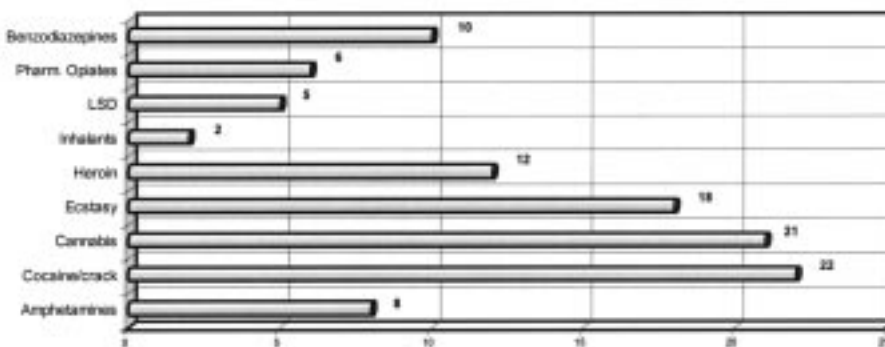


Fig. 9 shows that 79 people use cannabis on a daily basis and 48 use heroin on a daily basis. 61 people also use prescription drugs (tranquillisers and pain killers) daily.

Fig. 11 shows 22 people who use cocaine on an occasional basis

HEROIN

Given the emerging heroin trend, figs. 12—18 explore the patterns of heroin use more

closely

Heroin users current age (n=72)

Fig. 12

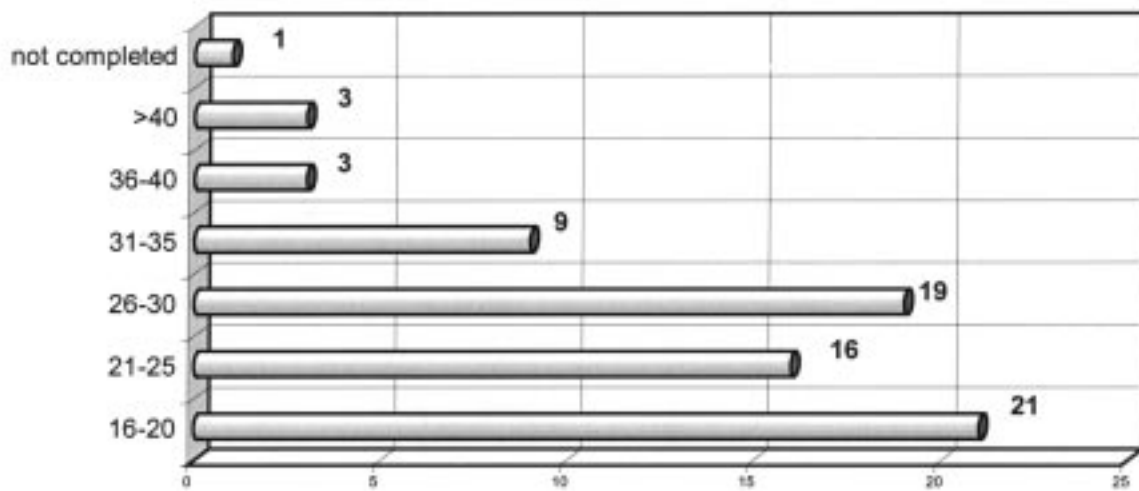


Fig 13.

It is a note of concern to see the highest age group for heroin use being 16—20 years

Heroin users employment status (n=72)

Fig. 13

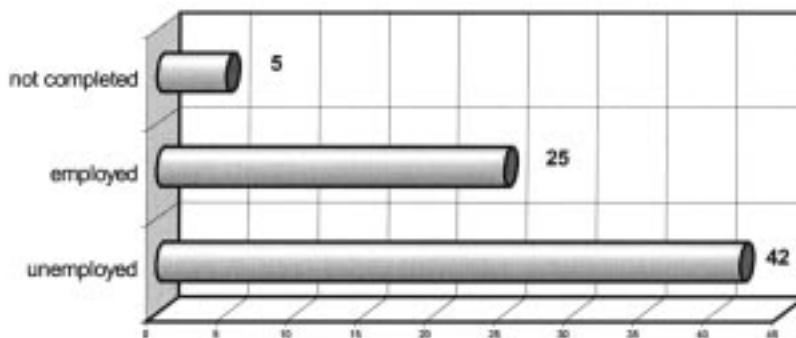


Fig. 14 Over half the heroin users are unemployed

Heroin users residential status (n=72)

Fig. 14

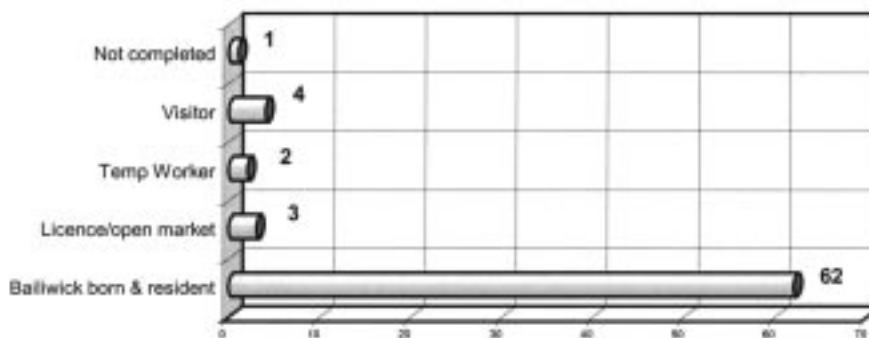


Fig. 14

It is important to note here that the vast majority of heroin users are Bailiwick born and resident, denoting a local problem, rather than one that has occurred via visitors to the Island

Heroin users weekly spending on drugs (n=72)

Fig. 15

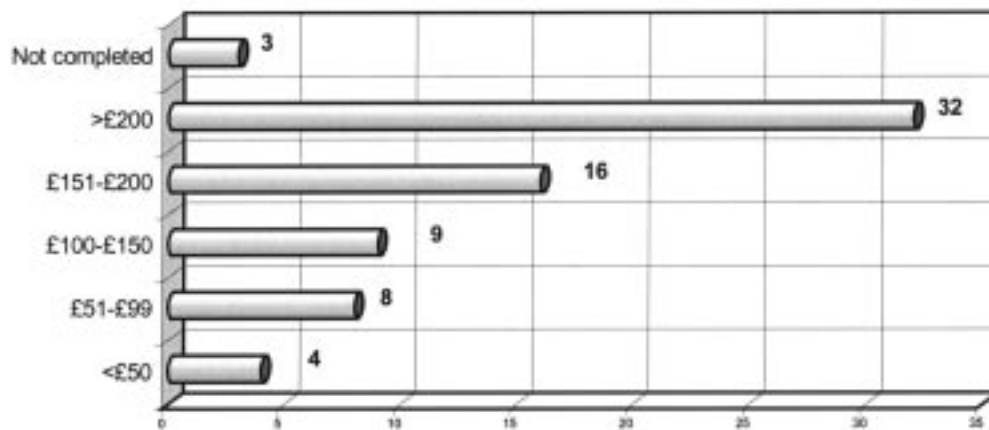


Fig. 16 shows that there is an even split between those who inject heroin and those who smoke it. More health problems arise from injecting drugs – particularly the risk of HIV and hepatitis when equipment is shared

Heroin users method of use (n=72)

Fig. 16

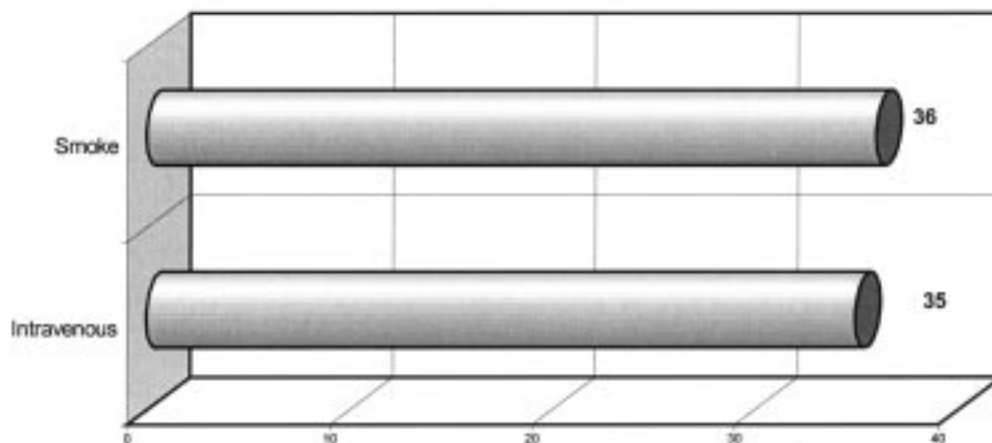
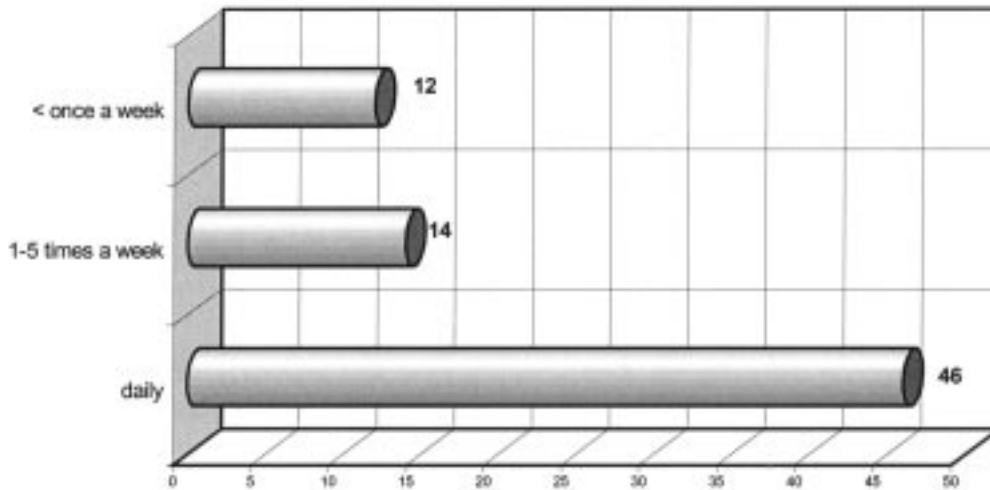


Fig. 17 shows that there are 46 individuals on this database who use heroin on a daily basis. This is an important figure as it denotes the numbers of people who are most likely dependent on heroin.

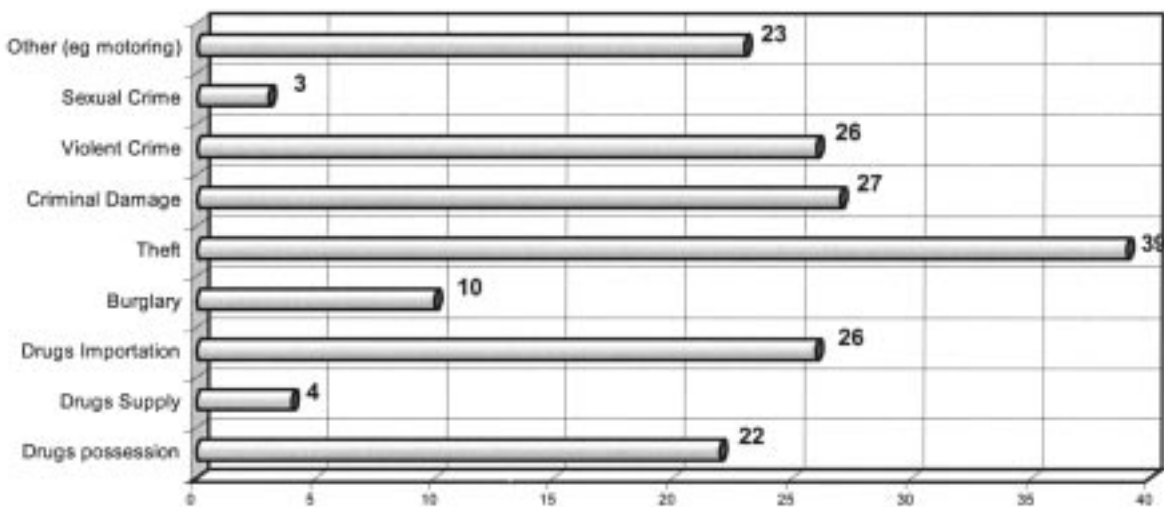
Heroin users - frequency of use (n=72)

Fig. 17



Offences committed by heroin users

Fig. 18



Of the 54 people who reported heroin as their primary drug:

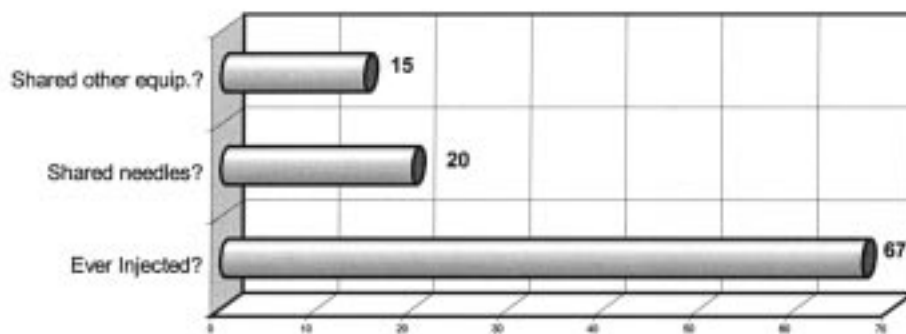
- 24 also used cannabis
- 21 also used Benzodiazepines (tranquillisers and sleeping tablets)
- 15 also used pharmaceutical opiates (strong prescription pain killers)
- 12 also used cocaine/crack
- 3 also used amphetamines
- 2 also used ecstasy and LSD
- also used glue, gas and other inhalants

INJECTING BEHAVIOUR

Fig. 19 shows that a small but significant number of people report sharing needles and other injecting equipment. The potential here for the spread of blood borne viruses is apparent, as it would only require one person with HIV or hepatitis to be included in these figures to create a larger pool of those who are infected. All agencies should strive to improve education to injectors

Injecting behaviour (n= 179)

Fig. 19



Appendix 4
 Customs Seizures of Controlled Drugs 1999-2002
 (Source Guernsey Customs)

1999				
Class	Drug	Seizures	Weight/ Quantity	Value (£)
A	Diamorphine (heroin)	3	49.4g	12230
A	Cocaine	5	165.56g	31871
A	Ecstasy	9	1755 tabs	47933
B	Amphetamine	5	280 tabs and 51.56g	9118
B	Cannabis resin	44	5102.38g	40810
B	Herbal cannabis	5	8.25g	66
C	Ephedrine	1	6515 tabs	179163
C	Other	3	83	No value offered
TOTALS		75		£321,191
2000				
A	Diamorphine (heroin)	2	3.99g	886
A	Cocaine	6	76.80g	14789
A	Ecstasy	8	1267 tabs and 205.43g	40442
B	Amphetamine	1	1.7g	50146
B	Cannabis resin	45	54692.61g	434591
B	Herbal cannabis	16	16 reefers and 8.99g	200
C	Other	3	36	No value offered
TOTALS		81		£541,054
2001				
A	Diamorphine (heroin)	7	81.64g	20003
A	Cocaine	4	453.43g	40809
A	Ecstasy	7	6995 tabs	200598
A	Methadone	1	120mls	120
B	Amphetamine	4	1231.76g	21556
B	Cannabis resin	38	155,457.42g	1243616
B	Herbal cannabis	3	992.18g	7937
C	Other	9	794	1677
TOTALS		73		£1,536,316
2002				
A	Diamorphine (heroin)	17	625.39g	140713
A	Cocaine	9	125.77g	17739
A	Ecstasy	5	5576 tabs	111520
B	Amphetamine	3	292 tabs and 3.2g	3690
B	Cannabis resin	47	91579.31g	732634
B	Herbal cannabis	14	41.04g	328
TOTALS		98		£1,006,815

Appendix 5

Royal Court Convictions for Drug Trafficking Offences 1999-2002

(source Guernsey Customs)

1999	2000	2001	2002
14	13	19	26 2 have pleaded guilty- due to be sentenced 1 found not guilty 2 pending trial (not guilty plea)

Appendix 6

Key points for work with Young People

(UK Home Office Drugs Prevention Initiative)

- Young people want consistent and unambiguous drugs information delivered through credible sources including peers, youth services and media
- Drugs education should be built into general youth service provision and service training needs
- The personality, skills and credibility of staff are vital to success in youth work, particularly in the challenging area of outreach/detached work
- Peer approaches can help consolidate anti drugs views
- Young people in particular groups, including the homeless and those in care, are most likely to experiment earlier and go on to problem drug use
- Young people in vulnerable groups often have a range of interlinked problems, of which drug use may be one. Responses need to be comprehensive
- Since such young people will be dealt with by different agencies at different times, there is a strong need for effective partnership working and multi-agency responses

Appendix 7

Ten Key Principles for Working With Young People

Developed by the UK Standing Conference on Drug Abuse and the Children's Legal Centre

1. A child or adolescent is not an adult
2. The overall welfare of the individual child or young person is of paramount importance
3. The views of the young person are of central importance, and should always be sought and considered
4. Services need to respect parental responsibility when working with a young person
5. Services should recognise and co-operate with the local authority in carrying out its responsibilities toward children and young people
6. A holistic approach is vital at all levels, as young peoples problems do not respect professional boundaries
7. Services must be child centred
8. A comprehensive range of services needs to be provided
9. Services must be competent
10. Services should aim to operate, in all cases, according to the principles of good practice

Appendix 8

Recommended local infrastructure for young people

Adapted for Guernsey from the Standing Conference on Drug Abuse, Children's Legal Centre and the Health Advisory Service

Tier	Services	Providers
Tier 1	Drug Education Information Identification and referral of young drug users	<ul style="list-style-type: none"> • Education • Youth & Family services • School Nurses • Teachers • Health Visitors • GP's • Drug Concern • A&E Staff
Tier 2	All of tier one plus Drug-related prevention Targeted education Advice and counselling services	<u>Youth oriented services are ideally placed to provide a multidisciplinary approach</u> <ul style="list-style-type: none"> • Youth Service • NCH Youth Housing Project • Dee-Caf • Children & Family Social Workers • Educational Psychologists • All Tier 1 providers
Tier 3	Young People's Specialist Drug Services and other services that work with complex cases requiring multidisciplinary team-based work	<ul style="list-style-type: none"> • Specialist foster carers • Open and secure residential unit workers • Substance misuse team (including Drug Concern) • CAMHS • Youth Justice Team • Probation Service • Prison staff
Tier 4	Very specialised and intensive forms of intervention for young drug misusers with complex care needs	<ul style="list-style-type: none"> • Off-Island placements • Mental health teams • Child & Adolescent forensic psychiatrists

Appendix 9

Risk and Protective Factors

(from Risk & Response Project, Lifeline UK 2002)

Age Group	Risk Factor	Protective Factor
0 – 4 years	Parental drug use Poor family interaction Poor neighbourhood Chaotic parental lifestyle Poor cognitive development	Good attachment Good network of carers High level of family interaction Play between infant and carer High socio-economic background
5 – 11 years	Parental drug use Poor academic development Problematic behaviour in school Poor self-esteem Low school attendance Family problems	Positive relationship with adult Perceptive, vigilant teachers Regular attendance at school Social network outside of family Out of school activities Coping strategies
12 – 16 years	Problematic parental drug use Substance use at an early age Substance using peers Mental health problems Behavioural problems Family problems Poor academic performance School exclusion/non-attendance Lack of educational support Bullying	Accurate substance use information Out of school activities Positive adult relationship Positive temperament Mutual friend Coping strategies Regular school attendance Perceptive, vigilant teachers Substance use education Education, training & employment

Appendix 10

Drug Misuse Treatment Tiers for Adults

Adapted for Guernsey from "Models of Care" (UK Dept of Health)

Tier	Tier Title	Service Modality	Local Providers/description of service
1	Non Substance misuse specific services	<ul style="list-style-type: none"> Primary Care (GP's) Children Board & Family Centres Probation Service Sexual Health Accident & Emergency General Psychiatric Services 	<ul style="list-style-type: none"> Agencies as listed A wide range of professionals who may come into contact with adult substance misusers Should be appropriately trained in substance misuse
2	Open access drug misuse services	<ul style="list-style-type: none"> Drug-related advice & information Open access drop in services Motivational interviewing/brief interventions Needle Exchange Outreach Services (detached/domiciliary/peripatetic) Liaison with Community Substance Misuse Team Drug Misuse specific assessment & care management 	<ul style="list-style-type: none"> Drug Concern Accessible services for a wide range of substance misusers Enables clients to engage with services without the commitment required by structured programmes A gateway to level 3 services
3	Structured community based specialist drug misuse services	<ul style="list-style-type: none"> Drug specialist care planning & co-ordination Structured care planned counselling and therapy options Structured day programmes Community based detoxification Community based treatment for CJDs Structured after care programmes 	<ul style="list-style-type: none"> Community Substance Misuse Team – Multi-disciplinary approach Structured programme of care Place requirements on attendance & behaviour Allocated care co-ordinator Prescribing services Integrated Care Pathways
4a	Residential substance misuse specific services	<ul style="list-style-type: none"> In patient drug detoxification and stabilisation Drug & alcohol residential rehabilitation Residential drug & alcohol crisis centres Residential co-morbidity services 	<ul style="list-style-type: none"> Castel Hospital Off-Island Providers For clients with a high level of need <ul style="list-style-type: none"> Requires careful assessment and preparation of client Lower demand than tier 3 service
4b	Highly specialist non-substance misuse specific services	<ul style="list-style-type: none"> Young peoples' hospital and residential services for drug & alcohol treatment Specialist liver disease units Forensic services Specialist psychiatric units Terminal care services HIV specialist units 	<ul style="list-style-type: none"> Board of Health Off-Island providers Les Bourgs Hospice

Appendix 11

Key Outcomes for Integrated Care

(Source: Scottish Executive – Effective Interventions Unit 2002)

The main aim of integrated care is to help drug users to overcome their drug problem and their associated health and social difficulties by providing effective, co-ordinated and timely treatment, care and support

The goals of care are:

Reduce illicit drug use by stabilising on a substitute medication or detoxifying (where appropriate), by reducing the range of different substances being used by the individual, by reducing the frequency of drug use and by minimising the risk of future relapse. The ultimate goal may be to help the individual to stabilise or become drug free.

Reduce the risk of the spread of blood-borne viruses, in particular the risk of HIV, hepatitis B and C, and other blood-borne infections from injecting and sharing injecting equipment. This may be achieved through a reduction or cessation of sharing injecting equipment and injecting paraphernalia, a reduction or cessation of injecting and by the reduction or cessation of risky sexual practices.

Improve all aspects of health by assisting the individual to reach and maintain a state of good physical and psychological health. This will be partly achieved by the goals above, but drug users may also have a number of other physical health problems to address. Mental health problems are a serious problem amongst this population, particularly depression and anxiety.

Reduce involvement in criminal activity, in particular to reduce the need for criminal activity to support or finance drug use, including prostitution, theft and offences regarding the supply of drugs.

Improve personal, social and family functioning by assisting the individuals to maximise their ability to make clear and rational decisions and enable them to develop a level of social and family interaction with which they feel comfortable. This may include an improvement in family relationships and the development of new social networks

Improve education and employment prospects by assisting the individual to access existing opportunities to increase their employability and providing support to them while they are undertaking education or training, or beginning voluntary or paid employment

Improve stability of housing/accommodation by assisting the individual to access opportunities for housing, or improvements in housing and to provide support while they are undertaking any change in housing

Appendix 12

Factors promoting effective treatment

(Source: The Audit Commission: *‘Changing Habits: the commissioning and management of community drug treatment services for adults 2002’* UK)

Research evidence suggests that a number of factors contribute to successful treatment outcomes;

Rapid Access – many drug misusers present to treatment services in crisis when they are extremely vulnerable. However, as they can quickly lose motivation to address their problems, services need to get clients into treatment without delay

Systematic assessment and treatment matching – treatment interventions must be carefully matched to the needs of individual clients. It is impossible to conclude that a drug misuser who improved in a residential setting would necessarily have made the same gains in a community-based programme. Good assessment procedures and access to a balanced range of treatment interventions are essential to ensure an optimum match between a client’s needs, treatment settings and interventions

A comprehensive approach to care management – in most cases, pharmacological interventions alone will not help to break a pattern of drug dependency. Drug problems are often closely associated with many other problems such as unemployment, family breakdown and crime. Although there is limited evidence in this area, the UK Department of Health effectiveness review concluded that failure to address wider life context issues ‘*may slow down or reverse progress in addressing drug misuse itself*’. This underlines the need for a comprehensive care management approach that attends to the individual’s multiple needs.

Retention – keeping drug misusers in treatment has shown to increase their chances of success. NTORs¹⁶ found that clients in short stay residential programmes who remained in treatment for 28 days, and those who remained in long-stay residential rehabilitation programmes for 90 days, achieved better outcomes than those who stayed for shorter periods. A number of factors contribute to poor retention, including prolonged assessment procedures, inflexible approaches to dosage policy in methadone programmes, the lack of ancillary services (such as counselling, legal support and general medical services) and poor rapport between clients and programme counsellors. Conversely, delivering treatment within a positive and supportive environment encourages people to stay in treatment.

Co-ordination – the complex nature of drug dependency means a client may require varying combinations of services and treatment interventions during the course of treatment and recovery. In practice, this may involve a wide range of specialist treatment services and generic services working together to support individual clients. Close interagency co-operation and an effective system of care management are crucial, in order to prevent clients falling between services, to avoid the duplication or omission of interventions and to ensure continuity of care.

¹⁶ NTORs – National Treatment Outcome Research study is a longitudinal study of 1075 drug misusers entering 53 UK treatment services in 1995, the study was established as part of the effectiveness review commissioned by the UK Dept of Health in 1994

Appendix 13: Drug Strategy Objectives

PILLAR	OBJECTIVE	RATIONALE	WHO	TIMESCALE COMMENCEMENT
1. DEMAND REDUCTION Reduce the demand for, and the acceptability of drugs, whilst increasing knowledge and offering alternatives to drug use	1. Continue with out of school and targeted informal drugs education sessions with young people who are vulnerable to drug use	Ensure that those most vulnerable to drug use receive knowledge and skills to make informed decisions about drugs and drug use	All Youth focussed agencies	Ongoing
	2. Extend funding for a full-time Detached Youth Worker	Maximise contacts with young people to deter from drug use, prevent experimental drug use from developing into problem drug use. Offer alternatives to drug use. Promote positive life skills	Chief Officers' Drug Strategy Group (strategic) Guernsey Youth Service (delivery)	Jan 2004
	3. Continue with and extend the work of the Drugs Education Partnership in schools	Ensure that all schools have access to structured drugs education sessions for years 6 – 11, with the option of sessions for younger pupils where appropriate	Education Council, Drug Concern, Customs, Training Drug Strategy Co-ordinator	Ongoing Extend service from September 2004
	4. Provide resources to enable teachers to keep their drugs knowledge up to date		Chief Officers' Drug Strategy Group	Jan 2004
	5. Hold information sessions for parents and carers	Use established links through the Education Council, Children Board and other agencies	Children Board, Education Council, Drugs Education Partnership,	March 2004
	6. Annual Drugs Awareness Week	Inform and update the community about current drugs issues	Drug Strategy Co-ordinator Action Group members	2004
	7. Produce up to date and locally relevant literature	Produce a range of drugs related literature with a local focus that will be widely available and accessible	Drug Strategy Co-ordinator	Jan 2004
	8. Continue to develop the Drug Strategy Website	To inform, update and provide information relevant to the Bailiwick	Drug Strategy Co-ordinator ,	Ongoing
	9. Provide funding for group and individual work in the Prison	Ensure that prisoners have the opportunity to address their drug use whilst serving sentence	Chief Officers' Drug Strategy Group Drug Concern (delivery)	Jan 2004

	10. Provide grants for targeted, proactive initiatives	Encourage local agencies to develop initiatives designed to reduce the demand for drugs	Chief Officers' Drug Strategy Group Action Group(delivery)	Jan 2004
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Appendix 13

PILLAR	OBJECTIVE	RATIONALE	WHO	TIMESCALE COMMENCEMENT
2. SUPPLY REDUCTION Employ strategies that deter the importation of drugs and maintain rigorous enforcement procedures to target and apprehend those importers, suppliers and traffickers responsible	2.1. Provide grants for one-off specific projects that deter drug supplying	Encourage local agencies to develop initiatives designed to deter the supply of drugs	Chief Officers' Drug Strategy Group Customs, Police (Delivery)	January 2004
	2.2. Continue with the Customs Media Release Service	To deter potential drug couriers from being recruited in the UK	Customs Drug Strategy Co-ordinator Local PR Company	Ongoing
	2.3. Continue with the placement of posters at UK and French departure points	To inform travellers to the Bailiwick of the strong stance taken locally against drug importers	Customs Drug Strategy Co-ordinator	Ongoing

PILLAR	OBJECTIVE	RATIONALE	WHO	TIMESCALE COMMENCEMENT
3. YOUNG PEOPLE & FAMILIES Work to prevent experimentation with drugs and to prevent experimental	3.1. Set up a peripatetic advice and information service for young people	The service to address all aspects of young people's concerns, but with a particular focus on drugs, alcohol and sexual health. The service to be easily accessible and credible to young people	NCH Youth Housing	Jan 2004
	3.2. Set up a text messaging helpline for young people	To provide a first point of contact for young people seeking advice – see above	NCH Youth Housing Project	Jan 2004

experimental drug use from developing into problem drug use whilst supporting vulnerable families	3.3. Develop work with drug using parents	To provide support and practical help to drug using parents and to ensure their children also have support	Drug Related Agencies Children Board Family Centres Social Work and Health Staff	March 2004
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Appendix 13

PILLAR	OBJECTIVE	RATIONALE	WHO	TIMESCALE COMMENCEMENT
4. TREATMENT Ensuring that people with drug dependency problems have access to treatment services that are appropriate to their needs, in line with best practice and designed to enable reintegration back in to Society	4.1. Adopt a tiered system for drug treatment services	To provide clarity for the different levels of service provision for problem drug users	Chief Officers' Drug Strategy Group	September 2003
	4.2. Set up a community based treatment service	To provide a comprehensive approach which addresses all the needs to enable recovery and reintegration into society	Board of Health, Probation Service, Drug Concern, Other relevant agencies	Jan 2004
	4.3. Continue with the Criminal Justice Drugs Services Partnership between Drug Concern and the Probation Service	To provide a treatment-based alternative to custody for offenders with drug problems, which addresses drug use and offending with an overall aim to reduce or cease both	Probation Service, Drug Concern,	Ongoing
	4.4. Provide core funding to Drug Concern – previously administered by the Board of Health	To enable the delivery of the core services of advice, information and support to drug users and their families and syringe exchange	Chief Officers' Drug Strategy Group	Jan 2004
	4.5. Develop community based drug user support groups	To provide a supportive environment which ensures that recovering drug users remain drug free	Drug Concern	June 2004
	4.6. Ensure that drug users on release from prison are engaged, retained and supported	To prevent relapse and offer support in maintaining a drug- free lifestyle	Drug Concern, Probation Service, Youth Services	March 2004
	4.7. Ensure that GP's receive training to work effectively with drug using patients	To address the general healthcare needs for drug using patients	Drug Strategy Co-ordinator UK providers	September 2004

	4.9 Ensure that all service users are involved in a process of consultation	To enable service delivery to be relevant to the needs of the service user	All drug related agencies for adults and young people	January 2004
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Appendix 13

PILLAR	OBJECTIVE	RATIONALE	WHO	TIMESCALE COMMENCEMENT
5. DATA COLLECTION, MONITORING AND TRAINING Collect and disseminate statistical information about patterns, trends and prevalence of drug use locally; Ensure all drug-related services are delivered using a quality assurance approach and are relevant to the needs of the Client group; Provide a rolling programme of training to ensure that local staff are trained to the highest standard and kept up to date with current practice and issues	5.1. Continue developing the Drug Misuse Database	To provide statistical information about trends To provide information to enable service development	Drug Strategy Co-ordinator	Ongoing
	5.2. Continue to audit local drug services	To ensure drug related services are working to approved standards To ensure that drug services are adhering to best practice guidelines for service delivery and professionalism	Drug Strategy Co-ordinator, South West Drug Services Audit Project	Ongoing
	5.3. Ensure all new and existing drug services adopt a Quality Assurance approach		Drug Strategy Co-ordinator	Jan 2004
	5.4. Continue to provide access to quality drug-related training for local staff	To ensure staff working with drug users have the appropriate knowledge and skills	Drug Strategy Co-ordinator, off-Island providers	Ongoing
	5.5. Provide funding for local non-statutory drug-related agencies to train staff in counselling to an approved professional standard	To ensure that agencies offering counselling are working within professional guidelines, and providing safe interventions. To ensure that counsellors receive quality supervision	Chief Officers' Drug Strategy Group	March 2004
	5.7. Create a part-time post for a Commissioning Officer	To provide monitoring of Service Level Agreements and support for all agencies providing drug related services	Chief Officers' Drug Strategy Group, Drug Strategy Co-ordinator, Civil Service Board	Jan 2004

	5.8 Provide strategic direction and information sharing between all agencies	Utilise the Drug Strategy Action Group to monitor developments, identify good practice and highlight changing needs	Drug Strategy Co-ordinator, Drug Strategy Action Group	Ongoing
	5.9 Continue with the post of Drug Strategy Co-ordinator	To ensure implementation of the aims and objectives of the Strategy To monitor and evaluate initiatives To manage the Drug Strategy budget To develop research programmes	CODSG, Presidents' Drug Policy Group	Ongoing
	5.10 Continue with the Chief Officers' Drug Strategy Group and Presidents' Drug Policy Group, developing these groups in line with changing needs	To develop policy To provide strategic direction and implementation of the Strategy		Ongoing

Appendix 14: Resource Requirements

Pillar	Ref App 13	Objective	Staffing/Implementation	Budget		
				2004	2005	2006
DEMAND REDUCTION	1.2	Extend funding for a full time Detached Youth Worker	1 x worker through Partnership Agreement with the Detached Youth Work Project	25000	25000	25000
	1.3	Continue with and extend the work of the Drugs Education Partnership in schools	Partnership Agreement with Drug Concern and Customs	18000	20000	20000
	1.4	Provide resources to enable teachers to keep their drugs knowledge up to date		5000	5000	5000
	1.6	Annual Drugs Awareness Week		9500	9500	9500
	1.7	Produce up to date and locally relevant literature		8000	8000	8000
	1.8	Continue to develop the Drug Strategy Website		1500	1500	1500
	1.9	Provide funding for group and individual work in the Prison	Partnership Agreement with Drug Concern	18000	18000	18000
	1.10	Provide grants for targeted, proactive initiatives		10000	10000	10000
Total for Demand Reduction				98000	100000	100000

Pillar	Ref App 13	Objective	Staffing/ Implementation	Budget		
				2004	2005	2006
SUPPLY REDUCTION	2.1	Provide grants for one-off specific projects that deter drug supplying		5000	5000	5000
	2.2	Continue with the Customs Media Release Service		9000	10000	10000
	2.3	Continue with the placement of posters at UK and French departure points		3000	5000	5000
Total for Supply Reduction				17000	20000	20000

Pillar	Ref App 13	Objective	Staffing/Implementation	Budget		
				2004	2005	2006
YOUNG PEOPLE & FAMILIES	3.1	Set up a peripatetic advice and information service for young people	Service Level Agreement with Guernsey NCH Youth Housing Project/NCH	35000	35000	35000
			Set up costs	5000		
			Sessional Staff costs	5000	5000	5000
	3.2	Set up a text messaging help line for young people	Service Level Agreement with non-Statutory Agency	15000	5000	5000
Total for Young People & Families				60000	45000	45000

Pillar	Ref App 13	Objective	Staffing/Implementation	Budget		
				2004	2005	2006
TREATMENT	4.2	Set up a community based multidisciplinary treatment service	'G' grade Community Psychiatric Nurse (BOH – existing post)	25376	26353	27344
			1 x FTE Admin Worker - AA2 (BOH – new post)	20162	21070	22023
			1 x Drugs Worker. Partnership Agreement with Drug Concern	28000	28000	28000
			Sessional staff cost	8000	8000	8000
			Premises costs: Rental at the Orchard Centre	5000	5000	5000
			Set up costs	10000	0	0
			Running Costs	3000	3000	3000
			Drug testing	16000	17000	18000
	4.3	Continue with the Criminal Justice Drugs Services Partnership between Drug Concern and the Probation Service	Service Level Agreement with Drug Concern (existing)	33500	33500	33500
	4.4	Move the core funding for Drug Concern from the Board of Health to the Drug Strategy, and provided sufficient funding to deliver core services – including syringe exchange	Service Level Agreement with Drug Concern	53000	53000	53000
	4.7	Ensure that GP's receive training to work effectively with drug using patients	Training costs	2500	2500	2500
Totals for Treatment				195538	188423	191367

Pillar	Ref App 13	Objective	Staffing/Implementation	Budget		
				2004	2005	2006
DATA COLLECTION, MONITORING & STAFF TRAINING	5.1	Continue developing the Drug Misuse Database		1000	1000	1000
	5.2	Continue to audit local drug services	South West Drug Services Audit Project	10000	10000	10000
			Other Consultants	5000	5000	5000
	5.4	Continue to provide access to quality drug-related training for local staff	Off-Island providers	25000	25000	25000
	5.5	Provide funding for local non-statutory drug-related agencies to train staff in counselling to an approved professional standard		10000	10000	10000
	5.7	Create a part-time post for a Commissioning Officer	1 x 0.83 FTE worker – EGIII (new post)	25285	26105	26955
	5.8	Provide strategic direction and information sharing between all agencies	Drug Strategy Action Group	2000	2000	2000
	5.9	Continue with the post of Drug Strategy Co-ordinator	Salary	43250	44516	45819
			Training & Conferences	8000	8000	8000
			Admin/IT supplies etc	6000	8000	8000
			Printing	15000	5000	5000
Totals for Data Collection, monitoring & training				150535	105421	146774

TOTAL BUDGETARY REQUIREMENTS FOR 3-YEAR STRATEGY

	2004	2005	2006	TOTALS
Demand Reduction	98000	100000	100000	298000
Supply Reduction	17000	20000	20000	57000
Young People & Families	60000	45000	45000	150000
Treatment	195538	188423	191367	575328
Data collection, monitoring & training	150535	105421	146774	402730
TOTALS	521073	458844	503141	1483058
Less Current Funding *	200000	200000	200000	600000
Extra Funding Required **	321073	258844	303141	883058

Notes:

* These figures assume the continuation of the £200000 per annum funding

** Board of Health Annual budgetary allocation to reduce by 37000 per annum (111000 over 3-year period): see para.5.6. Prison budgetary allocation to be reduced by 6000 per annum (18000 over 3-year period): see para. 2.5.1

Appendix 14b: Comparative Costs for 2003 & 2004
(New initiatives are highlighted)

	Strategy paragraph reference	2003 Budget	2004 Proposed budget
Detached Youth Worker (increased to full time from 2004)	2.1.2	5500	25000
Drugs Education Partnership (increased year groups from 2004)	2.2.2	8500	18000
Resources for teachers	2.3	0	5000
Annual Drugs Awareness Week	2.4.1	0	10000
Leaflets, literature	2.4.3	10000	8000
Drug Strategy Website	2.4.4	1500	1500
Funding for group and individual work in prison *	2.5.1	0	18000
Grants for targeted, proactive demand reduction initiatives	2.6	5000	10000
Grants for targeted proactive supply reduction initiatives	3.1	0	5000
Customs media release service	3.2	9000	9000
Placing posters at UK and French departure points	3.3	3000	3000
Peripatetic advice & information service for young people	4.1.2	0	45000
Text messaging helpline for young people	4.1.6	0	15000
G Grade Community Psychiatric Nurse	5.3.2	25376	25376
1 x FTE Administration Worker (treatment Service)	5.3.2	0	19112
Substance misuse Worker (treatment service)	5.3.2	0	28000
Sessional staff (treatment Service)	5.3.2	0	10000
Premises costs (treatment service)	5.3.2	0	5000
Set up costs (treatment service)	5.3.2	0	10000
Running costs (treatment service)	5.3.2	0	3000
Drug testing (treatment service)	5.3.2	0	16000
Criminal Justice Drugs Service	5.5.3	33500	33500
Core funding for Drug Concern **	5.8	0	53000
Training for GP's	5.3.4	0	2500
Drug Misuse Database	6.1.4	2000	1000
South West Drug Services Audit	6.2	6000	10000
Other Consultants	6.2	4000	5000
Training for Professionals	6.3.2	25000	25000
Counselling training	6.4	0	10000
Drug Strategy Commissioning Officer	6.6.4	0	24191
Drug Strategy Action Group	6.5.2	2000	2000
Drug Strategy Co-ordinator – salary, administration, IT, conferences & printing	6.5	58624	73214
TOTALS		200000	521073

* Currently funded by the prison @ £6000 per annum

** Currently funded from Board of Health £37000 per annum

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

21st August 2003

Dear Sir

Presidents' Drug Policy Group Bailiwick Drug Strategy 2004-2006

I refer to the letter dated 07 August 2003 addressed to you by the President of the Board of Health as Chairman of the Presidents' Drug Policy Group concerning proposals for the continuation of a strengthened Bailiwick Drug Strategy for a further three years to the end of 2006.

The Advisory and Finance Committee has noted, and is supportive of, the progress that has been made in tackling drug related issues since the inception of the original three-year strategy.

The Committee believes that the current proposals for a revised strategy will represent a significant element in the efforts being made to continue to retard problems developing in the community in relation to the use of illegal drugs. The model proposed by the Drug Policy Group provides an inter agency multidisciplinary approach, which is seen as vital in containing the growth of problems associated with the use of illegal drugs in the community.

The Advisory and Finance Committee supports the proposals of the Presidents' Drug Policy Group and in so doing notes that additional financial and staff resources will be required to support the revised strategy. The Committee believes, however, that such additional resources must be seen in the context of the much greater costs involved in addressing the problems associated with the use of illegal drugs, including customs and police resources, court costs, prison costs, health costs, industry costs etc.

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

Yours faithfully

L. C. MORGAN

President
States Advisory and Finance Committee

The States are asked to decide:-

XX.- Whether, after consideration of the Report dated the 7th August, 2003, of the States Board of Health, they are of opinion:-

1. To reaffirm the commitment of the States of Guernsey to tackling the issue of drug misuse in a cohesive, multi-agency approach, through the adoption of the five pillars and the objectives contained in the Bailiwick Drug Strategy.
2. To endorse the aims of the Bailiwick Drug Strategy which are to.
 reduce the demand for drugs
 reduce the supply of drugs
 provide initiatives for young people and families
 provide a range of treatment services appropriate for drug users
 provide a system of data collection, monitoring and staff training.
3. To approve the objectives outlined in Appendix 13 to that Report, recognising that full consultation must take place with the States Civil Service Board to secure the staff resources necessary to implement that Strategy, and to direct the States Civil Service Board to have due regard to the staffing implications of the States' decision on the proposals in paragraphs 5.3.2 and 6.6 of that Report when administering the Staff Limitation Policy.
4. To delegate responsibility for the implementation of the Bailiwick Drug Strategy to the Presidents' Drug Policy Group and the Chief Officers' Drug Strategy Group.
5. To authorise the States Board of Administration to submit a revenue budget for 2004 at a sum of £320,000 in excess of the approved cash limit and to direct the States Advisory and Finance Committee to take account of those costs when recommending to the States revenue allocations for 2005 and 2006.

STATES HOUSING AUTHORITY

**SCHEMES FOR THE PROVISION OF AFFORDABLE HOUSING – LEGISLATIVE
REQUIREMENTS**

11th August 2003

The President
States of Guernsey
Royal Court House
ST PETER PORT

Dear Sir,

**SCHEMES FOR THE PROVISION OF AFFORDABLE HOUSING - LEGISLATIVE
REQUIREMENTS**

Introduction

1. In a Policy Letter dated 29 December 2000, the Authority presented a preliminary report on its investigations into partial ownership schemes operating in the U K.
2. The States resolved as follows:
 - (i) that the Authority should undertake further analysis of the means of introducing partial ownership schemes in Guernsey; and
 - (ii) that the Authority should report back to the States with its findings including full details of the following:
 - (a) any legislation that may be required to enact such schemes;
 - (b) comparisons of the advantages and disadvantages of the various forms of partial ownership;
 - (c) the funding and other implications.
3. Subsequently, in November 2002, the States debated a requête signed by Deputy Berry and seven other members that sought to link a shared equity scheme to the provision of builder free plots.
4. The States accepted an amendment and resolved as follows:
 - To instruct the States Housing Authority to consider a self build scheme as one element of its broader initiatives on equity sharing and affordable housing, and report back to the States as soon as possible, having regard to the following principles.
 - That the rules for such self build, equity sharing and affordable housing schemes should be far less restrictive than those set out in the requête.

- That there should be no land zoned specifically for self build homes, but instead the Island Development Committee should pursue policies which will release sufficient development land to facilitate all equity sharing and affordable housing schemes approved by the States.
5. The Authority has made substantial progress in its investigations into equity sharing and affordable housing to the extent that two policy letters have been prepared setting out their details. These are:
 - a) Schemes for the provision of affordable housing - Legislative Requirements (this current policy letter)
 - b) Schemes for the provision of affordable housing - Operational Arrangements (to follow)
 6. Before submitting the second policy letter the Authority considers that the detailed operational arrangements should be thoroughly examined as part of Action Area A of the Corporate Housing Programme and against the principles set out in Mr Parr's Report on Guernsey's housing market, which questioned the use of various subsidies in relation to the operation of the market¹. This examination is proceeding in liaison with the Advisory and Finance Committee, who are the lead Committee for this action area.
 7. In the meantime, the general principles of the proposals have been discussed with H.M. Procureur, who has outlined some legislative measures which will be necessary, or desirable, if the Authority's proposals for affordable housing are accepted.
 8. **Some of these legislative measures may be regarded as property law reforms in their own right, and become part of our general law whether or not the proposed schemes are introduced, but they will be the minimum necessary for certain affordable housing schemes, as currently envisaged, to be legally and practically deliverable.**
 9. It is for this reason that the Authority has decided to submit this first policy letter to deal with the legislative issues. These issues will require an enabling Order in Council, and amendments to existing Orders in Council, which will necessarily take some months to progress.
 10. The Authority anticipates being able to submit the second policy letter setting out the operational arrangements of the proposed schemes during the first quarter of 2004.
 11. Although the Authority recognises that this is an unusual approach, this action should assist in the early introduction of any schemes which have the States' support when the investigations under the Corporate Housing Programme have been completed.
 12. A brief outline of alternative options is given below to assist in the understanding of the legislative details that follow.

Outline of proposals

¹ Appended to the joint policy letter from the Advisory and Finance Committee and the Housing Authority entitled "The Development of a Housing Strategy and Corporate Housing Programme" (Billet d'État II, February 2003).

13. The Authority's forthcoming policy letter currently proposes the early introduction of two schemes.
14. The first – "partial ownership" – is based on joint ownership of the dwelling, i.e. where ownership of the freehold of the dwelling is owned in undivided shares jointly, by the householder and another party, typically a housing association. (For an explanation of undivided ownership, see below at paragraph 18.) Those shares would not necessarily be equal. In such a situation, the householder may receive financial assistance to purchase his share of the dwelling. This will be from a housing association, or from a bank, in either case secured by a bond, i.e. registered charge, on the householder's share of the dwelling in the ordinary way. That share is not necessarily fixed, and the householder may be given an opportunity to increase his or her share by purchase from the housing association.
15. Under the second – "assisted purchase" – the householder will own the whole freehold of the dwelling, but will receive grant funded financial assistance, provided through a housing association loan to 'top-up' private sector borrowing and savings. The housing association loan will be secured by a bond on the percentage of the value of the property represented by the amount loaned.
16. The report also makes reference to a third option based on leasehold tenure, but H M Procureur has drawn attention to certain problems with this option in Guernsey, principally because of the difficulties in obtaining effective security, and enforcing that security, over a leasehold interest, and in a lender in balancing the respective rights of the landlord (typically but not necessarily a housing association) and the lender (which may be the housing association, but which may be a commercial lender). It is proposed that a separate report on leasehold schemes will be submitted after fuller investigations and consultations.

Legislation required to implement Partial Ownership and Assisted Purchase Schemes

17. It is essential in order to maintain the stock of social housing for those in need that the provider, i.e. usually a housing association under the scheme – be it partial ownership or assisted purchase – has the ability reasonably to control the householder's share in a joint ownership scheme, and the householder's property in an assisted purchase scheme. Such control will primarily be exercised through the contractual arrangements and rules that will govern each scheme and which will bind the householders individually, but in order to be effective these must be underpinned by legislation giving to the housing association the requisite legal rights. A householder may cease to qualify for the provision of affordable housing e.g. because his or her financial circumstances have dramatically changed (winning the lottery) or the householder may die and the property, or the householder's share, become inherited by one or more persons who do not qualify; or, in a more extreme case, because he or she simply cannot, and has no reasonable prospect of ever being able to, fund his or her participation in the scheme; or, most extremely, because he or she is in persistent breach of the rules applicable to the scheme. In any such circumstance, the provider, usually a housing association, must have the right to require that the property (in an assisted purchase scheme), or the householder's share of the property (in a partial ownership scheme) be returned to the housing association to enable it to be made available to another needy recipient of social housing. What follows represents H.M. Procureur's considered views as to the minimum enabling legislative requirements on the basis of the outlines of the schemes as presently formulated.

18. When freehold property is held jointly in undivided shares (that is, where each joint owner owns a proportion, which may be equal or unequal, of the whole), under Guernsey law either party to the joint ownership can require the joint ownership to come to an end at any time. If there is disagreement between the joint owners about how the property is then to be dealt with, in effect, one party will buy out the other party, or the property is sold and the net proceeds divided between the joint owners, taking account of the parties' respective shares. (Less usually, the property itself may be split into separate parts, but this is unlikely ever to arise in the context of an affordable housing scheme.)
19. Joint undivided ownership will be used for a partial ownership scheme, the provider owning a share of the property and the householder owning the remaining share. There will be circumstances in which the right of a householder effectively to buy out the provider's (i.e. housing association's) share, or to force a sale, would be undesirable, and negate the purposes of the scheme. For example, where dwellings are specifically created for an affordable housing market, controls to retain those dwellings in that market must be appropriate. These could take the form of an agreement between the householder and the housing association, in which the former would waive his right to bring the joint ownership to an end. This may be necessary to protect a scheme from unscrupulous householders. In order to reinforce this position, it will be necessary to provide by legislation that an agreement between co-owners, that one or both of them should not be able to buy the other out, or to force a sale, should be available in respect of the property and be valid and binding on the parties and their respective successors in title, and that such agreement should otherwise be enforceable in accordance with its terms. Execution of such an agreement would be a condition of participation in a partial ownership scheme. If this is agreed, it will be necessary in the legislation to provide for the protection of commercial (as opposed to housing association) lenders, and to creditors of the householder. In the context of an affordable joint ownership housing scheme, it will be the householder, by agreement, who forgoes his right to require the joint ownership to come to an end, and the housing association would – as it must – retain rights with respect to the share of the householder: see below.
20. The Authority has been advised that a housing association scheme should be supported by legislation to make certain that rights in real property in the nature of rights of 'first refusal', or pre-emption, and rights in the nature of options, are enforceable against successors in title indefinitely, unless the original parties stipulate to the contrary. Such enforceability as against subsequent owners would be a stipulation in the agreement between the housing association and the first householder.
21. The housing association would need to be given a right of first refusal (or pre-emption), if the householder wished to sell the property, or his share in the property, to be able to sell the property, or that share, to another qualifying affordable householder, but which right the housing association could waive if the householder found a purchaser who fulfilled the criteria for owning property from the affordable housing stock, and the housing association agreed to the householder's prospective purchaser, and the prospective purchaser agreed to become bound by the rules of the scheme. As between the housing association and the first householder, such a right would be enforceable, but doubt exists in Guernsey law whether the right is enforceable by the housing association against subsequent owners of the property, or of the householder's share in the property. Accordingly, legislation is again necessary to remedy that doubt, to provide that those who subsequently buy the property, or the selling householder's share, are bound by the housing association's right of first refusal.

22. There may also be circumstances in which a housing association may wish or need to reacquire the property (in an assisted purchase scheme), or the share of a property (in a partial ownership scheme) held by a qualifying affordable householder; for example, where the householder's financial circumstances have so changed as to disqualify him from remaining in affordable housing, and which enable him to move to the 'ordinary' market without financial difficulty; or where the householder is in breach of the rules applicable to a housing scheme: see above at 17. This could be achieved by giving the housing association, in such circumstances, the right to require the householder to transfer the property, or his interest in the property, to the housing association, or to the housing association's assignee, i.e. another qualifying affordable householder approved by the housing association as the successor householder. Such a right, as in the case of a right of 'first refusal', needs to be enforceable against successors in title indefinitely unless the original parties stipulate to the contrary.
23. H.M. Procureur has also advised that, in working out the details of any of the two schemes referred to above, further legislative requirements may emerge, particularly in relation to:
 - (a) saisie, i.e. the process by which a lender, which may be a housing association, enforces its bond, i.e. security, over property;
 - (b) the eviction of a householder whose property, or share of a property, has been reacquired by the provider, e.g. housing association, perhaps because the householder no longer qualifies for affordable housing, or because the householder is in breach of his agreement with the provider;
 - (c) the legislation relating to tax on rateable values;
 - (d) the legislation relating to Dwellings Profits Tax;
 - (e) the enforcement of the rights of a provider in the event of a householder refusing, neglecting or avoiding to comply with any requirements of a scheme imposed by the provider.

If and insofar as further legislative requirements may emerge (and it must be acknowledged that H.M. Procureur has tendered his advice without the specific details of either of the affordable housing schemes being finalised), these can be the subject of further policy letters, and the legislation would be drafted so as to be flexible to meet changing circumstances. Indeed, H.M. Procureur recommends that the legislation recommended in paragraphs 19, 21 and 22 of this Policy Letter should be drafted as enabling legislation, giving the States power, by Ordinance, to make the necessary legal provisions generally in relation to the provision of social housing by housing associations and others, and in relation to partial ownership and assisted purchase schemes. This will provide flexibility and allow the States to legislate more quickly and responsively, if necessary.

Document Duty

24. Bonds in favour of the States (such as those which secure lending under the States Home Loans Scheme) are exempt from document duty.

25. The States has agreed that housing associations should be established to undertake the provision and management of social housing which would otherwise fall exclusively on the Housing Authority.
26. With the introduction of affordable housing schemes in Guernsey, it is inevitable that housing associations will be prime participants in such schemes and it is also likely that bonds will be registered in favour of a housing association.
27. Although housing associations are independent of the States, they are dependent (to a large extent) on public funding through a system of grants, and in view of this the Authority recommends that the Document Duty legislation be further amended to provide that a bond given by a borrower in favour of a housing association in respect of a loan for a private dwelling, or a share in a private dwelling, and secured on that dwelling or share, should be exempt from document duty.
28. On a more general note the Authority considers that there is also merit in further amending the Document Duty legislation so that all conveyances and bonds connected with the provision of social and assisted housing should be exempt from Document Duty, and that the Advisory and Finance Committee should be empowered to grant exemption to any such scheme as it may prescribe by regulation.

Recommendations

The Authority recommends the States:

1. To approve that legislation be enacted along the lines set out in paragraphs 19, 21, 22 and 23 of this report.
2. To approve that the Order in Council entitled The Document Duty (Guernsey) Law 1973, as amended and the Ordinances under it, be amended along the lines set out in paragraphs 24 to 28 of this report.

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

Yours faithfully

B. M. FLOUQUET

President
States Housing Authority

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

16th August 2003

Dear Sir

PARTIAL OWNERSHIP SCHEMES - LEGISLATIVE REQUIREMENTS

I refer to the policy letter dated 11th August 2003 from the President of the Housing Authority on the above subject.

The Advisory and Finance Committee considers that it would be very helpful to make progress with the legislation necessary to provide affordable housing on a partial ownership basis whilst the Housing Authority considers the operational arrangements for implementing the scheme.

The initiative forms part of the Corporate Housing Programme which is recognised a matter of priority by the States. Accordingly, the Committee has agreed that the drafting of legislation should be given Category 'A' (top priority) status.

Yours faithfully

L. C. MORGAN

President
Advisory and Finance Committee

The States are asked to decide;-

XXI.- Whether, after consideration of the Report dated the 11th August, 2003, of the States Housing Authority, they are of opinion:-

1. That legislation shall be enacted along the lines set out in paragraphs 19, 21, 22 and 23 of that Report concerning partial ownership and assisted purchase schemes.
2. That the Order in Council entitled The Document Duty (Guernsey) Law 1973, as amended and the Ordinances under it, shall be amended along the lines set out in paragraphs 24 to 28 of that Report.
3. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

STATES HOUSING AUTHORITY**SALE OF INCOMPATIBLE STATES HOUSE - LA PLANQUE FARM**

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

11 August 2003

Dear Sir

Sale of Incompatible States House - La Planque Farm**Introduction**

By resolution of the States on 31 January 1996 (Billet d'Etat XXIV, 1995), it was agreed, in principle, that any dwellings administered by the States Housing Authority which were not originally purpose built by the States for letting to States' tenants could be sold if they were considered by the Authority to be incompatible with the needs of States' tenants.

In the body of the report leading to this resolution, it was stated that individual sales would be subject to the approval of the Advisory and Finance Committee under the States Land and Property Transaction Rules, provided *inter alia* that the properties did not exceed £250,000 in value.

With few exceptions, sales of incompatible States' houses have subsequently been approved by the Advisory and Finance Committee under these Rules, the sales being notified to the States as part of the annual Policy and Resource Planning and Budget Reports.

However, because the threshold by which the Advisory and Finance Committee may approve sales is £250,000 it is necessary for the Authority to seek States' approval to the sale of the incompatible property known as "La Planque Farm".

La Planque Farm

La Planque Farm is a three-bedroomed house situated in Les Ozouets in the parish of St Peter Port. The property is unoccupied as it requires extensive internal works in order to bring the property up to any form of habitable state.

Additionally, the entire building, including the boundary walls, have been entered on to the Register of Ancient Monuments and Protected Buildings by the Heritage Committee. The implications of this have been to limit significantly the Authority's ability to modify the property's internal layout in order to adapt it to provide modern, social rented housing.

This has been confirmed by the fact that the property has been offered to the Guernsey Housing Association, who likewise have been unable to come up with an economically viable scheme to effect its refurbishment as part of their social housing portfolio.

Consequently, the Authority took the decision to dispose of the property, with the intention that the net proceeds of the sale be credited to the States Houses Fund for the purpose of assisting in the funding of new States' houses, in accordance with the recent States' resolution transferring the balance of previous sales to that Fund (Billet d'Etat XIV, 2003) .

The Authority sought the advice of three local estate agents, who confirmed that the property was suitable for conversion into a substantial family home. Based on their advice, the property was marketed at a price of £280,000, and an offer for that price has been accepted by the Authority (subject to States' approval) from a private purchaser who wishes to acquire the property for their own occupation as a family home.

Recommendations

The States Housing Authority accordingly recommends the States as follows:

- (i) to agree the sale of the property known as La Planque Farm, Les Ozouets, St Peter Port;
- (ii) to authorise the Advisory and Finance Committee to approve the terms under which the property is sold;
- (iii) to agree that the net proceeds of the sale be credited to the States Houses Fund to assist with the funding of replacement States' housing stock.

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

Yours faithfully,

B. M. FLOUQUET

President
States Housing Authority

(The States Advisory and Finance Committee supports the proposals)

The States are asked to decide:-

XXII.- Whether, after consideration of the Report dated the 11th August, 2003, of the States Housing Authority, they are of opinion:-

1. To agree the sale of the property known as La Planque Farm, Les Ozouets, St Peter Port.
2. To authorise the States Advisory and Finance Committee to approve the terms under which the property is sold.
3. That the net proceeds of the sale be credited to the States Houses Fund to assist with the funding of replacement States' housing stock.

STATES TOURIST BOARD

HOTEL CASINO CONCESSION

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

21st August 2003

Dear Sir,

HOTEL CASINO CONCESSION

Introduction

1. On the 15th October, 1998, the States, after consideration of a report dated the 18th August 1998 from the States Tourist Board entitled “Future Hotel Investment – The development of a hotel with casino facilities in Guernsey” (Billet d’Etat XX, 1998) resolved:
 - (a) That appropriate legislation shall be enacted which will permit casino gaming in the Island of Guernsey, as set out in paragraph 8.14 of that Report.
 - (b) To authorise the States Tourist Board, in conjunction with the States Advisory and Finance Committee, to initiate, or continue, discussions with persons or corporate bodies interested in establishing a casino in Guernsey, on the understanding that a condition on the granting of the casino licence will be substantial hotel investment on the same site as the casino.
 - (c) To direct the preparation of such legislation as may be necessary to give effect to the above decisions including such consequential and incidental matters as may arise in the course of drafting.
2. In taking the decision to lay the proposals before the States the Board took into consideration the following factors with regard to the tourist industry in the Island at that particular time:

- (a) That there were two former hotel sites along Gategny Esplanade, which were zoned for hotel redevelopment, but which had not succeeded in attracting the necessary financial investment. In this regard it was noted that investment in new hotel stock was very difficult to obtain and the Island did not have a system of financial assistance in place, as exists in other destinations, that would help significantly to attract such investment.
 - (b) The Board had identified, against a background of a gradual reduction in the total number of tourism beds, a strategic need to upgrade the overall quality of the Island's core bed stock in order to meet market trends. A new high quality hotel would provide an exciting new facility, but also a stimulus to the market to improve standards overall.
 - (c) In particular the Board had identified an opportunity for the Island, through the establishment of a new high quality hotel, more effectively to meet accommodation needs related to the finance industry and to develop a new market based on the provision of this accommodation.
 - (d) Preliminary discussions with hotel and casino operators in the UK had indicated that, based on experience elsewhere including the Isle of Man, there was a real opportunity to establish a hotel with a casino in Guernsey. Their opinion was that the income from such a casino would be considered by potential investors as sufficient encouragement to redevelop hotel accommodation and facilities in the Island. However, due to the size of the Island's market and population, this benefit would only be realised if restricted to one single casino licence being granted.
 - (e) The Board's investigations had shown that, provided that a casino was well established and regulated, fears that had been expressed about the consequences of a casino in Guernsey were unfounded. Indeed, worldwide, casinos were becoming an increasingly acceptable and sought after form of entertainment, particularly in established visitor destinations.
3. These reasons were explained fully in the above Report that laid before the States a proposal that the granting of a casino concession should be conditional on the development of a new hotel. However, as a result of an amendment during the States' debate the parameters were broadened to include the possible incorporation of a casino as part of the development of an existing hotel. It is understood that this amendment was put forward primarily on the basis that there should be a "level playing field" in order to permit existing hotels the possibility of establishing a casino.
 4. The 1998 Report sets out in some detail the arguments for permitting a casino in Guernsey. The arguments put forward remain substantially the same today. Indeed, since that date there continue to be new casinos opening in various destinations, including in the United Kingdom, which, traditionally has had very

stringent requirements with regard to casino provision. The Budd Report has reviewed the existing UK legislation in the light of current circumstances and advocated a substantial liberalisation of the current requirements. If put into practice, and it is understood that this is the firm intention as soon as it can be practically achieved, this will make it significantly easier for casinos to open and operate.

5. However, in terms of the opportunities to set up a casino locally, a major change has occurred in that in planning terms the two zoned hotel sites along the Glatigny Esplanade have been lost to tourism. The lack of availability of a specifically zoned site for a new hotel has significantly affected the application process for the hotel casino concession and further reference to this is made later in this Report.
6. Following the 1998 States' Resolution, the Board quickly made contact with international hotel and casino organisations and a number indicated initial interest in the project. Some visited the Island in order to investigate the local situation and possibilities further. However a point was reached in these discussions when it became apparent that, whatever information the Board could give on its intentions with regard to the nature and size of the casino, little real further progress could be made until the necessary legislation for the regulation of the casino had been put in place.
7. This legislation would define the regulations under which the casino would operate, based on the nature, style and size of casino thought to be appropriate for the Island.

Legislation

8. The legislation governing the establishment and operation of a casino in Guernsey is of course the responsibility of the Gambling Control Committee, and the Board's view has always been that any casino in Guernsey had to be operated to the highest international gaming regulation standards. However, the complexity of the legislation required to govern a casino operation is such that it can take a significant time for the required legislation and administrative procedures to be put into effect, particularly as any new jurisdiction entering the market often sets new and higher standards in regulation that are subsequently emulated elsewhere.
9. Following the necessary investigations and consultations the Guernsey Gambling Commission Law, 2001, and the Gambling (Casino Gaming) Ordinance, 2001 finally came into effect on the 30th January, 2002, and The Hotel Casino Concession (Guernsey) Law, 2001, on the 31st July, 2002. It was at this latter point that the Board was able to begin the formal application process for the Hotel Casino Concession. The Board is grateful for the co-operation of the Gambling Control Committee, the Gambling Control Commission, and the Law Officers, in

the work it has carried out to date in ensuring that the necessary legislation is in place.

The Hotel Casino Concession Application Process.

10. Towards the end of 2001, and with the formal application process on the horizon, the Tourist Board decided that, in view of the potential scope and complexity of the Concession application process, it would be advisable to obtain independent professional advice and assistance. This would be particularly important in ensuring that the application process was seen to be carried out in a fully professional and impartial manner with no possibility of any local bias, however unintentional.
11. In particular there would be a need to evaluate and assess in an objective and transparent manner what would be complex and comprehensive application documents and information. Special competencies in the technical expertise relative to the complexities of a casino operation were also important. Further, and in accordance with the application procedures specified in the legislation approved by the States, the integrity, background and financial resources of all applicants would need to be investigated to be sure that they would have the resources to bring the project to fruition, and were persons of probity and experience to whom a casino licence would be likely to be granted. This was especially important given the status and recognition Guernsey holds as a well-regulated finance centre.
12. Having obtained the agreement of the Advisory and Finance Committee, Ernst & Young were appointed in December 2001 to carry out this work, but this appointment was on the basis that a concession fee would cover all of the costs associated with the hotel casino concession application process. The States would cover the cost of the involvement of Ernst & Young and would recover it from the successful applicant (by way of a one-off concessionary fee). The Board can confirm that the advice and assistance received from Ernst and Young have been instrumental in making sure that the application process has been carried out in a fully professional manner, and in investigating, assessing, and advising on applications. This has played a major part helping to formulate the proposals that the Board is recommending to the States in this Report.
13. Application documents were circulated very quickly following the coming into force of the Hotel Casino Concession Law in July 2002, and the date of return of the applications was initially set as the 29th November 2002. Some 19 interested parties had requested and received the application documents, and 5 organisations took up the offer of a site visit to the Island. The visit included a meeting in order to answer any questions that the interested parties might have on the application process and on the Board's intentions with regard to the casino. These meetings took place in September, 2002.

14. At these meetings further questions were raised as to the detailed regulations (under the provisions of the Casino Gaming Ordinance (Guernsey), 2001), and operations policy that would be put in place and would clearly fall to the responsibility of the Guernsey Gambling Control Commission. These Regulations would have clear implications for the financial projections for, and results of, the casino and therefore for the whole project. However at that point the States had not yet had the opportunity of appointing the Commissioners, who were subsequently appointed at the States meeting in December 2002.
15. Having considered the matter in depth the Board agreed, albeit reluctantly, to extend the date for the receipt of the applications until the 22nd April 2003. This was to ensure that, with the final Regulations in place, all applications could be submitted on as complete a basis of fact as possible. In this regard the Board continued to be conscious that the whole process had to be as transparent, fair, and open as possible, with a particular need to minimise any possibility of misunderstandings that might result from a lack of information. Any such misunderstandings could subsequently lead to significant problems in the future.

The Preferred Applicant

16. The full application process has now been completed and the Board has to report to the States that only one application for the Hotel Casino Concession has been received, and that is from St Pierre Park. While to some extent the Board is disappointed by this outcome, it has to say that, following a full and detailed assessment, the quality of the submission made for a casino to be integrated into the future development of the St Pierre Park Hotel as a resort destination is excellent.
17. The application is submitted in the name of St Pierre Park Casino Ltd., but the submission makes clear that St Pierre Park Casino Ltd is a subsidiary of St Pierre Park Hotel Ltd, to whom, under the provisions of the Hotel Casino Concession (Guernsey) Law 2001, the Hotel Casino Concession would be required to be granted. This is in turn a subsidiary of Ann Street Group Ltd., the share capital of which has recently been acquired by C.I.Traders, a company listed on the Alternative Investment Market of the London Stock Exchange, and currently the largest trading company in the Channel Islands.
18. As noted above, the Board's original proposals were to encourage the development of a new hotel on one of the sites that was then available along the Gategny Esplanade, with a view to establishing a new hotel with a casino, potentially by a substantial hotel operator from outside the Island. For example a facility of this nature already exists on the waterfront in Douglas, Isle of Man.
19. In discussions with casino hotel developers however it became clear that the lack of clear availability of a site severely constrained their interest in pursuing the

project as originally conceived. These discussions also emphasised that there were different market opportunities that, if pursued, could also be of significant advantage to the tourist industry in the Island. **This was the development of a new form of “resort destination”, whereby the casino would be integrated with and form part of a range of other leisure and recreational facilities.**

20. In effect, while there has been a general move towards the more independent traveller, there continues to be a healthy demand for good quality resort facilities of this nature, particularly for short breaks. There are therefore excellent reasons to support such a development. The benefits would not be restricted to the hotel itself as visitors will spend money throughout the economy and may well return, potentially occupying alternative accommodation. Other accommodation providers will also benefit from the improved facilities at St Pierre Park, as the casino and other facilities will also be available to their residents who may well not be seeking the style of accommodation offered by St Pierre Park itself.
21. In reality such a “resort” is a further development of what the St Pierre Park provided when it was first built, but since that time the expectations of the market in terms of quality and facilities have significantly increased. There now exists, however, an opportunity to reinvigorate that market and provide a high quality hotel which will meet the expectations of those seeking a leisure break of this nature in Guernsey, as well as of business visitors who appreciate a comprehensive range of facilities in an up-to-date and modern resort complex.

The St Pierre Park Application

22. How St Pierre Park Hotel might meet that opportunity is set out in a comprehensive vision, which is fully described and illustrated in the St Pierre Park application documents. As part of a re-positioning of the hotel, this vision incorporated the following components as parts of a substantial redevelopment and possible extension of the hotel (the master plan illustrating the development has been attached to this Report as the first page of Appendix C):
 - A total renovation of all 130 existing bedrooms, including 12 new suites
 - Increased conference facilities
 - Increased banqueting facilities
 - A new casino offering a salle privée, eight gaming tables and up to 100 machines
 - New fine dining and brasserie restaurants with an al fresco terrace
 - New bars and nightclub
 - New 36-seat screening room for presentations
 - 24 new bedrooms, bringing the total to 154 rooms
 - New leisure venue incorporating an exclusive leisure club, golf, swimming pool, floodlit tennis, gym, spa/treatment rooms/squash
 - Related additional staff accommodation and car parking

The total capital cost was estimated as being of the order of £25m.

23. The Board noted this vision for the future development of St Pierre Park, and took the view that, when completed, the redeveloped hotel/resort complex would provide an exciting addition to the Island's accommodation portfolio, and set a new standard for high quality accommodation in the Island. It would therefore have no hesitation in recommending to the States that the Hotel Casino Concession be granted to St Pierre Park Hotel Ltd., subject to the substantial investment proposed for the redevelopment of the St Pierre Park Hotel.
24. However attractive the vision, it was essential to ensure that the project could come to fruition in reality and with this in mind the Board entered into detailed discussions with St Pierre Park in order to establish a firm programme for the completion of the project.
25. As a result of these discussions, a specific requirement emerged which was to ensure that the entire project could be completed without placing the hotel in a situation of significant financial risk. With this objective in mind, the following factors were considered to be of particular importance:
 - (a) While preliminary estimations of cost had been included in the application documents, the detailed design has not yet been completed, costed, and put out to tender;
 - (b) In particular, the level of local building costs is now estimated to be some 47% above the UK, as compared with 25% in the original submission;
 - (c) Given current room occupation rates, the construction of the additional bedrooms at the beginning of the project is unnecessary and would be a drain on the finances of the hotel. The construction of these rooms can only be justified once the hotel's room occupation rates have reached a satisfactory level;
 - (d) Provision of additional rooms at this stage could lead to lower occupancy rates and therefore downward pressure on room rates, not just at St. Pierre Park, but also in other similar establishments;
 - (e) If the project were completed as one single phase, it would be necessary for the hotel to be closed for a long period of time, which in itself would be expensive, but would also subsequently lead to the need for an expensive re-launch.
26. The result of these discussions is that it was agreed to recommend a phased approach to the achievement of the project, which is summarised in the following paragraphs. It is also described in greater detail in the draft legal agreement that is attached as Appendices A and B to this policy letter, and which has been drawn

up with the assistance of the Law Officers of the Crown to be legally binding on both parties to guarantee that the development timetable as set out is achieved. **It should be noted that it is recommended that the casino licence be granted in respect of Phase 1, but subject to further developments being completed within a specified timescale, or subject to particular conditions.**

27. Phase 1

- (a) The construction and development of all areas on the ground floor of the central block of the St Pierre Park premises (including reception, conference and banqueting areas, restaurant and nightclub).
- (b) The construction and development of the casino on the first floor of the hotel, above the restaurant and nightclub).
- (c) The construction and development of 12 new suites on the first floor of the central block.
- (d) The remodelling and renovation of 32 en suite rooms situated on both the first and second floors of the central block.
- (e) The development of a brasserie restaurant on the lower ground floor to replace the restaurant currently known as the Café Renoir.

It is estimated that the value of the investment related solely to Phase 1 of the project amounts to some £13 million, with the requirement being that it is completed within three years of the date of the States' Resolution.

28. Phase 2

Within two years of the completion of Phase 1, the completion of the remodelling and renovation of the remaining bedrooms currently available in the hotel, and situated in the accommodation block attached to the central area.

29. Phase 3

The construction of the 24 additional bedrooms, which would become a requirement within two years of the average annual room occupancy of the rooms already situated in the hotel reaching 75%.

Other Elements

- 30. Under the recommended phased approach as outlined above there are two elements of the overall project which, in order to simplify its implementation, have been removed as specific requirements of the grant of the casino concession:

- (a) The development of the new leisure complex to the west of the hotel itself. This will be pursued as a separate project and within a timescale which is suitable to the needs of that particular project. The intention is that it will be completed in the early stages of the implementation of the overall scheme.
 - (b) The new staff accommodation block. Staff accommodation is considered to be an operational issue for the St Pierre Park and other hotels within the group. Adequate staff accommodation available to the group already exists on other sites and this is available to be allocated to the St Pierre Park hotel, at least to cover the staff accommodation needs which have been identified at the beginning of the project. However, it should be noted that additional staff accommodation will be likely to be required in the future and will be pursued at the appropriate time.
- 31. The Board would have preferred that the proposals for the redevelopment of St Pierre Park could have been in one single phase, but given the cost and complexity of the project it does recognise both the practical and financial difficulties of achieving the project in this way. To do so would have meant the whole hotel closing for a period of at least nine months. It is of the view that the proposals as agreed between the Board and St Pierre Park Hotel represent a realistic and practical way forward, in particular in that:
 - (a) A capital investment of £13million in the development of the hotel, required to be completed prior to the release of the casino concession, already represents in itself a significant investment in the future of tourism, and will also be supplemented by further investment in the future.
 - (b) A result of the investment will be a substantial remodelling and re-positioning of the hotel to meet emerging market expectations for both leisure and business tourism
 - (c) As referred to above, the redevelopment of St Pierre Park as a high quality hotel will not only provide an exciting new facility in itself, but will also act as a stimulus to other accommodation providers to improve standards overall
- 32. In terms of future possible costs to the States, the business plan submitted makes it clear that there is an allowance both to recover the costs of the Hotel Casino Concession application process (£400,000), and of the annual administration costs of the Guernsey Gambling Control Commission (estimated at £350,000 per annum). Therefore, there will be no additional costs incurred by the States.
- 33. **The Board is firmly of the view that the proposals put forward by St Pierre Park Casino Ltd fully meet the States' requirement that the granting of the casino concession should be subject to substantial hotel investment on the**

same site. It therefore has no hesitation in recommending that, in accordance with the provisions of the Hotel Casino Concession Law 2001, the States agree to grant the Hotel Casino Concession to the applicant, subject to the phased redevelopment of the St Pierre Park Hotel as specified in the Conditions attached as Appendices A and B.

34. Given that the casino will not be operational at least until the first phase has been completed, it is recommended that on this occasion the Concession is granted for a period of ten years from the date of effective completion of Phase 1 of the project.

Other Issues

35. The Board would like to make particular reference to the following issues that are relevant to the development as submitted:

a. Policing and Supervision of Casino

A casino clearly has a high cash turnover and can therefore be open to abuse through cheating, theft, and other illegal activities. It is for this reason that a well-regulated and supervised casino has in place the appropriate equipment and administrative systems and procedures to, as far as possible, prevent such abuses from happening. This issue is primarily the responsibility of the Guernsey Gambling Control Commission, but the proposals as submitted make provision for a Compliance Committee under the chairmanship of a former Chief Inspector of the United Kingdom Gaming Board. This Committee will report directly to the Chairman of C.I. Traders, but will also have the right to be in direct contact with the Commission. In addition, in its management structure the applicant has secured the services of persons with a wide range of experience of casino operations and compliance requirements.

b. Staff Accommodation

A casino requires a significant number of staff in its operation (in this instance up to 52), and the requirement to employ experienced and properly licensed staff will mean that in its early years at least, there will be a need to find significant numbers of staff from outside the Island who have suitable casino gaming experience. With this in mind St Pierre Park have undertaken to provide suitable staff accommodation, initially from its existing pool of accommodation, but if required through the construction of an additional block of staff accommodation.

c. Staff Training

The submission lays great emphasis on the need for effective staff training, both to ensure the correct operation of the casino for the already qualified staff, but also to train local persons for employment in the casino industry in due course.

d. Marketing Strategy and Business Plan

Included in the submission are a detailed Business Plan and Marketing Strategy. These have been reviewed by Ernst & Young who have stated that in their view the projections are based on reasonable, prudent assumptions.

e. Maintenance and Operations Policy

A matter to which the Board has given priority is the need to ensure that once the facility is established it is maintained and operated to the appropriate standards over the whole term of the Concession. This is true both of the casino itself and of the associated hotel and other facilities which are included in, or are a condition of, the Concession. The legislations requires, as a condition on the grant of the concession, the production of a detailed operations policy, including maintenance schedules, as well as provisions for the concession to be suspended or revoked if this policy is not adhered to.

f. Social Impact

As with other forms of gambling, ‘problem gambling’ can become an issue for a small minority of the population. The applicants have stated that they will draw up and apply a Code of Conduct for staff to assist them in detecting and dealing with ‘problem’ and ‘compulsive’ gambling. In this regard it should be noted that the Chairman of the Compliance Committee is a Trustee of Gamcare, the UK Charity that has a broad experience of this issue. They have also stated that they are happy to co-operate in any research that may be undertaken into problem and compulsive gambling and its consequences.

g. Planning

The Board has noted that the applicants are already in discussions with the Island Development Committee and understand that there is scope within the scheme for the Island Development Committee’s concerns to be satisfactorily addressed, in order to facilitate the development going ahead as scheduled.

Conclusion

- 36. Therefore the Board is recommending that the States grant the Hotel Casino Concession to St Pierre Park Hotel Ltd., subject to the substantial investment proposed for the redevelopment on a phased basis of the St Pierre Park Hotel.** Such a grant would be subject to the Conditions attached to this report as Appendices A and B. The Board is of the view that, when completed as specified the redeveloped hotel/resort complex will provide an exciting addition to the

Island's accommodation portfolio, and set a new standard for high quality accommodation in the Island.

37. The Tourist Board believes that the process of investigating and bringing forward proposals for a casino with associated hotel investment in Guernsey has been fully worthwhile. Given the financial and planning constraints under which the tourism industry operates within the Island, the outcome represents a unique opportunity to develop a tourism and leisure facility that will be of benefit not just to tourism, but also to the social life of the community.
38. C.I Traders is a local company that has a broad experience of the local tourism economy, the markets that it can attract, and how it can be developed for the future. In the Board's view, it is particularly significant that a local company with a detailed knowledge of the local economy is prepared to make such a substantial investment in the future and which is an important indicator of confidence to other potential investors. In addition, the comprehensiveness of the application documents gives confidence that the project has been thoroughly investigated and assessed.
39. The Board therefore has no hesitation in laying the following Recommendation before the States for approval.

Recommendation:

40. The Board recommends the States to resolve that a concession under the provisions of the Hotel Casino Concession (Guernsey) Law, 2001, shall be granted to St Pierre Park Hotel Limited in respect of the premises to be known as the St Pierre Park Hotel and Casino Resort, Rohais, Saint Peter Port:-
 - (a) provided that the conditions precedent set out in Appendix A to this Letter are satisfied within 3 years of the date of the making of the resolution; and
 - (b) subject to the conditions appearing in Appendix B to this Letter.
41. I should be grateful if you would lay this matter before the States with appropriate propositions.

Yours faithfully

G. J. NORMAN

President
Guernsey Tourist Board

Appendix A

Conditions precedent

1. That the proposed concessionaire completes, in accordance with the written permission of the Island Development Committee given under the provisions of the Island Development (Guernsey) Law, 1966 (as amended), the following elements (the “Phase 1 elements”) of the development described in its application for the concession dated 22 April 2003 (the “Application”) -
 - (a) construction and development of all areas on the ground floor of the hotel premises, as indicated at pages 6 and 7 of that part of the Application contained in an A3 folder entitled “Book Two - Plans and Illustrations” (“Book Two”) ;
 - (b) construction and development of the casino premises, as indicated at page 23 of Book Two;
 - (c) construction and development of the 12 new suites (comprising 2 Grand Suites, 5 Master Suites, 3 Junior Suites and 2 Family Suites), as indicated at page 34 of Book Two;
 - (d) remodelling and renovation of the 10 existing ensuite rooms, as indicated at page 22 of Book Two;
 - (e) remodelling and renovation of 22 bedrooms on the second floor of the central block of the hotel premises; and
 - (f) development of the restaurant currently known as Café Renoir on the lower ground floor of the hotel premises, as indicated at page 42 of Book Two and described there as the “Brasserie Restaurant”,

completion to be demonstrated to the reasonable satisfaction of the Tourist Board (the “Board”) by production to the Board of a statement of or certificate verifying practical completion of the Phase 1 elements signed by the project architect or engineer.
2. That the proposed concessionaire obtains the conditional agreement of the Guernsey Gambling Control Commission to the grant of a licence under the provisions of the Gambling (Casino Gaming) Ordinance, 2001 (a “casino operator’s licence”) in respect of that part of the development described in the Application constituting the casino premises.

3. That the proposed concessionaire obtains or obtains the agreement in principle of the Board to the grant of a permit granted under the Tourist Law, 1948 (as amended) (a “hotel boarding permit”) in respect of that part of the development described in the Application constituting the hotel premises as developed incorporating the Phase 1 elements.

(Note - For the purposes of these conditions precedent, it is acknowledged that the Application consists of a conceptual development and that changes to or departures from the development described in the Application may be necessary in order, for example, to satisfy statutory and regulatory requirements or to achieve a workable detailed design.)

Appendix B

Conditions of grant

1. That the concessionaire shall, within 2 years of the date of completion of the Phase 1 elements, complete in accordance with the written permission of the Island Development Committee given under the provisions of the Island Development (Guernsey) Law, 1966 (as amended), that element of the development (the “Phase 2 element”) described in the Application and involving the remodelling and renovation of the remaining bedrooms of the hotel premises.
2. That the concessionaire shall complete within 2 years of the Effective Date (as defined below) in accordance with the written permission of the Island Development Committee given under the provisions of the Island Development (Guernsey) Law, 1966 (as amended), that element of the development (the “Phase 3 element”) described in the Application and involving the construction of 24 additional bedrooms, as indicated at page 27 of Book Two. For the purposes of this condition the “Effective Date” is that anniversary of the date of completion of the Phase 2 element which -
 - (a) occurs within the period of 8 years from the grant of the concession; and
 - (b) forms the last day of a period of 12 months during the course of which the average occupancy level of the bedrooms and suites comprised in the hotel premises (as developed incorporating the Phase 1 elements and the Phase 2 element) amounts to 75 per cent.
3. That the concessionaire shall for the duration of the concession operate the hotel and casino premises and all other facilities located upon the 45 acre St Pierre Park Hotel and Casino Resort site described in the Application (the “concession premises”) in accordance with a written statement as to their operation (the “operations policy”) submitted by the concessionaire and approved by the Board or as from time to time varied by agreement in writing with the Board (the agreement of the Board not to be unreasonably withheld).
4. That the concessionaire within 6 months of the grant of the concession becomes the holder and thereafter for the duration of the concession remains the holder of -
 - (a) a valid and current casino operator’s licence in respect of that part of the concession premises constituting the casino premises; and
 - (b) a valid and current hotel boarding permit in respect of that part of the concession premises constituting the hotel premises.
5. That for the duration of the concession remaining after completion of the Phase 2 element, the standard of quality of the concession premises is maintained as that

of at least 4 Star when applying to the premises the quality criteria normally used in respect of the grading of hotel accommodation in Guernsey unless otherwise agreed in writing by the Board (the agreement of the Board not to be unreasonably withheld).

6. That for the duration of the concession the concessionaire shall, upon 24 hours notice -

(a) allow members and representatives of the Board to enter the concession premises; and

(b) provide all reasonable facilities for those members and representatives,

for the purposes of inspecting the premises and satisfying themselves that the premises are being operated in accordance with the terms, conditions and provisions of the grant of the concession and the Hotel Casino Concession (Guernsey) Law, 2001 and, in particular, without limiting the generality of this condition, the operations policy.

7. That the concession is personal to the concessionaire and any right, obligation, duty or benefit exercisable or arising under the concession shall not be assigned to any other person by the concessionaire without the consent of the States.

8. That the concessionaire shall pay to the States upon the grant of the concession a fee of £400,000.

9. That the concessionaire shall not at any time during the period of the concession become insolvent and, for the purposes of this condition, "insolvent" means, in relation to the concessionaire -

(a) that its affairs have been declared in a state of "désastre" by its arresting creditors at a meeting held before a Commissioner;

(b) that an interim vesting order has been made against it in respect of any of its real property in Guernsey;

(c) that a liquidator (provisional or otherwise) has been appointed to act; or

(d) that it has passed a special resolution requiring the company to be wound up voluntarily.

(Note - For the purposes of these conditions, it is acknowledged that the Application consists of a conceptual development and that changes to or departures from the development described in the Application may be necessary in order, for example, to satisfy statutory and regulatory requirements or to achieve a workable detailed design.)

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

26 August 2003

Dear Sir

Hotel Casino Concession

I refer to the letter dated 21 August 2003 addressed to you by the President of the States Tourist Board on the above subject.

As set out in its letter of comment when the States considered the nomination of the Chairman and ordinary members of the Guernsey Gambling Control Commission (Billet d'Etat XXV, December 2002), the Committee recognised that there was no practical alternative other than to set up the Commission as proposed by the Gambling Control Committee and complete the casino tender exercise. However, at that time, it was emphasised that the Committee would "only support the granting of a casino concession if it can be shown that to do so makes overall economic and financial sense".

The Committee agrees with the Tourist Board that the tender put forward by the St Pierre Park Hotel represents a substantial hotel investment which will potentially be of significant economic benefit to the Island. Furthermore, from a purely States financial point of view, the proposal will see the recovery of the not unsubstantial costs already incurred in carrying out the tender exercise and the ongoing costs of regulation. Hence, the financial case for granting a casino concession as proposed by the Board has been made.

Although the Committee recognises that some States Members might continue to have reservations about the appropriateness of a casino in Guernsey, in view of the positive impact that the hotel casino investment will have on the Island's tourism industry the Committee supports the Tourist Board's proposals.

Yours faithfully

L. C. MORGAN

President,
 States Advisory and Finance Committee

The States are asked to decide:-

XXIII.- Whether, after consideration of the Report dated the 21st August, 2003, of the States Tourist Board, they are of opinion:-

That a concession under the provisions of the Hotel Casino Concession (Guernsey) Law, 2001, shall be granted to St Pierre Park Hotel Limited in respect of the premises to be known as the St Pierre Park Hotel and Casino Resort, Rohais, Saint Peter Port:-

- (a) provided that the conditions precedent set out in Appendix A to that Report are satisfied within 3 years of the date of the making of the resolution; and
- (b) subject to the conditions appearing in Appendix B to that Report.

STATES PROCEDURES AND CONSTITUTION COMMITTEE

MATTERS RELATING TO ELECTIONS

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

15th August, 2003

Dear Sir,

MATTERS RELATING TO ELECTIONS

1. This letter sets out the States Procedures and Constitution Committee's sundry proposals relating to election procedures. Reference to Articles relate to articles in The Reform (Guernsey) Law, 1948, as amended and reference to Sections refer to sections in The Reform (Amendment) (Guernsey) Law, 1972, as amended.

Article 25 (3) – Validity of current Electoral Roll

2. Article 25 (3) provides that the Electoral Roll shall remain valid “until such date as the States may determine by Ordinance”. The compilation of a new Electoral Roll will commence in September, 2003 and it is intended that the new Roll will enter into force on the 1st March, 2004. The Committee therefore recommends that an Ordinance be enacted terminating the validity of the current Electoral Roll at 2359 hours on the 29th February, 2004.

Article 26 (3) – Polling Stations

3. This Article provides that in each of the Electoral Districts, polling stations shall be established by the Constables of the Parishes concerned in accordance with any Resolution of the States for the time being in force. With effect from the 2004 General Election the Island will be divided into seven electoral districts. The Douzaines of the several parishes were asked to indicate where they proposed to establish polling stations in their parishes at next year's election. They were asked, in reaching their decisions, to have regard to the needs of voters who are physically disabled, and, in particular, whether the proposed venues have suitable access for wheelchair users.

4. The Douzaines have advised the Committee that they propose to establish polling stations as set out below.

<u>St. Peter Port South:</u>	1. The Constables' Office, Lefebvre Street 2. St. Stephen's Community Centre, St. Stephen's Lane
<u>St. Peter Port North:</u>	1. Beau Séjour Leisure Centre, Amherst 2. St. John's Church Hall, Les Amballes
<u>St. Sampson:</u>	1. Chambre de la Douzaine, Le Murier 2. Church Schools, Grandes Maisons Road
<u>Vale:</u>	1. The Douzaine Room, Rue Maraitaine 2. Island Scout Headquarters, Rue Mainguy
<u>Castel:</u>	1. La Chambre de la Douzaine, Les Beaucamps 2. Cobo United Air Rifle Club, Le Feugré
<u>West:</u>	1. The Douzaine Room, Grande Rue, St. Saviour 2. The Church Hall, Le Neuf Chemin, St. Saviour 3. La Salle Paroissiale, Les Buttes, St. Pierre du Bois 4. La Chambre de la Douzaine, Rue du Belle, Torteval 5. La Chambre de la Douzaine, Rue des Landes, Forest
<u>South-East:</u>	1. La Salle Paroissiale, Grande Rue, St. Martin 2. The Douzaine Room, Route de St. André, St. Andrew.

5. The Committee recommends that polling stations be established as set out in paragraph 4 and that Resolution XII (2) of the 24th November, 1999 be rescinded.

Article 29 (3) – Date of Election

6. Article 29 (3) states that the date for the holding of any election shall be appointed by Ordinance and Article 29 (1) provides that General Elections shall be held in the month of April. The Committee, having regard to the dates on which Good Friday and Easter Monday occur in 2004 (9th and 12th April respectively) recommends that the General Election be held on Wednesday, 21st April, 2004.

Article 34 (11) (a) – Closure of Electoral Roll prior to Election

7. In the past the Electoral Roll could only be amended during a given period (1st September to 17th January). That has now changed and the Electoral Roll can now be amended at any time but the Law provides that it shall be closed for a period prior to an election. Article 34 (11) (a) provides that the Electoral Roll shall be closed, in respect of an election for the office of People's Deputy, on the date appointed by Ordinance of the States and, during the period beginning on the date of closure and ending on the date of the election, no entry in the Electoral Roll shall be made or amended. Mindful of the considerable work involved in compiling and printing copies of the Electoral Roll for candidates and for use at the polling stations, the Committee proposes that, in respect of next year's General Election, the Electoral Roll be closed on 1st February, 2004.
8. The Registrar-General of Electors will, however, accept during the period commencing 1st September 2003 and ending on 31st January, 2004 applications for registration from persons who will attain the age of 18 years before the 1st March, 2004. The Committee has been advised that the Law would not presently allow for persons who attain the age of 18 years between the 1st March and the date of the election to be included on the Roll. The Committee will be asking the Law Officers to consider this point with the intention of proposing an amendment to the Law which would enable anyone who has attained the age of 18 years on election day to vote. Unfortunately it will not be possible to implement this change before the 2004 General Election.

Article 39 – Hours of Polling

9. Article 39 (1) provides that every polling station shall be open from 10.00 a.m. to 8.00 p.m. and Article 39 (2) states that the States may, by Ordinance, vary the times at which polling stations shall open and close and that polling stations may open and close at different times in different Districts.
10. The Election (Variation of Hours of Polling) Ordinance, 1978 provides that, in the Electoral District of St. Peter Port, every polling station shall open at 9.00 a.m. and close at 8.00 p.m. The Electoral District of St. Peter Port will cease to exist for the purpose of the election of People's Deputies and will be replaced by two new districts – St. Peter Port South and St. Peter Port North. A new ordinance is therefore required to establish the hours of polling in those districts if polling is to commence earlier than 10.00 a.m.
11. The Constables and Douzaine of St. Peter Port have considered the matter and recommend that the hours of polling in the two districts of St. Peter Port be extended, that is from 8.00 a.m. to 8.00 p.m., in order to give the electors greater flexibility in attending the polling stations. The Committee concurs with that recommendation.

Article 44 – Electoral Expenditure

12. Article 44 (1) provides that no candidate in any election shall in respect of such election expend any sum of money or give any value in money's worth otherwise than in accordance with such provisions as shall, from time to time, be prescribed by Ordinance.
13. The maxima prescribed by The Electoral Expenditure Ordinance, 2001 are as follows:

People's Deputies:	£183 plus 13 pence per elector
Constables, Douzeniers,	
Procureurs of the Poor	
and Overseers of the Poor	£46 plus 3.25 pence per elector.
14. The system of relating the maxima to the number of electors in each electoral district was introduced prior to the 1994 General Election and removed certain inequalities between the several parishes. The present rules mean that the maximum that may be spent ranges from approximately £900 in St. Peter Port to about £250 in Torteval.
15. A fine balance has to be maintained in determining the appropriate level at which electoral expenditure must not be exceeded. On the one hand it has to be high enough to allow a candidate a reasonable chance of carrying out a campaign in which he can, by various means, get his views over to all of the electorate in the District. On the other hand it must not be so high as to give a wealthy candidate an unfair advantage over a candidate of more modest means.
16. There are about 26,000 persons (some 60% of the eligible population) on the current electoral roll. Vigorous attempts will be made during September and October of this year to increase that figure significantly. It is estimated that approximately 45,000 people are eligible to enrol. If an enrolment rate of 90% were achieved then there would be in the region of 40,000 electors at next year's General Election. As the seven electoral districts are broadly similar in size it is likely that, if a 90% enrolment were achieved, each district would have something between 5,000 and 6,000 electors.
17. The system in other jurisdictions, whilst of interest, is not of particular assistance in determining this matter in the Guernsey context. In Jersey candidates are not restricted as to the sum of money which they may spend or which may be expended on their behalf. In the Isle of Man, whilst there are strict provisions in the Isle of Man Representation of the People Act, 1995 relating to treating and bribery of the electorate, there are, as in Jersey, no limits on the amount which may legitimately be spent by or on behalf of a candidate to promote his election. Election candidates in the Isle of Man are

able to claim reimbursement from the Treasury for the cost of posting a 50g manifesto to each elector.

18. In the United Kingdom the constituencies are considerably larger. For example, there are over 104,000 electors in the Isle of Wight constituency: even the smallest in population, the Western Isles, has nearly 22,000 electors – four or five times the likely size of a Guernsey district. In terms of land area the range is even more marked: the constituency of Ross, Skye and Inverness West covers over 3,500 square miles. The smallest constituency is Islington North with an area of 2.8 square miles. In Guernsey the districts range from 1.3 square miles (St. Peter Port North District) to 7.6 square miles (West District). In the United Kingdom a candidate is currently restricted to spending no more than £5,483 plus 6.2 pence per elector – this equates to £6,841 in the constituency with the least electors (Western Isles). The political parties also have an election expenditure limit which is £30,000 multiplied by the number of constituencies contested by it, thus if a party contested 630 seats its expenditure limit would be £18.9m.
19. It has often been represented to the Committee that the electoral expenditure limit should be set at a sufficiently high level to enable a candidate to post his manifesto or, alternatively, that free postage should be provided, as in the Isle of Man. The cost of doing this in Guernsey (if the electorate increases considerably) would be in the region of £90,000.
20. The Committee does not favour totally free postage as it believes there is a danger that spurious candidates might emerge whose prime objective was to avail themselves of a free mail-shot to a section of the electorate to promote a particular cause which may be divorced from any political aspirations. It does, however, support the provision of assistance with the cost of postage on a 50:50 basis. Assuming 5,500 electors per district postage, at current rates, would be approximately £1,200 of which the States would pay £600. Thus if there are 60 candidates in the next General Election the maximum cost would £36,000. The cost may well be less as some candidates may not choose to avail themselves of the facility, others may post only to a section of the electorate and some candidates may combine their mailings.
21. An alternative would be for the States to arrange for candidates' manifestos to be collated and mailed in one envelope. This would clearly reduce significantly the cost of postage to about £8,500 but it takes away from candidates the choice of delivering some manifestos by hand and others by post. In addition to the postage costs there would be the cost of collating the sets of manifestos and enveloping them.
22. Beyond the cost of postage candidates have to print the manifestos and purchase envelopes. Further, they may wish to pay for posters and press advertisements. The Committee therefore proposes that the maximum sum that may be expended by a candidate in an election for the office of People's

Deputy be restricted to £1,200. In addition, the Committee recommends that the States defray 50% of the cost of postage incurred in posting an envelope, not exceeding 100g. in weight, to each elector in the district concerned. The States Advisory and Finance Committee has agreed for this provision to be funded from its existing budget.

23. As will be noted in paragraph 13, the prescribed maxima in parochial elections is presently set at one-quarter of the relative figure in People's Deputies' elections. This means that the maximum that may be spent ranges from approximately £225 in St. Peter Port to about £60 in Torteval. It has been represented to the Committee that these figures do not allow a candidate to carry out a proper campaign. Again it is argued that a candidate should be able to mail a manifesto to each elector.
24. In this case the Committee does not concur with that view. The Committee firmly believes that if the maxima in parochial elections is set too high it will act as a strong disincentive to many potential candidates. The Committee acknowledges, however, that the present figures are probably too low. Rather than continuing with the present per capita rates it proposes that the parishes be grouped in bands of broadly similar-sized districts, with allowable expenses being set as follows:

St. Peter Port: £600

St. Sampson, The Vale,
The Castel, St. Martin: £400

St. Saviour, St. Pierre du
Bois, St. Andrew: £250

Torteval, The Forest: £150

Section 4 – Register of Absent Voters

25. This Section provides that a register be kept, "*divided into ten sections, one for each Electoral District*". The Committee recommends that this section be amended by Ordinance (see paragraph 27) to reflect the change from the present ten electoral districts to the seven new districts.

Section 7 – Documents to be sent to Absent Voters

26. This Section requires the Registrar-General of Electors to send the ballot paper and other documents to the absent voter "*by post*". From time to time electors have to leave the Island at short notice and often request that the

ballot paper be handed to them. At present the Registrar-General cannot do that as the Law requires the documents to be sent by post. It is proposed that this section be amended by Ordinance (see paragraph 27) to allow the Registrar-General to hand a ballot paper to the elector in person, upon production of photographic identification, such as a passport or driving licence.

Section 15A – Postal Voting

27. Section 15A of the 1972 Law allows the States, by Ordinance, to make provisions as they think fit in relation to postal voting and an Ordinance may, inter alia, amend any provision of that Law.
28. On the 17th May, 2002 the States directed the States Procedures and Constitution Committee to submit proposals to provide “*that postal ballots shall be available to all electors and not just those who are disabled or absent from the island*”.
29. In the 2000 General Election of the 15,569 persons who voted, 662 (4½%) did so by means of postal votes. At present to qualify for a postal vote the elector must be a person who
 - will probably be out of the Island on election day, or
 - is blind, or
 - is suffering from a physical defect or disability, or
 - is detained in prison.
30. When the law was changed in the United Kingdom to allow postal voting on demand requests for postal votes doubled. If the hoped-for increase in the number of persons enrolled comes to fruition and if there is a consequent increase in the turnout at next year’s election there could be as many as 2,000 postal votes issued if postal voting on demand is allowed. The Registrar-General normally employs a temporary member of staff in the period leading up to a General Election but it is anticipated that possibly an additional one, or even two, members of staff may be needed during March/April 2004.
31. Notwithstanding the increased workload which postal voting on demand will inevitably cause, the Committee acknowledges that it is a significant means of encouraging electors to vote and therefore recommends that postal voting on demand be introduced for the 2004 General Election.

Recommendations

32. The States Procedures and Constitution Committee recommends the States to agree:

(1) (a) that polling stations be established as follows:

St. Peter Port South:

1. The Constables' Office, Lefebvre Street
2. St. Stephen's Community Centre,
St. Stephen's Lane

St. Peter Port North:

1. Beau Séjour Leisure Centre, Amherst
2. St. John's Church Hall, Les Amballes

St. Sampson:

1. Chambre de la Douzaine, Le Murier
2. Church Schools, Grandes Maisons Road

Vale:

1. The Douzaine Room, Rue Maritaine
2. Island Scout Headquarters, Rue Mainguy

Castel:

1. La Chambre de la Douzaine, Les Beaucamps
2. Cobo United Air Rifle Club, Le Feugré

West:

1. The Douzaine Room, Grande Rue, St. Saviour
2. The Church Hall, Le Neuf Chemin, St. Saviour
3. La Salle Paroissiale, Les Buttes, St. Pierre du Bois
4. La Chambre de la Douzaine, Rue du Belle, Torteval
5. La Chambre de la Douzaine, Rue des Landes,
Forest

South-East:

1. La Salle Paroissiale, Grande Rue, St. Martin
2. The Douzaine Room, Route de St. André,
St. Andrew.

(b) that Resolution XII (2) of the 24th November, 1999 relating to the establishment of polling stations be rescinded;

(2) that legislation be enacted to provide that:

- (a) the validity of the current Electoral Roll shall cease at 2359 hours on 29th February, 2004;
- (b) a General Election of People's Deputies be held on Wednesday, 21st April, 2004;
- (c) in respect of the aforesaid General Election, the Electoral Roll shall be closed on 1st February, 2004;

- (d) the hours of polling in the electoral districts of St. Peter Port South and St. Peter Port North shall be from 8.00 a.m. to 8.00 p.m.;
- (e) the maxima for electoral expenditure shall be prescribed as follows:
 - (i) In elections for the office of People's Deputy - £1,200;
 - (ii) In elections for the offices of Constable, Douzenier, Procureur of the Poor and Overseer of the Poor:-

St. Peter Port:	£600
St. Sampson, The Vale,	
The Castel, St. Martin:	£400
St. Saviour, St. Pierre	
Du Bois, St. Andrew:	£250
Torteval, The Forest:	£150;

(3) that The Reform (Amendment) (Guernsey) Law, 1972, as amended, be further amended to provide that:

- (a) reference to the Register of Absent Voters being divided into "ten" sections, one for each electoral district be amended to "seven" sections;
- (b) the Registrar-General of Electors be enabled to hand ballot papers to absent voters in person upon production of satisfactory photographic identification;
- (c) postal voting be available on demand;
- (4) that the States defray 50% of the cost of postage of an envelope not exceeding 100g in weight incurred by candidates in elections for the office of People's Deputy to each elector in the electoral district concerned.

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

Yours faithfully,

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:-

XXIV.- Whether, after consideration of the Report dated the 15th August, 2003, of the States Procedures and Constitution Committee, they are of opinion:-

1. (1) That polling stations be established as follows:

St. Peter Port South:

1. The Constables' Office, Lefebvre Street
2. St. Stephen's Community Centre,
St. Stephen's Lane

St. Peter Port North:

1. Beau Sejour Leisure Centre, Amherst
2. St. John's Church Hall, Les Amballes

St. Sampson:

1. Chambre de la Douzaine, Le Murier
2. Church Schools, Grandes Maisons Road

Vale:

1. The Douzaine Room, Rue Maraitaine
2. Island Scout Headquarters, Rue Mainguy

Castel:

1. La Chambre de la Douzaine, Les Beaucamps
2. Cobo United Air Rifle Club, Le Feugré

West:

1. The Douzaine Room, Grande Rue, St. Saviour
2. The Church Hall, Le Neuf Chemin, St. Saviour
3. La Salle Paroissiale, Les Buttes, St. Pierre du Bois
4. La Chambre de la Douzaine, Rue du Belle, Torteval
5. La Chambre de la Douzaine, Rue des Landes,
Forest

South-East:

1. La Salle Paroissiale, Grande Rue, St. Martin
2. The Douzaine Room, Route de St. André,
St. Andrew.

(2) That Resolution XII(2) of the 24th November, 1999 relating to the establishment of polling stations shall be rescinded.

2. That legislation shall be enacted to provide that:

(1) the validity of the current Electoral Roll shall cease at 2359 hours on 29th February, 2004;

- (2) a General Election of People's Deputies shall be held on Wednesday, 21st April, 2004;
 - (3) in respect of the aforesaid General Election, the Electoral Roll shall be closed on 1st February, 2004;
 - (4) the hours of polling in the electoral districts of St. Peter Port South and St. Peter Port North shall be from 8.00am to 8.00pm;
 - (5) the maxima for electoral expenditure shall be prescribed sa follows:
 - (i) In elections for the office of People's Deputy - £1,200;
 - (ii) In elections for the offices of Constable, Douzenier, Procureur of the Poor and Overseer of the Poor:-

St. Peter Port:	£600
St. Sampson, The Vale,	
The Castel, St. Martin:	£400
St. Saviour, St. Pierre du	
Bois, St. Andrew:	£250
Torteval, The Forest	£150.
3. That the Reform (Amendment) (Guernsey) Law, 1972, as amended, shall be further amended to provide that:
 - (1) reference to the Register of Absent Voters being divided into "ten" sections, one for each electoral district shall be amended to "seven" sections;
 - (2) the Registrar-General of Electors shall be enabled to hand ballot papers to absent voters in person upon production of satisfactory photographic identification;
 - (3) postal voting shall be available on demand.
 4. That the States defray 50% of the cost of postage of an envelope not exceeding 100g in weight incurred by candidates in elections for the office of People's Deputy to each elector in the electoral district concerned.
 5. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

STATES PROCEDURES AND CONSTITUTION COMMITTEE

PARLIAMENTARY PRIVILEGE

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

15th August, 2003

Dear Sir,

PARLIAMENTARY PRIVILEGE

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 appropriate proposals ... for ... the introduction of legislation establishing the principle of Absolute Privilege for proceedings in the States”*.
2. The Panel appointed to review the Machinery of Government in Guernsey (The Harwood Panel) reported on this matter in November, 2000 as follows:

“During the course of its review the Panel became aware that the extent of legal privilege for States Proceedings was open to debate and interpretation. The Panel noted with some surprise that there was an absence of local legislation dealing with this issue. The Panel was aware that legislation had been enacted in Jersey, conferring unqualified privilege.

The Panel has consulted with Her Majesty’s Procureur, Mr G R Rowland, QC, and a summary of his advice on this issue is included amongst the summary of advice he has given on other matters set out in Appendix IV to this Report.

For the obvious reason, inter alia, that the States of Guernsey has the discharge of primary legislative functions, the Panel believes that the States should be accorded the same status as a national assembly in other parliamentary jurisdictions and should not be regarded as being equivalent to a local authority in the United

Kingdom. The Panel would support a claim for Absolute Privilege.

For clarification and for the avoidance of doubt the Panel would concur with the view that the States should enact legislation recognising the principle of Absolute Privilege for Proceedings of the States in debate and in documents or reports published by the States. It would be a matter for the Presiding Officer and standing rules of procedure to ensure that this immunity was not abused by States Members during the course of debate. The Panel also recognises that in such circumstances the Members of the States would wish to create a Standing Committee of Privileges to review any alleged breach or abuse of Privilege by its Members.”.

3. The questions put to Mr. G. R. Rowland, Q.C., (at that time Her Majesty’s Procureur) referred to above, were:

“To what extent do States members have the protection of privilege in relation to statements made during the course of States debates? I understand that in Jersey legislation is in place that specifically recognises and confers such privilege. I am not aware of equivalent legislation in Guernsey. Is it the view of the Crown Officers that there is an implied right of privilege? Does that privilege extend also to statements made in Committee meetings?”.

Mr. Rowland’s response was in the following terms:

“In English Law and Guernsey Law, every man is entitled to his good name and to the esteem in which he is held by others. He has a right to claim that his reputation shall not be disparaged by defamatory statements made about him by a third person without lawful justification or exercise.

However on grounds of public policy, no defamatory action lies in respect of statements, however defamatory and damaging, made in certain particular circumstances. Statements so made are said to be privileged. They fall into two classes according to whether the privilege is “absolute” or “qualified”.

Absolute Privilege

Absolute Privilege is a complete defence to proceedings for defamation. It confers protection even when the words complained of are published maliciously. Protection is therefore given to the persons who publish words with the full knowledge of their falsity and with the express intention of defaming another.

One well known example in England are words spoken by a Member of Parliament in the course of proceedings in Parliament. This privilege is enshrined in the Bill of Rights. Another example are words spoken by a judge in his judicial capacity.

Qualified Privilege

Qualified Privilege confers only a limited protection. The limited protection is only available where a person who publishes words did so without malice and without any indirect or improper motive - in this context this would mean honestly published.

Examples of cases of Qualified Privilege are words spoken in the discharge of a public or private duty, or where there is a legitimate common interest in their subject matter shared between the defendant and the person or persons to whom the words were published.

Are statements made in the States of Deliberation privileged?

It is arguable whether there is Absolute Privilege in respect of words spoken by members of the States in the course of debate in the assembly but there is little doubt that there is Qualified Privilege. In the Royal Court in 1971 in the case of Wells v Hammond the Royal Court held that an untrue defamatory statement made in the States of Alderney was protected by Qualified Privilege. As the words were not spoken maliciously the arguable defence of Absolute Privilege was not in issue.

Alderney has specifically legislated for the matter. Section 41(3) of the Government of Alderney Law, 1987, as amended, states as follows :

“(3) For the avoidance of doubt, any statement made by a member of the States or by the President in the course of the proceedings of a meeting of the States shall, for the purposes of the laws of defamation, enjoy qualified privilege.”

This amendment to the 1987 Law was introduced by section 1(c) of the Government of Alderney (Amendment) Law, 1999.

*In Guernsey the matter of privilege and its extent remains a matter of common law. A legal argument might be advocated that a statement made in the States of Deliberation is protected by Absolute Privilege on the basis of the case of *Chenard v Joachim**

Arissol 1949 AC. 134 (a Privy Council case concerning the Legislative Assembly in the Seychelles). That case followed a case in New South Wales, Australia where it was held that there was Absolute Privilege. The Court held that it arose from an inherent necessity. Because there is no statutory provision clarifying the position as to immunity from legal proceedings for defamatory statements there is uncertainty as to the extent of privilege with respect to statements made in the States of Deliberation, in Committee, in a Rule 23 answer or published in a Billet d'État.

In Jersey the position has been clarified by statute.

Article 37 of the States of Jersey Law, 1966 states as follows :-

"Immunity from Legal Proceedings.

No civil or criminal proceedings may be instituted against any member of the States for words spoken before or written in a report to, the States or a Committee, or by reason of any matter or thing brought by him therein by petition, bill, proposition or otherwise."

The issue of Privilege is a matter of substantive law and not of procedure."

4. The Report of the States Advisory and Finance Committee and the States Procedures and Constitution Committee debated by the States from the 14th-17th May, 2002 stated:

"While the Harwood Panel made no recommendations in respect of privilege, it did address this matter in its Report, having consulted H M Procureur, and suggested that consideration be given to the introduction of legislation establishing the principle of Absolute Privilege for proceedings of the States. The Joint Committees concur with the comments of the Panel."

5. The States make the law and raise taxes and the Members are accountable for their decisions and their expenditure of public money. In the States it should be possible to air any grievance, regardless of the power, wealth or status of those criticised. In order to carry out those duties without fear or favour, Members should be accorded proper immunity and the Committee therefore recommends that legislation be enacted on the lines of Article 37 of the States of Jersey Law, 1966 set out in full in the previous paragraph.
6. In making this recommendation, however, the Committee is conscious of the maxim that the counter-balance to privilege is responsibility. The Harwood

Panel stated that “*the States would wish to create a Standing Committee of Privileges to review any alleged breach or abuse of privilege by its Members*”. The Committee agrees that a mechanism is required whereby abuse of privilege can be investigated but does not consider that a standing committee of the States is the best way of dealing with the issue.

7. In the House of Commons the procedure is that the House may refer an allegation of abuse to the Committee of Standards and Privileges which then investigates the matter and reports back to the House. If the complaint is substantiated then the House has power to reprimand, suspend or expel the offending member. There is no right of appeal or review against such a decision of the House. An expelled member may, however, stand as a candidate in the by-election caused by his expulsion.
8. Even in the House of Commons cases of alleged breaches or abuse of privilege are few and far between. Such cases will be even less frequent in Guernsey and the Committee firmly believes that a permanent committee to consider such matters is both un-necessary and undesirable. For the sake of future flexibility the Committee recommends that the legislation introducing the principle of absolute privilege should simply empower the States, by resolution, to make provision for the investigation of allegations of breach or abuse of privilege including the power to reprimand, suspend or expel a Member found to have breached or abused the privilege.
9. It would then be for the States on a future occasion to pass an appropriate resolution. However, it might assist the States to know, at this stage, how the Committee envisages the matter might be progressed. In the first instance a Member who believed another Member had breached or abused privilege would request the States to direct that the matter be referred to a Privileges Panel for consideration. The matter would only be so referred if the States resolved that a *prima facie* case had been made by the Member alleging the breach or abuse of privilege. That Panel would comprise five of the ten most senior Members of the States, by length of service. The five Members would be appointed by the Presiding Officer. The Panel would then investigate the matter and report back to the States. If the allegation was proved then the States would have the power to reprimand, suspend or expel the offending member. An expelled member would be able to seek re-election, as is the case in the United Kingdom.
10. The States Procedures and Constitution Committee recommends the States to agree that legislation be enacted to provide that:
 - (a) No civil or criminal proceedings may be instituted against any Member of the States for words spoken before or written in a report to, the States or a Department or Committee of the States, or by reason of any matter or thing brought by him therein by requête, proposition or otherwise;

- (b) The States may, by resolution, make provision regarding the investigation and disposal of allegations of breaches or abuse of privilege, including the reprimand, suspension and expulsion of offending Members.

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

Yours faithfully,

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:-

XXV.- Whether, after consideration of the Report dated the 15th August, 2003, of the States Procedures and Constitution Committee, they are of opinion:-

1. That legislation be enacted to provide that:
 - (a) No civil or criminal proceedings may be instituted against any Member of the States for words spoken before or written in a report to, the States or a Department or Committee of the States, or by reason of any matter or thing brought by him therein by requête, proposition or otherwise;
 - (b) The States may, by resolution, make provision regarding the investigation and disposal of allegations of breaches or abuse of privilege, including the reprimand, suspension and expulsion of offending Members.
2. To direct the preparation of such legislation as may be necessary to give effect to their above decision.

ORDINANCE LAID BEFORE THE STATES**THE REFORM (GUERNSEY) (AMENDMENT) LAW, 2003
(COMMENCEMENT) ORDINANCE, 2003**

In pursuance of the proviso to paragraph 66 of the Reform (Guernsey) Law, 1948, as amended, I lay before herewith the Reform (Guernsey) (Amendment) Law, 2003 (Commencement) Ordinance, 2003, made by the States Legislation Committee on the 28th July, 2003.

STATUTORY INSTRUMENTS LAID BEFORE THE STATES**THE DRIVING LICENCES (GUERNSEY) THEORY TEST REGULATIONS
2003**

In pursuance of the provisions of the provisions of section 4A(6)(c) of the Driving Licences (Guernsey) Ordinance, 1995, as amended, I lay before you herewith the Driving Licences (Guernsey) Theory Test Regulations, 2003, made by the States Traffic Committee on the 30th July, 2003.

EXPLANATORY NOTE

These regulations prescribe the procedures and formalities for completing a theory test under the Driving Licences (Guernsey) Ordinance, 1995, as amended.

**THE HEALTH SERVICE (PHARMACEUTICAL BENEFIT) (RESTRICTED
SUBSTANCES) (AMENDMENT NO.2) REGULATIONS, 2003****THE HEALTH SERVICE (BENEFIT) (GENERAL) (AMENDMENT)
REGULATIONS, 2003**

In pursuance of the provisions of section 35 of the Health Service (Benefit) (Guernsey) Law, 1990, I lay before you herewith the following Regulations made by the Guernsey Social Security Authority on the 30th July, 2003:-

**THE HEALTH SERVICE (PHARMACEUTICAL BENEFIT) (RESTRICTED
SUBSTANCES) (AMENDMENT NO 2) REGULATIONS, 2003****EXPLANATORY NOTE**

These Regulations amend the previous Regulations so that medical practitioners cannot order certain preparations on the authority's prescription form PS6.

**THE HEALTH SERVICE (BENEFIT) (GENERAL) (AMENDMENT)
REGULATIONS, 2003****EXPLANATORY NOTE**

These Regulations amend the previous Regulations due to changes in the entitlement to benefit under the Health Service (Benefit) (Guernsey) Law, 1990. They also make minor changes to the information required on the Health Benefit Card issued

by the Authority.

THE ELECTORAL ROLL (AVAILABILITY) RULES, 2003

THE ELECTORAL ROLL (PUBLIC INSPECTION) RULES, 2003

In pursuance of the provisions of section 78(a) of the Reform (Guernsey) Law, 1948, as amended I lay before you herewith the following Rules made by the States Procedures and Constitution Committee on the 12th August, 2003:-

THE ELECTORAL ROLL (AVAILABILITY) RULES, 2003

EXPLANATORY NOTE

These rules specify the conditions on which the Registrar General of Electors may supply copies of the Electoral Roll to election candidates and others.

THE ELECTORAL ROLL (PUBLIC INSPECTION) RULES, 2003

EXPLANATORY NOTE

These rules specify the places at which and the period during which the draft Electoral Roll is available for public inspection.

THE DRIVING TESTS AND DRIVING LICENCES (INCREASE OF FEES) REGULATIONS, 2003

In pursuance of the provisions of section 2B(c) of the Motor Taxation and Licensing (Guernsey) Law, 1987, as amended, I lay before you herewith the Driving Tests and Driving Licences (Increase of Fees) Regulations, 2003, made by the States Traffic Committee on the 7th August, 2003

EXPLANATORY NOTE

These Regulations set the fees that are chargeable for tests of competence and driving licences with effect from 1st October, 2003, by increasing approximately by RPI the current fees that are set out in Schedule 2 and Schedule 3 respectively of the Driving Licences (Guernsey) Ordinance, 1995

G. R. ROWLAND

Deputy Bailiff and Deputy President of the States

The Royal Court House,
Guernsey.
The 5th September, 2003

APPENDIX I**STATES ADVISORY AND FINANCE COMMITTEE****GUERNSEY POST LIMITED AND GUERNSEY ELECTRICITY LIMITED
REPORTS AND FINANCIAL STATEMENTS**

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

25 July, 2003.

Dear Sir

Guernsey Post Limited and Guernsey Electricity Limited – Reports and Financial Statements.

Section 8 of Part II of the States Trading Companies (Bailiwick of Guernsey) Ordinance, 2001 requires that:

"The (Advisory and Finance) Committee shall cause to be published annually as an appendix to a Billet d'État -

(a) the accounts of the States trading companies and the auditors' reports thereon; and

(b) a report on the activities of those companies."

I am pleased to enclose:

a Report and Financial Statement on Guernsey Post Limited for the year ended 30th September 2002, which was presented at the Annual General Meeting held on 19th February 2003; and

a Report and Financial Statement on Guernsey Electricity Limited for the year ended 31st March 2003, which was presented at the Annual General Meeting held on 17th July 2003.

I would be grateful if you would arrange for these reports to be published as an appendix to a future Billet d'État.

Yours sincerely



I. C. Morgan
President
Advisory and Finance Committee

F.nes

Guernsey Post Limited
Report and financial statements
30 September 2002

Guernsey Post Limited

Directors:

CP Spencer	(Chairman)
JR Symons	(Managing Director)
RA Petrol	
DJ Roberts	
DJ Watt	
GU Parker	
T Hinder	
MJ Bradshaw	

Auditors:

KPMG
Chartered Accountants

Registered office:

Envoy House
La Vierge
St Peter Port
Guernsey
GY1 1AA

Guernsey Post Limited

Directors' report

The directors submit their report and the audited financial statements for the year ended 30 September 2002.

Guernsey Post Limited was incorporated on 24 August 2001 and commenced operations on 1 October 2001.

The States of Guernsey Post Office Board was dissolved at 11.59 pm on 30 September 2001. In accordance with the States Trading Companies (Bailiwick of Guernsey) Ordinance, 2001 the undertaking of the Board was transferred and vested in Guernsey Post Limited with effect from 1 October 2001. Guernsey Post Limited is wholly owned by the States of Guernsey.

Principal activities

The company's principal activity is the provision of a postal service for the Bailiwick of Guernsey. The company also markets its postage stamps and other philatelic products to stamp collectors worldwide.

Results

The results for the year are shown in the profit and loss account on page 7.

Dividend

The directors recommend the payment of a dividend of £637,270.

Operational performance

During the year the volumes of letter mail sent out from the Bailiwick to UK and International destinations increased further by 29% to over 41 million items for the twelve month period.

Incoming and locally posted mail for local delivery remained static at over 29 million items for the twelve month period.

The increased mail volumes for the year helped to maintain profitability levels even after increased operating costs over prior years.

Due to the increased mail volumes Post Office staff continued to work very substantial amounts of overtime in order to maintain the daily collection and delivery service.

The move to the new building and adoption of mechanised sorting will contribute to an improvement in the levels of overtime worked in future.

Fixed assets

As part of the transfer of the assets of the States of Guernsey Post Office Board to Guernsey Post Limited, the freehold of the existing Postal Headquarters land and buildings was retained by the States of Guernsey, who simultaneously granted a 1 year leasehold interest, renewable quarterly thereafter, to Guernsey Post Limited. Other freehold land and properties, previously held by the Board, were transferred to Guernsey Post Limited on the basis of open market value recognising current use, which resulted in a revaluation uplift of £1,202,225 as detailed in note 8.

Guernsey Post Limited

Directors' report - continued

Directors

The directors of the company who were appointed and held office during the year were as follows:

CP Spencer	(appointed 1 October 2001)
FR Symons	(appointed 1 October 2001)
RA Perrot	(appointed 1 October 2001)
DT Roberts	(appointed 1 October 2001)
DJ Warr	(appointed 1 October 2001)
GG Parker	(appointed 1 October 2001)
E Smith	(deceased 17 October 2001)
T Holder	(appointed 1 August 2002)
MJ Bradshaw	(appointed 1 December 2002)

In accordance with the Articles of Association, RA Perrot and DT Roberts are due to retire by rotation, and being eligible offer themselves for re-election at the forthcoming AGM.

Secretary

The secretary, R G Perkins was appointed on 1 October 2001 and resigned on 9 December 2002.

Statement of responsibilities

The directors are responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period and are in accordance with applicable laws. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with The Companies (Guernsey) Law 1994. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

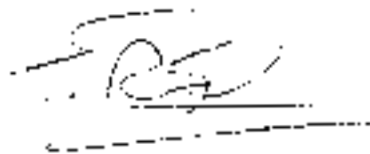
Guernsey Post Limited

Directors' report - continued

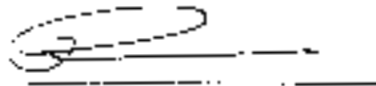
Auditors

KPMG were appointed auditors during the year, and are eligible for re-appointment

Director _____



Director ... _____



... 2002



2 Stange Place
The Grange
Guernsey, Channel Islands
GY1 4LD

Independent auditors' report to the members of Guernsey Post Limited

We have audited the financial statements on pages 7 to 18.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable Guernsey law and UK accounting standards. Our responsibilities, as independent auditors, are established in Guernsey by law, the UK Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with The Companies (Guernsey) Law 1994 and Section 10(1) of The Post Office (Guernsey) Law, 1969. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

Basis of audit opinion

We conducted our audit in accordance with UK Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2002 and of its profit for the year then ended and have been properly prepared in accordance with The Companies (Guernsey) Law 1994 and Section 10(1) of The Post Office (Guernsey) Law, 1969.

WAVE

Chartered Accountants

17 December 2002

Guernsey Post Limited

Profit and loss account

for the year ended 30 September 2002

	Notes	1 October 2001 to 30 September 2002 £
Income		
Postal services	1	15,587,565
Remittance and agency services		183,649
Philatelic services		<u>1,680,964</u>
		<u>17,452,178</u>
Expenses		
Postal services	2	(14,455,909)
Philatelic services	3	<u>(961,633)</u>
		<u>(15,417,544)</u>
Profit on ordinary activities before other income		2,034,634
Other income		
Interest receivable	5	702,547
Rents receivable		<u>21,739</u>
		<u>724,286</u>
Profit on ordinary activities before taxation		2,758,920
Taxation	6	(1,110,192)
Profit for the financial year		1,648,728
Dividend	7	<u>(537,270)</u>
Retained profit for the financial year	12	<u>£ 1,111,458</u>

All activities derive from continuing operations.

There are no recognised gains and losses or other movements in reserves for the current financial year other than as stated in note 12.

Guernsey Post Limited

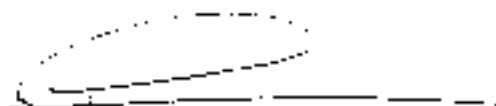
Balance sheet
at 30 September 2002

	Notes	30 September 2002 £
Assets employed		
Tangible fixed assets	8	<u>14,921,486</u>
Current assets		
Stock	9	151,414
Debtors	10	2,374,385
Cash at bank and in hand		<u>12,739,353</u>
		<u>15,265,152</u>
Creditors: amounts falling due within one year	11	<u>(6,452,591)</u>
Net current assets		<u>8,812,561</u>
Creditors: amounts falling due after one year	11	<u>(236,330)</u>
Total net assets		<u>£ 23,497,717</u>
Financed by		
Share capital	12	23,386,259
Revenue reserve	12	<u>1,111,458</u>
		<u>£ 23,497,717</u>

These financial statements were approved by the Board on 17 December 2002 and signed on the Board's behalf by:



Director



Director

Guernsey Post Limited

Cash flow statement for the year ended 30 September 2002

	Notes	1 October 2001 to 30 September 2002 £
Net cash inflow from operating activities	13	<u>3,323,720</u>
Returns on investments and servicing of finance		
Interest received		702,547
Rent received		<u>21,739</u>
Net cash inflow on returns on investments and servicing of finance		<u>724,286</u>
Capital expenditure		
Payment to acquire tangible fixed assets		(9,813,501)
Proceeds from sales of tangible fixed assets		<u>2,715</u>
Net cash outflow from capital expenditure		<u>(9,810,786)</u>
Decrease in cash	13	£ (6,858,722)

Guernsey Post Limited

Notes to the financial statements

1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

Income

Sales of stamps and the crediting of franking machines are accounted for on an accruals basis.

Expenses

Postal operations expenses are charged as incurred. No provision is made for future delivery charges which may be incurred in respect of stamps and franking machine credits sold but unused at the balance sheet date.

Alderney regional stamp issues

Revenue and expense items in respect of Alderney regional stamp issues are included in the company's profit and loss account for the year.

Pension costs

The costs of the defined benefit scheme are charged to the profit and loss account over the period during which the company benefits from the employees' services. Surpluses or deficiencies are spread over the expected average remaining working lifetime of employees in proportion to their expected payroll costs.

Stock

The cost of definitive stamps is written off over the expected sales life of each type of stamp, which is unlikely to exceed five years. Commemorative stamp costs are fully written off in the year of issue. Stock of stationery and spares are valued at the lower of cost and net realisable value.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Guernsey Post Limited

Notes to the financial statements - continued

1. Principal accounting policies - continued

Depreciation

Depreciation is calculated at the following annual rates so as to write off the cost of tangible fixed assets over their anticipated useful lives using the straight-line method. The calculations are based on capital expenditure incurred at the end of the accounting period.

	Estimated life in years	Depreciation % per annum
Assets under construction	N/A	Nil
Freehold land	N/A	Nil
Freehold buildings - Postal headquarters	50	2
- Other	30 - 50	2 - 3.3
Furniture and fittings, office equipment and postal machinery	3 - 10	10 - 33.3
Transport	5	20

2. Expenses – postal services

1 October 2001 to
30 September 2002
£

Mail operations wages, superannuation and other staff expenses	6,627,565
Conveyance of mail	2,533,736
Post Office counter expenses	1,116,842
General administration	968,722
Other operational expenses	<u>3,809,044</u>
	£ 14,455,909

3. Expenses – philatelic services

1 October 2001 to
30 September 2002
£

Philatelic operations wages and superannuation	294,766
Agents' expenses	104,069
Sales and marketing	31,276
Computer services	65,488
Printing, stationery, stamp production and postage	238,656
Other operational expenses	<u>127,380</u>
	£ 961,635

Guernsey Post Limited

Notes to the financial statements - continued

4. Operating surplus

	1 October 2001 to 30 September 2002 £
Operating surplus is after charging/(crediting):	
Salaries, wages and superannuation	6,088,956
Auditors' remuneration	
Audit fee	7,864
Other services	-
(Profit)/loss on disposal of fixed assets	(2,775)
Depreciation	207,080

Certain salary and wages costs have been allocated to relevant expense headings in notes 2 and 3.

Average employee numbers for the year were as follows:

Postal operations staff	179
Administration staff	<u>49</u>
Total	<u>228</u>

5. Interest receivable

	1 October 2001 to 30 September 2002 £
States Treasury	680,577
Other	21,970
	<u>£ 702,547</u>

6. Taxation

Current taxation	
Taxation @ 20% based on profit for the year:	
2001	142,118
2002	520,373
2003	<u>422,741</u>
	1,085,232
Deferred tax liability	24,960
	<u>£ 1,110,192</u>

7. Dividends

Dividends payable (see note 11)	<u>£ 537,270</u>
---------------------------------	------------------

Guernsey Post Limited

Notes to the financial statements - continued

8. Tangible fixed assets

	£		£
States of Guernsey Post Office Board balance as at 30 September 2001			8,197,607
Adjustments in respect of transfer undertaken to Guernsey Post Limited			
Revaluation	1,202,225		
Retained by States of Guernsey	(4,084,767)		
			(2,882,542)
Transferred to Guernsey Post Limited on 1 October 2001			5,315,065
			<hr/>
	Acquired 1 October 2001 £	Additions £	Written off/ disposals £
			30 September 2002 £
<i>Cost</i>			
Assets in course of construction	-	9,628,886	-
Freehold land	2,505,000	-	-
Freehold buildings	2,305,766	-	-
Furniture and fittings	648,549	-	-
Office equipment	813,241	96,810	-
Postal machinery	318,943	4,969	-
Transport	585,633	62,836	(6,350)
	<hr/>	<hr/>	<hr/>
	£ 7,177,131	£ 9,813,501	£ (6,350)
			£ 16,984,282
	1 October 2001 £	Charge for year £	Written off/ disposals £
			30 September 2002 £
<i>Depreciation</i>			
Assets in course of construction	-	-	-
Freehold land	-	-	-
Freehold buildings	-	24,900	-
Furniture and fittings	577,019	24,867	-
Office equipment	641,310	81,717	-
Postal machinery	233,751	10,745	-
Transport	409,966	65,856	(6,350)
	<hr/>	<hr/>	<hr/>
	£ 1,862,066	£ 207,080	£ (6,350)
			£ 2,062,796
<i>Net book value</i>			
	£ 5,315,065		£ 14,921,486

Assets in the course of construction constitute the new Postal Headquarters and mechanised Sorting Equipment installed therein. The building was completed in November 2002 and occupied and in use from the beginning of December 2002. At 30 September 2002 the overall project was 90% completed and 45% of the Building had been handed over to Guernsey Post Limited.

Guernsey Post Limited

Notes to the financial statements - continued

9. Stock

30 September
2002
£

Stamps and stationery	103,403
Other stocks	<u>48,011</u>
	£ 151,414

10. Debtors

30 September
2002
£

Postal debtors	1,902,616
Philatelic debtors	138,117
Prepayments	78,427
Other debtors	<u>255,225</u>
	£ 2,374,385

11. Creditors

30 September
2002
£

Amounts falling due within one year

Postal creditors	3,809,886
Agency services balances	994,686
Philatelic customers' balances	187,564
Other creditors	49,323
Dividends payable	517,270
Taxation payable	<u>873,862</u>

£ 6,452,591

Amounts falling due after one year

Taxation payable	211,370
Deferred tax liability	<u>24,960</u>

£ 236,330

Guernsey Post Limited

Notes to the financial statements - continued

12. Share capital and reserves

	General reserve £	Revenue reserve £	Total £
States of Guernsey Post Office Board balance as at 30 September 2001	16,000,000	9,268,801	25,268,801
Adjustments (see note 8)			(2,882,542)
			<u>£ 22,386,259</u>
Converted to share capital 22,386,259 ordinary shares issued at £1 (authorised 40,000,000 ordinary shares)			<u>£ 22,386,259</u>
Revenue reserves:			
Retained profit for the year			<u>£ 1,111,458</u>

The shares were issued in consideration for the net assets and liabilities that were transferred from the Guernsey Post Office Board at their net book value at 1 September 2001, subject to the adjustments as noted in note 8.

13. Reconciliation of operating profit to net cash inflow from operating activities

	30 September 2002 £
Operating profit	2,034,634
Depreciation charges	207,080
(Profit)/loss on disposal of fixed assets	(2,775)
Increase in stock	(1,341)
Increase in debtors	(871,292)
(Decrease)/increase in creditors	<u>861,414</u>
Net cash inflow from operating activities	<u>£ 2,227,720</u>

Movements in stock, debtors and creditors are the movements from the balances acquired at 1 October 2001.

Reconciliation of net cash flow to movement in net funds

	£
Decrease in cash balances	(6,858,720)
Net funds acquired at 1 October 2001	<u>19,598,671</u>
Net funds at 30 September 2002	<u>£ 12,739,353</u>

Guernsey Post Limited

Notes to the financial statements - continued

14. Capital commitments

At 30 September 2002 the company had authorized future capital expenditure as follows:

	30 September 2002 £
New Postal Headquarters and Mechanised sorting equipment Contracted for but not provided	£ 2,342,685

Further details are provided in note 8.

15. Pension Fund

The employees of the company are members of the States of Guernsey Superannuation Scheme. This is a defined benefits pension scheme funded by contributions from both employer and employees at rates, which are determined on the basis of actuarial advice, and which are calculated to spread the expected costs of benefits payable to employees over the period of those employees' expected service lives. An actuarial account was established in accordance with paragraph 1 of the Third Schedule to the States of Guernsey (Public Services) (Pensions and other Benefits) Rules with effect from 1 October 2001, in respect of active members employed by the company with assets of £12,075,000.

The company has used actuarial calculations provided by the actuaries to identify its share of underlying assets and liabilities of the Scheme and to identify the implications of any surplus/deficit on the company, as required by Financial Reporting Standard 17 "Retirement Benefits", (FRS 17) as at 30 September 2002. The calculations have been carried out by a qualified independent actuary, based on the results of the 31 December 2001 actuarial valuation, and allowing for the change in total salaries for active members.

Summary of Financial Assumptions as at 30 September 2002

Discount rate	5.4% pa
Inflation	2.2% pa
Increases to deferred benefits during deferral	2.5% pa
Increases to pensions in payment	2.5% pa
Increases to salaries	3.7% pa

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the time-scale covered, may not necessarily be borne out in practice.

The table below sets out a summary of the estimated market value of the assets as at 30 September 2002 together with the expected return on assets.

Category	Market Value at 30 September 2002		Assumed expected return on assets % pa
	£'000	%	
Equities	7,247	67.6	7.5
Bonds	2,750	25.7	5.4
Cash and Net Current Assets	723	6.7	3.5
Total	10,720	100.0	6.7

Guernsey Post Limited

Notes to the financial statements - continued

15. Pension Fund - continued

The fair value of the schemes assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	Values as at 30 September 2002 £'000
Value of the Scheme Assets	10,720
Value of the Scheme Liabilities	12,595
Resulting Surplus/(Deficit)	(1,875)
Related deferred tax asset	375
Net pension liability	(1,500)

The amount of this net pension liability would also be included in the company's profit and loss reserve.

In respect of the year ended 30 September 2002 the contribution rates were 6.25% and 6% for employer and employee contributions respectively. Prior to the establishment of a separate actuarial account, the company participated in a combined pool within the States of Guernsey Superannuation Scheme. Accordingly, following the establishment of the separate actuarial account the company continued to contribute at the base level rate of 6.25% of company members' salaries.

The full actuarial valuation as at 31 December 2001 recommended an increase in employer contribution rate from 6.25% to 9% effective from 1 January 2002.

As at 30 September 2001, the Pension Fund was part of a combined pool within the States of Guernsey Superannuation Scheme which was treated as a multi-employer arrangement under FRS17. As at that date it was not possible to identify full details of the fund's share of underlying assets and liabilities or the implications of the surplus on the company, as required by FRS17. Such information became available in the full actuarial valuation as at 31 December 2001.

Furthermore, as the company has adopted the transitional rules of FRS17 for the first time in respect of its pension fund, disclosures required by FRS17 for the opening balance sheet have not been provided, but it is intended that full disclosure will be made in future periods.

Consequently disclosures required in relation to the profit and loss account have also not been made as the information is only available for the nine month period from 21 December 2001 to 30 September 2002 and hence would not provide meaningful information in terms of these financial statements.

The total amount of superannuation contributions for the period from 1 October 2001 to 30 September 2002 was £531,471. As at 30 September 2002 the amount of contributions due but not paid to the fund were £42,698.

Guernsey Post Limited

Notes to the financial statements - continued

16. Ownership

The company is wholly owned by the States of Guernsey.

17. Related party transactions

One of the directors, RA Purnell, is also a partner in Ozannes, a local law firm. Amounts paid by the company to Ozannes in respect of legal services during the year ended 31 January 2002 were £16,431.

CP Spencer, a director, is also a shareholder and director of Safedatacom Limited. Amounts paid to this company in respect of computer consultancy services provided to Guernsey Post Limited during the year ended 30 September 2002 were £13,181.

Of the company's annual income and expenditure, less than 2% of their respective value is due to transactions with other States entities.



GUERNSEY ELECTRICITY LIMITED

Report and Financial Statements

31 March 2003

GUERNSEY ELECTRICITY LIMITED
REPORT AND FINANCIAL STATEMENTS



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GUERNSEY ELECTRICITY LIMITED**DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS****Directors**

Mr K A Gregson (non-executive Chairman)
 Mr I Watson (managing)
 Mr I J Limond (finance)
 Mr S J Morris (engineering)
 Mr N F Ozanne (executive)
 Mr K J Guille (non-executive)
 Mr J R Shaw (non-executive)
 Mr R J Tee (non-executive)
 Advocate J H Beattie (non-executive)

Secretary

Mr S B Pattimore

Bankers

Barclays Bank PLC
 P O Box 41
 Le Marchant House
 St Peter Port
 Guernsey
 GY1 3BE

Legal advisers

Ozannes
 1 Le Marchant Street
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 Guernsey
 GY1 4HP

Auditors

KPMG
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 2 Grange Place
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 Guernsey
 GY1 4LD

Registered office

P O Box 4
 Electricity House
 North Side
 Vaie
 Guernsey
 GY1 3AQ

Company number 38692.

GUERNSEY ELECTRICITY LIMITED**REPORT OF THE DIRECTORS****Incorporation**

Guernsey Electricity Limited was incorporated on 24 August 2001.

Transfer of undertaking

In accordance with The States Trading Companies (Bailiwick of Guernsey) Ordinance 2001 the undertaking of the States of Guernsey Electricity Board was transferred and vested in Guernsey Electricity Limited with effect from 1 February 2002. This is in accord with the States resolutions passed at the meeting of the States of Deliberation held on 13 December 2001.

Accounts

The directors present their report and the audited financial statements for the year ended 31 March 2003 (2002: the trading period of two months from the transfer date of 1 February 2002 to 31 March 2002). For information only the profit and loss account for the year ended 31 March 2003 with corresponding figures for the year ended 31 March 2002 is appended to these financial statements.

Principal activities

The principal activities of the Company are the generation, importation and distribution of electricity and the sale of associated goods and services.

Financial Performance

During the year ended 31 March 2003, turnover from electricity sales amounted to £23,803,000 which represents an increase of 4% over the period of twelve months ended 31 March 2002. There were no tariff increases to our customers.

Interest earned amounted to £558,000 for the year, and deferred tax of £251,000 has been provided for.

The profit for the period amounted to £1,001,000 and has been transferred to the profit and loss account.

Dividend

The directors propose the payment of a dividend of £230,000 (2002: £nil), being £0.0021 per share (2002: £nil).

Future prospects

Whilst tariff levels continue unchanged, this year's growth in units sold reflects increased demand from new building projects in the island. The directors are therefore optimistic about the prospects for unit growth.

Customers

The number of customers as at 31 March 2003 is 27,544 (2002: 27,586).

GUERNSEY ELECTRICITY LIMITED**REPORT OF THE DIRECTORS (continued)****Units**

Importation through the cable link between Guernsey, Jersey and the European grid provided 83% of the island needs in the year ended 31 March 2003 and 17% was generated on the island, as shown by the units analysis below:

Units imported MWh	264,326
Units generated MWh	54,065
Total units imported/generated MWh	318,391

Average price

The average price per kWh sold in the year ended 31 March 2003 was 5.05 pence (two months ended 31 March 2002: 8.24 pence)

Reliability

The reliability of Guernsey Electricity's supply is measured by minutes lost per customer. Power failures can be caused by a failure of generation plant, a failure of the distribution network or a failure of the cable link. In the year ended 31 March 2003 customers lost no minutes due to generation activity. However, 68.23 minutes were lost in respect of distribution and the cable link (two months ended 31 March 2002: 1.44 minutes).

Directors and their interests

The Directors of the Company who served during the period and to date are:

Mr K A Gregson (non-executive Chairman)

Mr I Watson (managing)

Mr S J Morris (engineering)

Mr N F Ozanne (executive)

Mr I J Limond (finance)

Mr K J Guille (non-executive)

Mr J R Shaw (non-executive)

Mr R J Tee (non-executive)

Advocate I H Beattie (non-executive). Appointed 1 August 2002

Deputy L C Morgan (appointed 24 August 2001 and resigned 31 January 2002)

Deputy J E Langlois (appointed 24 August 2001 and resigned 31 January 2002)

Mr I J Limond was appointed finance director on 1 August 2002, following his appointment as finance director designate on 20 February 2002.

The directors have no beneficial interests in the shares of the Company.

GUERNSEY ELECTRICITY LIMITED**REPORT OF THE DIRECTORS (continued)****Regulation**

The Director General of the Office of Utility Regulation has granted licences to the Company under the provisions of "The Regulation of Utilities (Bailiwick of Guernsey) Law 2001". The licences were signed on 1 February 2002.

		£,000
Regulatory costs incurred during year ended 31 March 2003:-	external	197
	internal	111
		<u>308</u>

The internal costs represent employees time specifically identified in meeting the requirements of regulation.

Auditors

Deloitte & Touche were appointed the first auditors of the Company and held office until the first Annual General Meeting of the Company when KPMG were appointed subject to the States of Guernsey appointing KPMG as external auditors at the States meeting on 10 July 2002. The States duly approved the proposal to appoint KPMG who have now expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

For and on behalf of the Board of Directors

Ken Gregson
Director

Ian Watson
Director

GUERNSEY ELECTRICITY LIMITED



CORPORATE GOVERNANCE

Directors

In accordance with The States Trading Companies (Bailiwick of Guernsey) Ordinance, 2001 the non-executive directors are appointed by the States of Guernsey on the nomination of the States of Guernsey Advisory & Finance Committee. The first executive directors were appointed by the Advisory & Finance Committee after consultation with the non-executive directors. Further appointments of executive director are made by the Company's Board of Directors.

The Company is controlled through the Board of Directors, which currently comprises five non-executive, and four executive directors. As the Chairman is mainly responsible for the running of the Board, he has to ensure that all directors receive sufficient relevant information on financial, business and corporate issues prior to meetings. The Managing Director's responsibilities focus on running the business and implementing strategy. All directors are able to take independent professional advice in furtherance of their duties if necessary.

The Board monitors the exposure to key business risks and reviews the strategic direction. It also considers environmental and employee issues. The Board has established a number of standing sub-committees and each operates within defined terms of reference. The principal sub-committees are:

- Audit & Risk
- Land & Property
- Remuneration and Nominations

In addition senior management team meetings are held each fortnight.

Directors' remuneration

In accordance with The States Trading Companies (Bailiwick of Guernsey) Ordinance, 2001 the remuneration of the non-executive directors is determined by the States of Guernsey Advisory & Finance Committee. The remuneration of the executive directors is determined by the Company's Remuneration and Nominations Committee, which comprises three non-executive directors.

Relations with the shareholder

The Company's issued share capital is wholly owned by the States of Guernsey. The States Trading Companies (Bailiwick of Guernsey) Ordinance, 2001 provided for the States of Guernsey Advisory & Finance Committee to undertake on behalf of the States the role of shareholder. In accordance therewith the share certificates for the wholly issued share capital are held equally in the names of the President and Vice-President of the States of Guernsey Advisory & Finance Committee as nominees on behalf of the States of Guernsey. Provision is also in place for the States to give guidance to the Advisory & Finance Committee on the policies it wishes to be pursued in fulfilling this role. Each year the Company submits its strategic plan to the Advisory & Finance Committee.

Financial reporting

The Company has a comprehensive system for reporting the financial performance of the Company and each of its business units. Management and the Board of Directors review these monthly. The financial statements for the accounting period ending on the accounting reference date of 31 March are reviewed and signed on behalf of the Board of Directors and will be presented to the shareholder at the forthcoming annual general meeting.

GUERNSEY ELECTRICITY LIMITED**CORPORATE GOVERNANCE (continued)****Internal control**

An ongoing process for identifying, evaluating and managing the significant risks faced by the Company is in place. The monitoring of this process is one responsibility of the Audit & Risk Sub-Committee and a system of developing the way in which the Company captures and assesses its risks has been initiated.

Compliance

All business units have well established compliance procedures.

IT systems

The Company has established controls and procedures over the security of data held on IT systems and has in place comprehensive disaster recovery arrangements. These arrangements are tested regularly and reviewed by an independent consultant.

Internal audit

Internal audit has a significant role in monitoring and reporting on business risks. The internal auditor reports directly to the Audit & Risk Sub-Committee on all such matters.

Risk management

The Board of Directors has overall responsibility for identifying, evaluating and managing major business risks facing the Company. The Audit & Risk Sub-Committee provides assistance to the Board in these matters.

GUERNSEY ELECTRICITY LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period and are in accordance with applicable laws. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 1994, as amended. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



21 March 2003
 States of Guernsey
 Treasury and Finance
 St. Peter's Road
 St. Peter's

Dear Sirs,
 The Guernsey
 Companies
 (Guernsey) Law,
 1994, as amended
 (the Law)

Guernsey Companies (Guernsey) Law,
 1994, as amended (the Law)

Independent auditors' report to the States of Guernsey Advisory and Finance Committee on behalf of the States of Guernsey

We have audited the financial statements on pages 11 to 27

This report is made solely to the company's members, as a body, in accordance with section 64 of The Companies (Guernsey) Law, 1994, as amended. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as disclosed on page 9, the financial statements in accordance with applicable Guernsey law and UK accounting standards. Our responsibilities, as independent auditors, are established in Guernsey by law, the UK Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with The Companies (Guernsey) Law, 1994, as amended. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the group has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of opinion

We conducted our audit in accordance with UK Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with The Companies (Guernsey) Law, 1994, as amended.

KPMG

Chartered Accountant

23 March 2003



2003-03-23 10:00:00

2003-03-23 10:00:00

2003-03-23 10:00:00

GUERNSEY ELECTRICITY LIMITED
PROFIT AND LOSS ACCOUNT
Year ended 31 March 2003

	Note	Year ended 31 March 2003 £,000	Period from 24 August 2001 to 31 March 2002 £,000
TURNOVER	2	20,616	4,770
COST OF SALES		16,020	2,638
GROSS PROFIT		<u>10,596</u>	<u>2,132</u>
NET OPERATING EXPENSES		9,846	1,877
OPERATING PROFIT	4	<u>750</u>	<u>255</u>
Loss on disposal of assets		45	1
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		<u>704</u>	<u>254</u>
Interest receivable	5	558	73
Interest payable	5	(10)	(1)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,252</u>	<u>326</u>
Taxation	7	251	65
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		<u>1,001</u>	<u>261</u>
Dividend proposed		230	-
RETAINED PROFIT FOR THE YEAR / PERIOD		<u>771</u>	<u>261</u>
Retained profit brought forward		261	-
RETAINED PROFIT CARRIED FORWARD		<u>1,032</u>	<u>261</u>

All activities derive from continuing operations.

There were no recognised gains or losses for the current financial period other than as stated in the profit and loss account.



GUERNSEY ELECTRICITY LIMITED

BALANCE SHEET

31 March 2003

	Note	2003 £,000	2002 £,000
TANGIBLE FIXED ASSETS	9	<u>97,118</u>	<u>100,131</u>
CURRENT ASSETS			
Stocks and work in progress	10	2,807	2,468
Debtors and prepayments	11	4,800	4,785
Balances with States Treasury	12	2,627	8,155
Cash at bank and in hand		7	<u>84</u>
		<u>20,241</u>	<u>15,472</u>
CREDITORS: amounts falling due within one year	13	<u>(5,350)</u>	<u>(4,822)</u>
NET CURRENT ASSETS		<u>14,891</u>	<u>10,650</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		112,003	110,781
CREDITORS: amounts falling due after more than one year	14	(1,446)	(1,246)
PROVISION FOR LIABILITIES AND CHARGES	15	(316)	(65)
NET ASSETS		<u>110,241</u>	<u>109,470</u>
SHARE CAPITAL	16	109,209	109,209
PROFIT AND LOSS ACCOUNT		1,032	261
SHAREHOLDER'S FUNDS		<u>110,241</u>	<u>109,470</u>

These financial statements were approved by the Board of Directors on 23 May 2003

Signed on behalf of the Board of Directors

Ken Gregson
Director

Ian Watson
Director

GUERNSEY ELECTRICITY LIMITED



CASH FLOW STATEMENT

Year ended 31 March 2003

	Note	Year ended 31 March 2003 £,000	Period from 24 August 2001 to 31 March 2002 £,000
Net cash inflow from operating activities	17	5,614	1,339
Returns on investments and servicing of finance			
Interest received		558	73
Interest paid		(10)	(1)
Net cash inflow from returns on investments and servicing of finance		548	72
Capital expenditure			
Payments to acquire tangible fixed assets		(2,767)	(700)
Proceeds on disposal of tangible fixed assets		63	-
Customers' contributions towards capital expenditure		865	33
Net cash outflow from capital expenditure		(1,839)	(667)
Net cash inflow before use of liquid resources and financing		4,323	744
Management of liquid resources			
Net cash movements with States Treasury		(4,472)	(757)
Net cash outflow from management of liquid resources		(4,472)	(757)
Decrease in cash	18 & 19	(149)	(13)

Movements in balances with States Treasury are deemed liquid resources in accordance with Financial Reporting Standard 1 (as revised).

GUERNSEY ELECTRICITY LIMITED**NOTES TO THE ACCOUNTS**
Year ended 31 March 2003**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Transfer of undertaking

The Company was established in accordance with the provisions of the States Trading Companies (Bailiwick of Guernsey) Law 2001 (Commencement) Ordinance and the States Trading Company (Bailiwick of Guernsey) Ordinance 2001 to take over the generation, importation and distribution of electricity previously carried out by the States of Guernsey Electricity Board with effect from 1 February 2002. The transfer value of the assets and liabilities introduced, together with the business undertaken in accordance with the enabling legislation, represents cost to Guernsey Electricity Limited. The directors have reviewed the amounts attributed and are satisfied that fair values have been applied therefore no adjustment arises on any aspect of the transferred undertaking.

Sales of electricity

Sales of electricity include the estimated value of unbilled units at the period end. The unbilled units are valued at current tariff rates.

Deferred income

Premium income receivable in respect of lease arrangements entered into is recognised over the initial period of the lease.

Customers' contributions towards capital expenditure are credited in equal annual amounts to the profit and loss account over the estimated life of the assets to which they relate.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Assets transferred from the States of Guernsey Electricity Board as at 1 February 2002 are being depreciated over their residual estimated useful lives from that date applying the periods noted below.

Depreciation is calculated so as to write off the cost of tangible fixed assets over the period of their estimated useful lives using the straight line method. The estimated life of each class of fixed asset is set out below. Depreciation commences in the year of acquisition or on completion of construction when a full year's depreciation will be charged. Any shortfall of depreciation arising on the disposal or write-off of fixed assets is charged to the disposals account and any proceeds arising from the disposal are credited to that account. Land is not depreciated.



GUERNSEY ELECTRICITY LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2003

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation (continued)

	Estimated life in years
Buildings	20 - 30
Cable Link	25
Plant and machinery	10 - 25
- Generation	25
- Distribution	
Distribution network comprising:	
Distributors	25
Meters	15
Cyclocontrol receivers	5
Motor vehicles	5
Furniture and equipment	3 - 10
Minor plant	5 - 10

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. In respect of goods held for resale a provision is made based on the time elapsed since the goods were purchased. Provision is made for other stocks relating to strategic plant based upon the remaining useful economic life of the assets to which they relate.

Leases

Operating lease rentals are charged to profit and loss in equal annual amounts over the lease term.

Deferred taxation

Provision for deferred tax is made in full on timing differences which result in an obligation at the balance sheet date to pay tax at a future date at rates expected to apply when they crystallise based on current tax rates and laws. Deferred tax assets are only recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign exchange

Transactions denominated in foreign currencies are settled at the rates ruling on the settlement day.

Financial instruments

The Company enters into forward exchange contracts to mitigate a large percentage of the risk of fluctuations in the currency rate between the Euro and the Pound Sterling in meeting its financial obligations for the import of electricity units from the European grid. Gains and losses on these contracts are deferred and recognised in the profit and loss account only when the delayed transaction has itself been reflected in the Company's account.

The Company does not hold or issue financial instruments for speculative purposes.

GUERNSEY ELECTRICITY LIMITED


NOTES TO THE ACCOUNTS
Year ended 31 March 2003
1. ACCOUNTING POLICIES (continued)**Pension costs**

The Company continues to apply Statement of Standard Accounting Practice 24 ("SSAP 24"). The costs of the defined benefit scheme are charged to the profit and loss account over the period during which the Company benefits from the employees' services. Surpluses or deficiencies are spread over the expected average remaining working lifetime of employees in proportion to their expected payroll costs. The new pension disclosures under Financial Reporting Standard 17 ("FRS 17") are provided under a separate note to these accounts.

Joint arrangements

The Channel Islands Electricity Grid Limited is a joint arrangement between the Jersey Electricity Company Limited and Guernsey Electricity Limited. The Company was formed to manage the project and the ongoing operation of the cable link.

In accordance with Financial Reporting Standard No. 9, 'Associates and Joint Ventures', these financial statements include the Company's entitlement to the assets, liabilities, cash flows and the shared items of this joint arrangement where the Company's entitlements are fully determined by contracts with the other party to the joint arrangement.

2. TURNOVER

	Year ended 31 March 2003 £,000	Period from 24 August 2001 to 31 March 2002 £,000
Sales of electricity	23,803	4,312
Other sales	2,813	458
	<u>26,616</u>	<u>4,770</u>

All sales of electricity arise from customers in the Island of Guernsey. Other sales are made to customers throughout the Bailiwick of Guernsey.

3. CABLE LINK

The Company has an ongoing obligation to its supplier, Electricité de France, to meet the cost of a minimum amount of electricity. This is a revenue commitment which amounts to approximately £1,660,000 per annum based on the tariff applicable at March 2003. The Company is also committed to contribute towards the reinforcement of the French network. This liability is approximately £412,000 at 31 March 2003 (2002: £520,000) and will be extinguished by 2007 in accordance with the contract for the supply of electricity.

The Company is now party to arrangements entered into on 29 November 1998 with the Jersey Electricity Company Limited, entering into a 35 year lease and lease back arrangements in the amount of £70.13 million in respect of the installation and operation of the interconnector system between France, Jersey and Guernsey. The counterparties in the arrangement are Natwest Offshore Limited and the Royal Bank of Scotland International Limited.

GUERNSEY ELECTRICITY LIMITED



NOTES TO THE ACCOUNTS

Year ended 31 March 2003

3. CABLE LINK (continued)

On entering into the arrangements an initial premium of £1.45 million was received which is being amortised over 15 years (the initial period of the lease). At commencement annual receipts and payments under the lease and lease back arrangements both total £1.25m. This figure is set to escalate at 5% per annum over the duration of the lease. The Company has an unconditional right of set-off of all committed lease payments against lease receipts such that there is no risk that net lease payments will be required.

4. OPERATING PROFIT

Operating profit is after
Charging/(crediting):

	Year ended 31 March 2003 £,000	Period from 24 August 2001 to 31 March 2002 £,000
Depreciation (note 9)	5,865	950
Rentals under operating leases	42	7
Auditors' remuneration - audit	16	8
non-audit services	6	-
Bad debts	6	-
Emoluments - Non-executive directors	31	3
- Executive directors	335	40
Other operating income	(288)	(36)

5. INTEREST

	Year ended 31 March 2003 £,000	Period from 24 August 2001 to 31 March 2002 £,000
Interest receivable:		
Deposits with banks and States Treasury	473	57
Hire purchase	85	16
	558	73
Interest payable:		
Bank overdraft	4	-
Security deposits	6	-
	10	-

GUERNSEY ELECTRICITY LIMITED**NOTES TO THE ACCOUNTS**

Year ended 31 March 2003

6. RECOVERY FROM LIQUIDATOR

Of the £5,350,000 that the States of Guernsey Electricity Board had on deposit with the Bank of Credit and Commerce International when it ceased trading on 5 July 1991, £4,116,833 has been recovered. No distribution was received in the current year (2002: £nil).

Subsequent to the balance sheet date there has been a public announcement of a fourth distribution to creditors of 15% of the claim value. We would expect to receive notification as a creditor in the forthcoming weeks to confirm the exact amount and date of the payment to us.

7. TAXATION**Current taxation**

No charge for Guernsey Income Tax at 20p in the £ arises due to the adjusted loss for tax purposes for the period.

Deferred taxation

Provision of £251,000 (2002: £65,000) for Guernsey Income Tax at 20p in the £ has been made due to timing differences arising from capital allowances exceeding depreciation for the period and unrelieved trading loss for tax purposes.

8. TRANSFER OF UNDERTAKING

In accordance with The States Trading Companies (Bailiwick of Guernsey) Ordinance 2001 the undertaking of the States of Guernsey Electricity Board was transferred and vested in Guernsey Electricity Limited with effect from 1 February 2002.

The net assets acquired by the Company on the transfer of undertaking were:

	1 February 2002 £,000
TANGIBLE FIXED ASSETS	100,708
Current assets	
Fuel stocks	692
Other stocks and work in progress	1,936
Debtors and prepayments	5,113
Balances with the States Treasury	7,398
Cash at bank and in hand	177
	15,316
CREDITORS DUE WITHIN ONE YEAR	(5,668)
NET CURRENT ASSETS	9,648
CREDITORS DUE AFTER MORE THAN ONE YEAR	(1,147)
TOTAL NET ASSETS	109,209

GUERNSEY ELECTRICITY LIMITED


NOTES TO THE ACCOUNTS
Year ended 31 March 2003
B. TANGIBLE FIXED ASSETS

	1 April 2002 £,000	Additions £,000	Written off /disposals £,000	31 March 2003 £,000
Cost				
Land and buildings	24,355	284	45	24,594
Cable link	28,885	17	-	28,902
Plant and machinery:				
Generation	29,185	133	62	29,256
Distribution	4,416	948	15	4,949
Distribution network	13,184	1,589	5	14,768
Motor vehicles, furniture and equipment, minor plant	1,056	190	5	1,241
	<u>101,081</u>	<u>2,761</u>	<u>132</u>	<u>103,710</u>
Depreciation				
Land and buildings	143	931	2	1,072
Cable link	209	1,247	-	1,456
Plant and machinery:				
Generation	362	2,155	17	2,500
Distribution	34	232	-	265
Distribution network	134	810	-	943
Motor vehicles, furniture and equipment, minor plant	68	290	2	356
	<u>950</u>	<u>5,665</u>	<u>23</u>	<u>6,592</u>
Net book value:	<u>100,131</u>			<u>97,118</u>

Included above are assets in the course of construction of £5,855,000 (2002: £4,465,000), which are not depreciated.

GUERNSEY ELECTRICITY LIMITED



NOTES TO THE ACCOUNTS

Year ended 31 March 2003

10. STOCKS AND WORK IN PROGRESS

	£,000	2003 £,000	£,000	2002 £,000
Fuel stocks		711		595
Purchased goods for resale	272		266	
Provision	5	267	10	256
Other stocks	2,501		2,283	
Provision	824	1,777	757	1,526
Work in progress		52		90
		<u>2,807</u>		<u>2,458</u>

11. DEBTORS AND PREPAYMENTS

	2003 £,000	2002 £,000
Estimated value of unbilled units	2,733	2,513
Customer accounts outstanding	1,448	1,767
Other debtors	65	56
Prepayments	554	420
	<u>4,800</u>	<u>4,756</u>

12. BALANCES WITH STATES TREASURY

The treasury department of the States of Guernsey is engaged to invest the Company's liquid funds in excess of its daily requirements.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £,000	2002 £,000
Bank overdraft	205	133
Trade creditors	1,057	1,268
Customer payments received in advance	2,858	2,490
Employed taxes and Social Security	214	242
Deferred income	115	101
Accruals and other creditors	677	588
Dividend payable	230	-
	<u>5,356</u>	<u>4,822</u>

GUERNSEY ELECTRICITY LIMITED


NOTES TO THE ACCOUNTS
Year ended 31 March 2003
14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003 £,000	2002 £,000
Deferred income	<u>1,146</u>	<u>1,246</u>

15. PROVISION FOR LIABILITIES AND CHARGES

	2003 £,000	2002 £,000
Deferred taxation:		
Capital allowances in excess of depreciation	2,427	375
Unrelieved trading loss for tax purposes	<u>(2,111)</u>	<u>(310)</u>
	<u>316</u>	<u>55</u>

16. SHARE CAPITAL

	2003 £,000	2002 £,000
Authorised 125,000,000 shares of £1 each	<u>125,000</u>	<u>125,000</u>
Issued and fully paid 109,208,844 shares of £1 each	<u>109,209</u>	<u>109,209</u>

Two shares were issued on formation of the Company and the remaining 109,208,842 shares were issued to equate to the consideration of £109,208,844 for the net assets acquired by the Company from the States of Guernsey with effect from 1 February 2002 (see note 8)

17. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year ended 31 March 2003 £,000	Period from 24 August 2001 to 31 March 2002 £,000
Operating profit	750	255
Depreciation charge	5,665	950
Deferred income	(115)	(17)
(Increase)/decrease in stocks and work in progress	(339)	159
(Increase)/decrease in debtors and prepayments	(495)	354
Increase/(decrease) in creditors	<u>148</u>	<u>(572)</u>
	<u>5,614</u>	<u>1,339</u>

GUERNSEY ELECTRICITY LIMITED



NOTES TO THE ACCOUNTS

Year ended 31 March 2003

18. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Year ended 31 March 2003 £,000	Period from 24 August 2001 to 31 March 2002 £,000
Decrease in cash in the year / period	(148)	(13)
Cash used to increase liquid resources	4,472	757
Change in net funds	4,323	744
Net funds acquired on transfer of undertaking	-	7,362
Net funds at 1 April	8,106	-
Net funds at 31 March	12,429	8,106

19. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2002 £,000	Cash flows £,000	At 31 March 2003 £,000
Cash			
Cash at bank and in hand	81	(77)	7
Bank overdraft	(133)	(72)	(205)
	(49)	(49)	(198)
Balances with States Treasury	8,155	4,472	12,627
	8,106	4,323	12,429

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	Year ended 31 March 2003 £,000	Period from 24 August 2001 to 31 March 2002 £,000
Shareholder's funds at 1 April brought forward	109,470	109,208
Retained profit for the financial year / period	771	261
Shareholder's funds at 31 March	110,241	109,470

GUERNSEY ELECTRICITY LIMITED**NOTES TO THE ACCOUNTS**

Year ended 31 March 2003

21. COMMITMENTS

Capital commitments for which no provision has been made in these financial statements amounted to £4,650,000 as at 31 March 2003 (2002: £3,409,000).

Operating lease commitments

Commitments to make payments during the next year in respect of an operating lease are as follows:

	2003 £,000	2002 £,000
Land and Buildings		
Lease which expires:		
Within two to five years	42	-
Beyond five years	<u> </u>	<u>42</u>

22. FINANCIAL INSTRUMENTS

The Company's commitment to forward contracts at the balance sheet date was as follows:

	2003 Euros £,000	2002 Euros £,000
Forward contracts	<u>6,100</u>	<u>Nil</u>
	£,000	£,000
Contracted prices	<u>4,175</u>	<u>Nil</u>
Closing value at 31 March	<u>4,212</u>	<u>Nil</u>
Unrecognised losses	<u>(37)</u>	<u>-</u>

All forward contracts mature within twelve months of the balance sheet date

GUERNSEY ELECTRICITY LIMITED


NOTES TO THE ACCOUNTS
Year ended 31 March 2003
23. PENSION FUND

The employees of the Company are members of the States of Guernsey Superannuation Fund. This is a defined benefits pension scheme funded by contributions from both employer and employee at rates which are determined on the basis of independent actuarial advice, and which are calculated to spread the expected cost of benefits payable to employees over the period of those employees' expected service lives.

The States of Guernsey Accounts for the year ended 31 December 2001, including the Superannuation Fund on pages 110 to 112, were approved on 10 July 2002. At note f) to the Fund it was stated that

"... a provisional actuarial valuation of the Superannuation Fund at 31 December 2001 has been carried out.

The results of this valuation, undertaken by the Fund's professional actuaries in line with the guidance set out in FRS 17 indicates that at 31 December 2001 the actuarial value of the assets represented 113.5% of the actuarial value of the accrued liabilities relating to the Scheme members.

A full actuarial valuation of the Fund is in the process of being carried out. The results of this valuation, including any proposed changes to the rates of employers' contributions will, in the normal way be reported in the next Budget Report due to be presented to the States in December 2002."

As the Fund is a multi entity arrangement the States of Guernsey contracted the Fund's qualified independent actuaries to identify the actuarial account for each entity and therefore the value of the pension fund assets and liabilities attributable to this Company. As at 1 February 2002 the actuarial account was valued at £20,711,523, being 115.7% of the actuarial value of the accrued liabilities. The report further recommended the increase of employer's contribution from 8.25% to 8.35% from 1 April 2003 and this has been adopted.

The total amount of superannuation contributions for the year ended 31 March 2003 was £458,000 (2002, two months £74,000) which were all paid during the year.

The Company now recognises the requirements of Financial Reporting Standard 17 ("FRS 17") on Retirement Benefits, and sets out below the disclosures required under the transitional rules

Financial Assumptions	31 March 2003 % p.a.	31 March 2002 % p.a.
Discount rate	5.6	6.2
Inflation	2.6	2.8
Increases to deferred benefits during settlement	2.6	2.9
Increases to pensions in payment	2.7	2.8
Increases to salaries	4.1	4.3

GUERNSEY ELECTRICITY LIMITED



NOTES TO THE ACCOUNTS

Year ended 31 March 2003

23. PENSION FUND (continued)

Market value of scheme assets

	Market value at 31 March 2003		Expected return on assets % p.a.	Market value at 31 March 2002		Expected return on assets % p.a.
	£,000	%		£,000	%	
Equities	12,671	72.9	7.5	17,095	79.0	8.0
Bonds	4,268	24.4	5.1	2,935	14.7	6.2
Cash and net current assets	526	3.0	3.5	1,188	5.7	3.6
	-----			-----		
Market value of the scheme assets	17,466	100.0	6.7	21,278	100.0	7.5
Present value of the scheme liabilities	24,255			19,353		
	-----			-----		
Resulting (Deficit)/Surplus	(6,789)			2,925		
Related deferred tax (assuming Guernsey Income Tax at 20%)	1,358			(585)		
	-----			-----		
Net pension (liability)/asset	(5,431)			2,340		
	-----			-----		

The asset and liability values on the FRS 17 basis reflect market conditions at the Company's year-end date and can be expected to vary greatly from year to year without prejudicing the scheme's long-term ability to provide the required benefits

Balance sheet presentation

	31 March 2003 £,000	31 March 2002 £,000
Net assets excluding pension	110,241	109,470
Pension (liability)/asset	(5,431)	2,340
Net assets including pension	<u>104,810</u>	<u>111,810</u>

Reserves note

	31 March 2003 £,000	31 March 2002 £,000
Profit and loss reserve excluding pension	1,032	261
Pension reserve	(5,431)	2,340
Profit and loss reserve including pension	<u>(4,399)</u>	<u>2,501</u>


GUERNSEY ELECTRICITY LIMITED
NOTES TO THE ACCOUNTS
Year ended 31 March 2003
23. PENSION FUND (continued)
Analysis of the amount chargeable to operating profit

	2003
	£,000
Current service cost	798
Past service cost	0
Total operating charge	<u>798</u>

Analysis of the amount chargeable to other finance costs

	2003
	£,000
Expected return on pension scheme assets	(1,523)
Interest on pension scheme liabilities	<u>1,138</u>
Net return	<u>(485)</u>

Analysis of amount that would be recognised in a statement of total recognised gains and losses (STRGL)

	2003
	£,000
Actual return less expected return on pension scheme assets	(5,725)
Experience gains and loss arising on the scheme liabilities	(1,078)
Changes in assumptions underlying the present value of the scheme liabilities	(3,055)
	<u>(9,859)</u>

Movement during the year

	2003
	£,000
Surplus in scheme at beginning of the year	2,925
Movement in year:	
Current service costs	(798)
Contributions	458
Past service costs	0
Other finance income	485
Actuarial loss	(9,859)
Deficit in scheme at end of the year	<u>(6,789)</u>

GUERNSEY ELECTRICITY LIMITED
NOTES TO THE ACCOUNTS
Year ended 31 March 2003
23. PENSION FUND (continued)

History of experience gains and losses	2003
	£,000
Difference between the actual and expected return on scheme assets:	
amount (£)	(5,726)
percentage of scheme assets	(33%)
Experience gains and losses on scheme liabilities:	
amount (£)	(1,077)
percentage of the present value of the scheme liabilities	(4%)
Total amount recognised in statement of total recognised gains and losses:	
amount (£)	(3,859)
percentage of the present value of the scheme liabilities	(41%)

24. STATEMENT OF CONTROL

The Company is wholly owned and ultimately controlled by the States of Guernsey.

25. RELATED PARTY TRANSACTIONS

There are no disclosable related party transactions in this financial year.

Of the Company's annual income and expenditure, less than 20% of their respective value is due to transactions with other States entities.

**GUERNSEY ELECTRICITY LIMITED****ADDITIONAL INFORMATION**

Year ended 31 March 2003

PROFIT & LOSS ACCOUNT – 12 MONTH COMPARISON

	31 March 2003 £,000	31 March 2002 £,000
TURNOVER	26,816	25,833
COST OF SALES	16,020	15,869
GROSS PROFIT	10,596	10,164
NET OPERATING EXPENSES	9,846	9,928
OPERATING PROFIT	750	236
Loss on disposal of assets	46	58
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST	704	148
Interest receivable	558	411
Interest payable	(10)	(9)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,252	550
Taxation	251	65
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION	1,001	485
Dividend proposed	230	-
RETAINED PROFIT FOR THE YEAR	771	485

The additional information has been prepared from the accounting records of the Company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the independent auditors' report thereon.

APPENDIX II**STATES ADVISORY AND FINANCE COMMITTEE****STRATEGIC AND CORPORATE PLAN**

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

13 August, 2003.

Dear Sir

The draft Strategic and Corporate Plan. (Strategic Land Use Plan), formed part of the 2003 Policy and Resource Plan. The States, without amendment, adopted the draft Plan.

I should, therefore, be grateful if the attached Strategic and Corporate Plan in its definitive form could be published as an Appendix to the Billet for the September 2003 States meeting but as a separate document

Yours faithfully



L.C.Morgan
President
Advisory and Finance Committee

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APPENDIX III

STATES ADVISORY AND FINANCE COMMITTEE

EMERGENCY DISASTER RELIEF

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

22nd August 2003

Dear Sir,

EMERGENCY DISASTER RELIEF

The States Financial Procedures include the following:

"That as regards emergency aid for disasters overseas:

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

The Advisory and Finance Committee wishes to inform the States that on 20 August 2003 it considered a letter dated 18 August 2003 from the President, Overseas Aid Committee proposing that that Committee's 2003 budget be increased by £30,000 for the purpose of contributing to the Disasters Emergency Committee's Appeal in respect of the crisis in Liberia. In view of the scale and nature of the crisis, the Advisory and Finance Committee agreed to the budget increase as requested.

It should be noted that the Overseas Aid Committee has made one grant amounting to £15,000 in the last nine years in respect of **long-term development projects** in Liberia and

considers that it would be entirely appropriate for the States of Guernsey to make a contribution under the terms of the above resolution.

I should be grateful if you would include this Report as an Appendix to the Billet d'Etat for the States meeting for September 2003.

Yours faithfully,

L. C. MORGAN

President
Advisory and Finance Committee

APPENDIX IV



THIS PUBLICATION IS ALSO AVAILABLE ON THE WEB
www.gov.gg/asu

GUERNSEY RETAIL PRICES INDEX

4.3% annual change as at 30 June 2003

At the end of June, Guernsey's annual rate of inflation, as measured by changes in the Index of Retail Prices, was 4.3% compared with 4.7% at the end of the previous quarter. This is a drop of 0.4% on the previous quarter.

Tuesday
 15 July 2003

Issued by:
 Policy and Research Unit
 Sir Charles Frossard House
 P O Box 43
 La Charroterie
 St Peter Port
 Guernsey
 GY1 1FH

The Index Figures at the end of June 2003 were:
 113.3 (Dec 99 = 100)
 134.5 (Mar 1994 = 100)
 161.7 (Dec 1955 = 100)
 242.0 (Dec 1993 = 100)
 365.7 (Dec 1970 = 100)

Period	%	Period	%
3 Months	0.6	2 Years	7.7
6 Months	2.5	3 Years	10.3
9 Months	2.9	4 Years	15.1
12 Months	4.3	5 Years	17.7

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

During the last year, the main contributors to inflation were increases in the Housing, Leisure Services, Food and Motoring groups. Slight increases were also experienced in the Household Goods, Alcohol, Personal Goods and Clothing groups.

The Housing group once again had the largest effect on the annual change with 1.5% out of 4.3%. Leisure Services contributed with 0.6% and Food with 0.5%.

Within the Housing Group, the main factors included an increase in the average mortgage debt, house heating repairs/maintenance, the annual rise of occupants rates and interior and exterior painting. Fees for private tuition, miscellaneous entertainment and the rental of leisure goods contributed to the increase in the Leisure Services group. In general, Food has risen over the year. Car insurance and servicing contributed to the increase in Motoring.

RPI enquiries -
 Tel: 01481 717012
 Fax: 01481 717157
 Internet: www.gov.gg
 Email:
policy.research@gov.gg

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

The main contributors to inflation over the last three months were increases in the costs of fresh food, soft drinks, women's clothing and miscellaneous entertainment. There were also increases in the cost of interior and exterior painting.

Annual % Changes for each quarter

	March	June	September	December
1990	10.2	9.7	10.4	9.8
1991	8.8	8.7	6.1	5.5
1992	4.6	4.1	3.6	3.2
1993	2.3	1.5	1.6	1.4
1994	2.9	2.3	2.0	2.4
1995	3.0	3.5	4.0	3.6
1996	2.6	2.1	2.0	2.8
1997	3.1	4.0	4.4	4.7
1998	4.1	4.0	4.0	3.2
1999	2.1	2.2	1.8	2.4
2000	3.6	4.4	4.5	3.9
2001	3.3	2.3	2.6	1.9
2002	2.9	3.3	3.9	4.4
2003	4.7	4.3		

Next publication date:
 16 October 2003

GUERNSEY RETAIL PRICES INDEX - JUNE 2003

PERCENTAGE CHANGES IN GROUP INFLATION AND THEIR CONTRIBUTION TO OVERALL INFLATION

GUERNSEY INFLATION RATE (-4.3%)

	Weight	Quarterly %Change	Annual %Change	% Contribution
Food	127	4.5	4.0	0.5
Alcoholic Drink	52	2.8	3.5	0.2
Tobacco	19	0.0	7.1	0.1
Housing	216	2.7	6.8	1.5
Fuel, Light and Power	41	-4.4	3.0	0.1
Household Goods	79	0.4	2.1	0.2
Household Services	33	1.2	2.5	0.1
Clothing & Footwear	56	-0.4	4.0	0.2
Personal Goods	49	1.6	3.4	0.2
Motoring Expenditure	85	-1.3	4.1	0.4
Fares/Other Travel	33	-2.3	3.3	0.1
Leisure Goods	63	0.6	-0.2	0.0
Leisure Services	92	-1.1	6.0	0.6
Food Away from Home	55	0.2	2.2	0.1
Overall	1000			
All Items				4.3

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

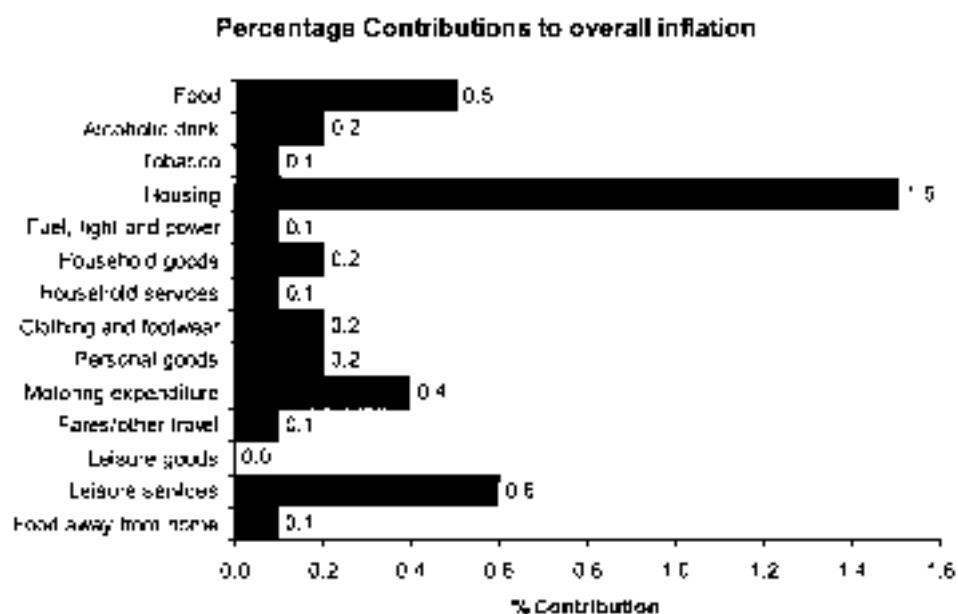
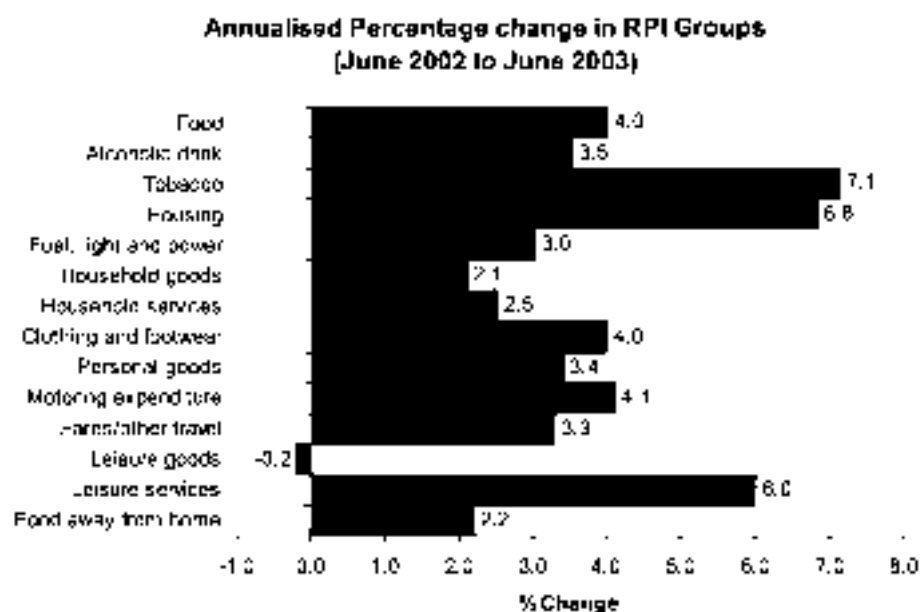
Retail Prices Index (RPI)

The RPI is a measure of inflation in Guernsey. It can be defined as "an average measure of change in the prices of goods and services bought for the purpose of consumption by the vast majority of 'households' (RPI Technical Manual, Office for National Statistics, 1998).

Goods and services that consumers purchase have a price, and these will vary over time. The RPI is designed to measure such changes. Imagine a very large shopping basket (over 2,000 items) comprising all the different kinds of goods and services bought by a typical household. As the prices of individual items in this basket vary, the total cost of the basket will vary. The RPI is a measure of the change from quarter to quarter in this total cost.

No two households spend their money in exactly the same way and this basket of goods is compiled using spending pattern data from the Household Expenditure Survey. This is carried out every five years, hence the RPI index base is reset to 100 e.g. Dec 1989 = 100, Mar 1994 = 100 etc. The RPI while not applying precisely to any one household or person, will be close to the experience of inflation for the great majority of households.

GUERNSEY RETAIL PRICES INDEX - JUNE 2003



GUERNSEY RETAIL PRICES INDEX - JUNE 2003

RPI comparison with Jersey and the UK

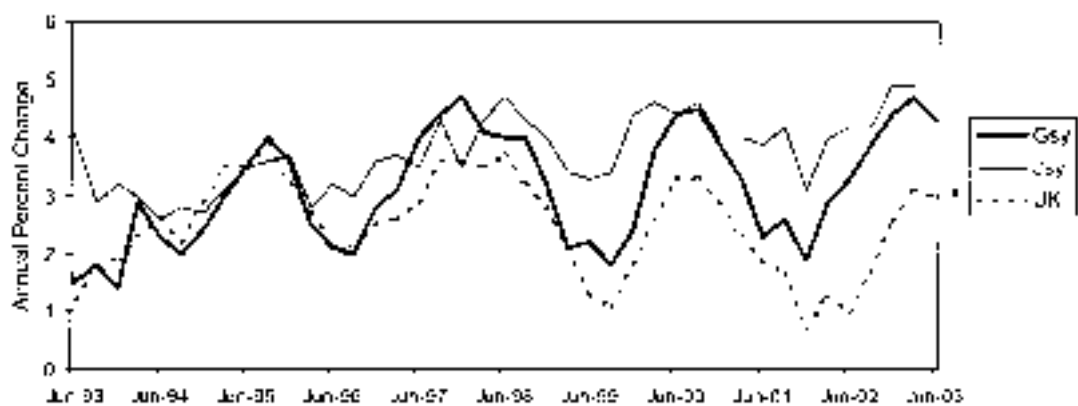
Guernsey and Jersey tend to run at a higher rate than the UK, see chart below. The chart shows that inflation in Guernsey follows the general trends of the UK inflation rate albeit at a higher level.

At the time of publication, the UK and Jersey RPI figures for June were not available.

The UK headline rate for May 2003 was 3.0%.

		Annual Movements			Quarterly Movements		
		Guernsey	UK	Jersey	Guernsey	UK	Jersey
1998	Mar	4.1	3.5	4.3	0.9	0.5	1.7
	June	4.0	3.7	4.7	0.9	1.5	1.2
	Sept	4.0	3.2	4.3	1.0	1.0	0.9
	Dec	3.2	2.8	4.0	0.4	0.0	0.2
1999	Mar	2.1	2.1	3.4	-0.2	-0.2	1.1
	June	2.2	1.3	3.3	1.0	0.9	1.1
	Sept	1.8	1.1	3.4	0.4	0.5	0.8
	Dec	2.4	1.5	4.4	1.1	0.7	1.1
2000	Mar	3.8	2.5	4.8	1.2	0.3	1.3
	June	4.4	3.3	4.4	1.8	1.8	1.0
	Sept	4.5	3.3	4.6	0.7	0.4	1.1
	Dec	3.9	2.9	4.0	0.5	0.3	0.5
2001	Mar	3.3	2.3	4.0	0.6	0.0	1.4
	June	2.3	1.9	3.9	0.8	1.3	0.9
	Sept	2.8	1.7	4.2	0.8	0.1	1.3
	Dec	1.9	0.7	3.1	-0.1	-0.7	-0.8
2002	Mar	2.9	1.3	4.0	1.6	0.6	2.3
	June	3.3	1.0	4.2	1.0	1.0	1.1
	Sept	3.9	1.7	4.2	1.4	0.8	1.3
	Dec	4.4	2.9	4.9	0.4	0.5	0.1
2003	Mar	4.7	3.1	4.9	1.9	0.8	2.4
	June	4.3			0.6		

Annual Rate of Inflation - Guernsey, Jersey and the UK



* UK figure is for May 2003

Team:

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APPENDIX V

STATES CIVIL SERVICE BOARD

GENERAL SALARY SCALES OF THE ESTABLISHED STAFF

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

29 July, 2003.

Dear Sir

In accordance with States Resolution XXXVI of 28 October 1987, as amended, I have the honour to enclose for publication as an Appendix to a Billet d'Etat, details of the salary minima and maxima of the Established Staff general grades applying from 1 May 2003, following the completion of negotiations to determine Civil Service salaries. The number of staff by grades is also detailed.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'A. Saavarin', with a horizontal line underneath.

A Saavarin
President
Civil Service Board

ESTABLISHED STAFF OF THE STATES OF GUERNSEY
The Salary Minima & Maxima of the General Grades

	At 1/5/03	
	£	
Senior Officer 12	91982/103710	Note 1
Senior Officer 11	84061/94779	
Senior Officer 10	76827/86621	
Senior Officer 9	70216/79165	
Senior Officer 8	64170/72354	
Senior Officer 7	58651/66126	
Senior Officer 6	53602/60439	
Senior Officer 5	48988/55237	
Senior Officer 4	44770/50479	
Senior Officer 3	40917/46134	
Senior Officer 2	37396/42162	
Senior Officer 1	34174/38535	
Executive Grade V	32091/33916	Note 2
Executive Grade IV	29538/31217	
Executive Grade III	26877/28651	
Executive Grade II	24241/25967	
Executive Grade I	21549/23307	
Administrative Assistant 2	17788/20305	Note 3
Administrative Assistant 1	13597/17367	
Clerical Assistant	10621/13597	
Personal Assistant 2	23782/26370	Note 4
Personal Assistant 1	20770/22960	
Typist C	18417/20111	
Typist B	12718/18417	
Typist A	10677/15653	
Other Grades	8767/12956	Note 5

There are 1859 Established Staff in total on the general grades. (All establishment figures as at 31/1/03)

- Note 1 There are 285 staff (15% of total) on the Senior Officer grades.
- Note 2 There are 781 staff (42% of total) on the Executive Grades.
- Note 3 There are 522 staff (28% of total) on the Administrative Assistant, Clerical Assistant and equivalent grades.
- Note 4 There are 113 staff (6% of total) on the Personal Assistant and Typist grades.
- Note 5 There are 158 staff (9% of total) on other grades i.e. Non Standard, Miscellaneous, Home Staff, School Administration Assistant and Classroom Assistant whose salaries broadly span Clerical Assistant to Executive Grade V.

IN THE STATES OF THE ISLAND OF GUERNSEY

ON THE 24TH DAY OF SEPTEMBER, 2003

The States resolved as follows concerning
Billet d'Etat No. XXI dated 5th September, 2003

PROJET DE LOI

entitled

**THE REGULATION OF INVESTIGATORY POWERS (BAILIWICK OF GUERNSEY)
LAW, 2003**

- I. To approve, subject to the following amendment, the Projet de Loi entitled "The Regulation of Investigatory Powers (Bailiwick of Guernsey) Law, 2003", and to authorise the Bailiff to present a most humble Petition to Her Majesty in Council praying for Her Royal Sanction thereto.

AMENDMENT

1. In section 18 of the Projet (printed on page 47 of the Brochure to the Billet) after subsection (8), add the following –

“(9) A notice under subsection (4) may require -

- (a) the person to whom the notice is given, and
- (b) every other person who becomes aware of it or of its contents,

to keep secret the giving of the notice, its contents and the things done in pursuance of it.

(10) A person who makes a disclosure to any other person of anything that he is required by a notice under subsection (4) to keep secret shall be guilty of an offence and liable -

- (a) on conviction on indictment, to imprisonment for a term not exceeding five years or to a fine, or to both;
- (b) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding level 5 on the uniform scale, or to both.

(11) In proceedings against any person for an offence under this section in respect of any disclosure, it shall be a defence for that person to show that he could not reasonably have been expected, after being given the notice or (as the case may be) becoming aware of it or of its contents, to take steps to prevent the disclosure.

(12) In proceedings against any person for an offence under this section in respect of any disclosure, it shall be a defence for that person to show that -

- (a) the disclosure was made by or to an Advocate or other professional legal adviser in connection with the giving, by the Advocate or adviser to any client of his, of advice about the effect of provisions of this Chapter; and
- (b) the person to whom or, as the case may be, by whom it was made was the client or a representative of the client.

(13) In proceedings against any person for an offence under this section in respect of any disclosure, it shall be a defence for that person to show that the disclosure was made by an Advocate or other professional legal adviser -

- (a) in contemplation of, or in connection with, any legal proceedings; and
- (b) for the purposes of those proceedings.

(14) Neither subsection (12) nor subsection (13) applies in the case of a disclosure made with a view to furthering any criminal purpose.

(15) In proceedings against any person for an offence under this section in respect of any disclosure, it shall be a defence for that person to show that the disclosure was confined to a disclosure made to the Commissioner or authorised -

- (a) by the Commissioner;
- (b) by the terms of the notice;
- (c) by or on behalf of the person who gave the notice; or
- (d) otherwise authorised under this Law or any other enactment.

(16) In proceedings for an offence under this section against a person other than the person to whom the notice was given, it shall be a defence for the person against whom the proceedings are brought to show that

he neither knew nor had reasonable grounds for suspecting that the notice contained a requirement to keep secret what was disclosed.”

2. In section 41 of the Projet (printed on page 87 of the Brochure to the Billet), for subsection (1) substitute the following -

“(1) This section applies –

- (a) where it is not reasonably practicable for Her Majesty’s Procureur to consider an application for an authorisation under section 40;
- (b) where the case is urgent; or
- (c) in such circumstances as Her Majesty’s Procureur directs.”

PROJET DE LOI

entitled

THE PREVENTION OF CORRUPTION (BAILIWICK OF GUERNSEY) LAW, 2003

- II. To approve the Projet de Loi entitled "The Prevention of Corruption (Bailiwick of Guernsey) Law, 2003", and to authorise the Bailiff to present a most humble Petition to Her Majesty in Council praying for Her Royal Sanction thereto.

PROJET DE LOI

entitled

LA SOCIÉTÉ GUERNESIAISE (INCORPORATION) LAW, 2003

- III. To approve the Projet de Loi entitled "La Société Guernesiaise (Incorporation) Law, 2003", and to authorise the Bailiff to present a most humble Petition to Her Majesty in Council praying for Her Royal Sanction thereto.

THE HOUSING (CONTROL OF OCCUPATION) (AMENDMENT OF HOUSING REGISTER) ORDINANCE, 2003

- IV. To approve the draft Ordinance entitled "The Housing (Control of Occupation) (Amendment of Housing Register) Ordinance, 2003" and to direct that the same shall have effect as an Ordinance of the States.

THE HARBOURS (AMENDMENT) ORDINANCE, 2003

- VI. To approve the draft Ordinance entitled "The Harbours (Amendment) Ordinance, 2003", and to direct that the same shall have effect as an Ordinance of the States.

STATES COMMITTEE FOR HORTICULTURE

NEW PRESIDENT

- VII. To elect Douzaine Representative W. Le R. Robilliard as President of the States Committee for Horticulture to complete the unexpired portion of the term of office of the late Deputy P. A. C. Falla, namely, to the 31st May, 2005.

ORDINANCE LAID BEFORE THE STATES

**THE REFORM (GUERNSEY) (AMENDMENT) LAW, 2003
(COMMENCEMENT) ORDINANCE, 2003**

In pursuance of the proviso to paragraph 66 of the Reform (Guernsey) Law, 1948, as amended, the Reform (Guernsey) (Amendment) Law, 2003 (Commencement) Ordinance, 2003 made by the States Legislation Committee on the 28th July, 2003 was laid before the States.

STATES ADVISORY AND FINANCE COMMITTEE

AMENDMENT TO THE CUSTOMS AND EXCISE (GENERAL PROVISIONS) (BAILIWICK OF GUERNSEY) LAW, 1972

- XII. After consideration of the Report dated the 13th August, 2003, of the States Advisory and Finance Committee:-
1. That the legislation in force in Guernsey relating to impôts shall be repealed and replaced by amendments to the Customs and Excise (General Provisions) (Bailiwick of Guernsey) Law, 1972 in accordance with the proposals set out in that Report.
 2. To direct the preparation of such legislation as may be necessary to give effect to their above decision.

STATES ADVISORY AND FINANCE COMMITTEE

ALDERNEY – ISLAND HALL AND COURT BUILDING RENOVATIONS

- XIII. After consideration of the Report dated the 15th August, 2003, of the States Advisory and Finance Committee:-

Subject to the approval of the States of Alderney -

1. (a) To authorise the renovation and conversion of the Island Hall, Alderney for use as office accommodation and public use.
- (b) To authorise the States of Alderney to accept the tender submitted by ABC (1982) Ltd. in the sum of £651,459.
- (c) To vote the States of Alderney a credit of £760,000 to cover the costs of the above works, which sum shall be taken from the States of Alderney's capital allocation.
2. To authorise the States Advisory and Finance Committee to approve the acceptance of all tenders in respect of the repairs to the Court Building and to approve a capital vote to be charged to the capital allocation of the States of Alderney
3. To note the States of Alderney's Policy and Finance Committee's intention to sell St. Anne's House to part fund these projects.

STATES ADVISORY AND FINANCE COMMITTEE

PROPOSALS FOR COMPREHENSIVE EQUAL STATUS AND FAIR TREATMENT LEGISLATION

- XIV. After consideration of the Report dated the 20th August, 2003, of the States Advisory and Finance Committee:-
1. That legislation shall be enacted along the lines set out in that Report to make discrimination unlawful and to promote equality of opportunity and diversity.
 2. To direct the preparation of such legislation as may be necessary to give effect to their above decision.
 3. To agree that once the new enabling Law is in place:
 - (a) proposals for an Ordinance dealing with gender discrimination should be brought forward at an early stage for consideration by the States; and
 - (b) HM Government should be requested to include Guernsey in the United Kingdom's ratification of the International Convention on the Elimination of all forms of Discrimination against Women (see paragraphs 16 – 19 of that Report) at the earliest practical opportunity.

STATES ADVISORY AND FINANCE COMMITTEE

LEGISLATION FOR RACIALLY MOTIVATED CRIME

- XV. After consideration of the Report dated the 20th August, 2003, of the States Advisory and Finance Committee:-
1. That legislation shall be enacted as set out in that Report concerning racially motivated offences.
 2. To direct the preparation of such legislation as may be necessary to give effect to their above decision.

GUERNSEY SOCIAL SECURITY AUTHORITY

BENEFIT AND CONTRIBUTION RATES FOR 2004

XVI. After consideration of the Report dated the 20th August, 2003, of the Guernsey Social Security Authority:-

1. That, with effect from the 5th January, 2004, the standard rates of social insurance benefits shall be increased to the rates set out in paragraph 23 of that Report.
2. That, with effect from the 5th January, 2004, the standard rate of survivor's grant/bereavement payment shall be £1,220.
3. That maternity grant shall be increased to £248.00 in respect of confinements which take place on or after 5th January, 2004;
4. That the full rate amount of death grant payable in respect of the death of a person on or after 5th January, 2004 shall be £385.00
5. That, with effect from the 1st January, 2004, for employed and self-employed persons the upper weekly earnings limit, the upper monthly earnings limit and the annual upper earnings limit shall be £621, £2,691 and £32,292 respectively.
6. That, with effect from the 1st January, 2004, for non-employed persons the upper and lower annual income limits shall be £32,292 and £11,310 respectively.
7. That the minimum (special rate) Class 3 contribution and the voluntary non – employed contribution shall be aligned at £12.40 per week from 1 January 2004.
8. That, with effect from the 1st January, 2004, the States Grant to the Guernsey Insurance Fund shall be reduced from 57% to 50% of contributions income to that Fund.
9. That the Social Insurance (Guernsey) Law, 1978, as amended, be further amended to enable the Fund to assist those people in receipt of social insurance benefits to embark upon work rehabilitation programmes.
10. That, with effect from 1st January, 2004, the medical benefits provided under the Health Service (Benefit) Guernsey Law, 1991, in respect a medical consultation with an approved doctor or approved nurse, shall be increased to £12 and £6 respectively, subject to an independent review of consultation fees in Guernsey and Alderney being undertaken.
11. That, with effect from the 1st January, 2004, the prescription charge per item of pharmaceutical benefit shall be £2.30.

12. That, with effect from the 5th January, 2004, the contribution (co-payment) required to be made by the claimant of care benefit, under the long-term care insurance scheme, shall be £126 per week.
13. That, with effect from the 5th January, 2004, 'care benefit' shall be a maximum of £539 per week for persons resident in a nursing home or the Guernsey Cheshire Home and a maximum of £290.50 per week for persons resident in a residential home.
14. That, with effect from the 5th January, 2004, 'respite care benefit' shall be a maximum of £665 per week for persons receiving respite care in a nursing home or the Guernsey Cheshire Home and a maximum of £416.50 per week for persons receiving respite care in a residential home.
15. That, with effect from the 9th January, 2004, the normal requirements of a person for the purposes of paragraph 5 of Part II of the First Schedule to the Supplementary Benefit (Implementation) Ordinance, 1971, shall be the appropriate amount set out in paragraph 92 of that Report.
16. That, with effect from the 9th January, 2004, the limit of the weekly income for the purposes of paragraph 3 of Part 1 of the First Schedule to the Supplementary Benefit (Implementation) Ordinance 1971 shall be:
 - (a) £263 for a person whose requirements are in accordance with paragraph 5 of the Schedule;
 - (b) £363 for a person who is residing in a residential home and whose requirements are in accordance with paragraph 7 of the Schedule;
 - (c) £522 for a person who is residing as a patient in a hospital, nursing home or the Guernsey Cheshire Home, whose requirements are in accordance with paragraph 7 of the Schedule.
17. That, with effect from the 9th January, 2004, the amount of the personal allowance payable to persons in residential or nursing homes who are in receipt of supplementary benefit shall be £20 per week.
18. That a supplementary fuel allowance, for supplementary beneficiaries who are householders, of £14 per week be paid, for 31 weeks, from 24th October, 2003.
19. That the Supplementary Benefit (Implementation) Ordinance, 1971, as amended, be further amended:
 - (a) to enable the Administrator, when determining a rent allowance, to have regard, in addition to the circumstances of the claimant, to the nature and extent of the accommodation;
 - (b) to make it clear that for the purposes of Section 18 to the First Schedule to the 1971 Ordinance, a person shall be treated as having

deprived himself of a resource if he neglects to claim, or waives or abandons any right or benefit to which he is legally entitled;

- (c) to enable the value of assets which cannot be realised immediately to be disregarded temporarily.
20. (a) That, with effect from the 6th January, 2004, the allowance payable under the Family Allowances (Guernsey) Law, 1950, as amended, shall be increased from £11.25 to £11.75 per week; and
- (b) that, with effect from 6th January, 2004, the cost of providing for a child (for the purposes of determining in whose family a child not living with his parents is to be included under the Law), shall be increased from £11.25 to £11.75.
21. That, with effect from the 5th January, 2004, the rates of attendance allowance and invalid care allowance and the annual income limits shall be as set out in paragraph 109 of that Report.
22. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

STATES PUBLIC ASSISTANCE AUTHORITY

PUBLIC ASSISTANCE BENEFIT RATES FOR 2004

XVII. After consideration of the Report dated the 19th August, 2003, of the States Public Assistance Authority:-

1. That the ordinary maximum rates of public assistance for the purposes of paragraph 10 of the Schedule to the Central Outdoor Assistance Board Regulations, as amended, shall be those set out in paragraph 3 of that Report.
2. That the limitation of weekly income in paragraph 2 (2) of the Schedule to the Regulations shall be £263.00.
3. That propositions 1. and 2. above shall have effect from 9 January 2004.
4. That a winter fuel allowance at a maximum of £14.00 per week shall be payable at the discretion of the Relieving Official to a person in receipt of public assistance in the period 7 November 2003 to 26 March 2004, inclusive.
5. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

IN THE STATES OF THE ISLAND OF GUERNSEY

ON THE 25TH DAY OF SEPTEMBER, 2003

(Meeting adjourned from 24th September, 2003)

The States resolved as follows concerning
Billet d'Etat No. XXI dated 5th September, 2003

STATES BOARD OF INDUSTRY

NEW MEMBER

- VIII. To elect Douzaine Representative M. H. Dorey as a member of the States Board of Industry to complete the unexpired portion of the term of office of the late Deputy P. A. C. Falla, namely, to the 31st May, 2004.

STATES TRANSPORT BOARD

NEW MEMBER

- IX. To elect Deputy B. J. Gabriel as a member of the States Transport Board to complete the unexpired portion of the term of office of the late Deputy P. A. C. Falla, namely, to the 31st May, 2004.

STATES GAMBLING CONTROL COMMITTEE

NEW MEMBER

- X. To elect Deputy G. Guille as a member of the States Gambling Control Committee to complete the unexpired portion of the term of office of the late Deputy P. A. C. Falla, namely, to the 31st May, 2005.

STATES PROBATION SERVICE COMMITTEE

NEW MEMBER

- XI. To elect Deputy P. L. Derham as a member of the States Probation Service Committee to complete the unexpired portion of the term of office of the late Deputy P. A. C. Falla, namely, to the 31st May, 2005.

IN THE STATES OF THE ISLAND OF GUERNSEY

ON THE 26TH DAY OF SEPTEMBER, 2003

(Meeting adjourned from 25th September, 2003)

The States resolved as follows concerning
Billet d'Etat No. XXI dated 5th September, 2003

**THE GUERNSEY GAMBLING CONTROL COMMISSION (CASINO
GAMING) (FEES) ORDINANCE, 2003**

- V. To approve the draft Ordinance entitled "The Guernsey Gambling Control Commission (Casino Gaming) (Fees) Ordinance, 2003", and to direct that the same shall effect as an Ordinance of the States.

STATES COMMITTEE FOR HOME AFFAIRS

THE USE OF MOBILE TELEPHONES BY DRIVERS

- XVIII. After consideration of the Report dated the 23rd July, 2003, of the States Committee for Home Affairs:-

1. That legislation shall be enacted, as set out in that Report, to create an offence of driving a motor vehicle on a road whilst holding a telephone in any way whilst the vehicle is in motion.
2. To direct the preparation of such legislation as may be necessary to give effect to their above decision.

STATES BOARD OF HEALTH

SITE DEVELOPMENT PLAN UPDATE

- XIX. After consideration of the Report dated the 21st August, 2003, of the States Board of Health:-

1. To note the progress made by the States Board of Health in implementing its site development plan since its last report on that matter in 1999.
2. To note the intention of the States Board of Health to provide a further report to the States in 2006, updating on progress with the site development plan.

3.
 - (1) To approve the States Board of Health's proposals for progressing the next stage of its site development plan as set out in section 3 of that Report.
 - (2) to vote the States Board of Health a credit of £5,242,700 to cover the planning costs of the above (including consultants' fees), such sum to be charged to the capital allocation of that Board;
 - (3) to authorise the States Advisory and Finance Committee to approve the acceptance of all appointments and tenders in connection with the planning costs;
 - (4) to authorise the States Advisory and Finance Committee to transfer an appropriate sum from the Capital Reserve to the capital allocation of the States Board of Health in respect of the planning costs;
 - (5) to authorise the States Advisory and Finance Committee to transfer appropriate sums from the Capital Reserve in respect of the property purchases referred to in paragraphs 3.6 and 3.25 of that Report.
4.
 - (1) to approve the extension and redevelopment of the Mignot Memorial Hospital, as set out in paragraphs 3.26 to 3.30 of that Report at a total cost not exceeding £3,450,000;
 - (2) to authorise the States Advisory and Finance Committee to approve the acceptance of all tenders in connection with that project and to approve a capital vote, not exceeding £3,450,000, such sum to be charged to the capital allocation of the States Board of Health;
 - (3) to authorise the States Advisory and Finance Committee to transfer an appropriate sum from the Capital Reserve to the capital allocation of the States Board of Health in respect of that project.
5.
 - (1) To note that the States Board of Health, in conjunction with the States Advisory and Finance Committee and for planning purposes only, will work on the basis of £24,027,000 being made available in 2004, for the next stage of the site development plan, comprising the schemes for staff accommodation and acute mental health services;
 - (2) to note that the States Board of Health, in conjunction with the States Advisory and Finance Committee and for planning purposes only, will work on the basis of £24,634,300 being made available in 2006, for the following stage of the site development plan, comprising the schemes relating to a new clinical block.
6. To note the States Board of Health's intention, on completion of these elements of the site development plan, to replace the remaining 1930's buildings and refurbish surgical facilities on the Princess Elizabeth Hospital site and to redevelop the King Edward VII Hospital.

STATES HOUSING AUTHORITY

SCHEMES FOR THE PROVISION OF AFFORDABLE HOUSING – LEGISLATIVE REQUIREMENTS

XXI. After consideration of the Report dated the 11th August, 2003, of the States Housing Authority:-

1. That legislation shall be enacted along the lines set out in paragraphs 19, 21, 22 and 23 of that Report concerning partial ownership and assisted purchase schemes.
2. That the Order in Council entitled The Document Duty (Guernsey) Law 1973, as amended and the Ordinances under it, shall be amended along the lines set out in paragraphs 24 to 28 of that Report.
3. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

STATES HOUSING AUTHORITY

SALE OF INCOMPATIBLE STATES HOUSE – LA PLANQUE FARM

XXII. After consideration of the Report dated the 11th August, 2003, of the States Housing Authority:-

1. To agree the sale of the property known as La Planque Farm, Les Ozouets, St. Peter Port.
2. To authorise the States Advisory and Finance Committee to approve the terms under which the property is sold.
3. That the net proceeds of the sale be credited to the States Houses Fund to assist with the funding of replacement States' housing stock.

STATES TOURIST BOARD

HOTEL CASINO CONCESSION

XXIII. After consideration of the Report dated the 21st August, 2003, of the States Tourist Board:-

That a concession under the provisions of the Hotel Casino Concession (Guernsey) Law, 2001, shall be granted to St. Pierre Park Hotel Limited in respect of the premises to be known as the St. Pierre Park Hotel and Casino Resort, Rohais, Saint Peter Port:-

- (a) provided that the conditions precedent set out in Appendix A to that Report are satisfied within 3 years of the date of the making of the resolution; and
- (b) subject to the conditions appearing in Appendix B to that Report.

Consideration of the remaining items in this Billet d'Etat was POSTPONED until the meeting of the States to be convened for 29th October, 2003.

D. R. DOREY
HER MAJESTY'S DEPUTY GREFFIER